



GREGG COUNTY, TEXAS

FY06-07 Adopted Budget

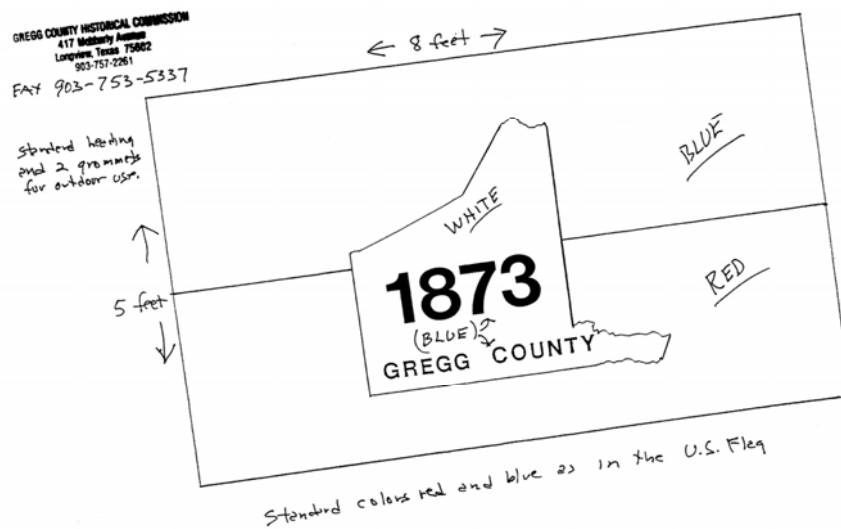


The 2007 fiscal year budget is dedicated in memory of Dr. Norman W. Black, DDS (1926-2005), whose love of Gregg County and its heritage was immeasurable. Dr. Black's contribution to historical preservation was most visible during his 43-year membership on the Gregg County Historical Commission. He joined in 1962 and served as chairman from 1988 until his death.

The Gregg County flag was designed by Dr. Black and adopted by the Commissioners Court in 1989. The flag was modeled after the Texas flag, with a red field on the bottom and a blue field on top. In the center of the flag is a white silhouette of Gregg County, with blue lettering of the county's name and 1873, the year Gregg County was organized.

In a Longview News-Journal article dated June 13, 1989, Dr. Black said 'he hopes to see the county fly the flag on the pole in front of the courthouse, underneath the United States and Texas flags.'

It's still there, Dr. Black, and it will be there for many years to come.



Dr. Black is greatly missed by all who knew him. His service to this county and his love of Gregg County history will forever be honored.

Bill Stoudt
Gregg County Judge

GREGG COUNTY

FY2007

Approved Budget



**FOR THE FISCAL YEAR
BEGINNING OCTOBER 1, 2006
AND ENDING SEPTEMBER 30, 2007**

This page was left blank intentionally.

TABLE OF CONTENTS

	Page No.
Transmittal Letter	1
<u>Executive Summary</u>	
State Imposed Issues	2-4
Strategic Issues: Short Term.....	4-8
Strategic Issues: Long Term.....	8-9
Regional Strategic Issues.....	10-12
GFOA Distinguished Budget Presentation Award	13
Order Adopting FY07 Budget	14
<u>Overview</u>	
Texas County Government.....	17
Gregg County Commissioners Court and County Leadership	18
Organization Chart	19
County Precincts Map	20
Local Environment	21-22
History of Gregg County	22-24
County Policy & Long Range Goals	25-30
Mission Statement, Vision, Goals.....	25
Budget Policies	26
Accounting Policies (includes Revenue & Expenditures)	27
Cash Management Policies	28
Debt Policies.....	29
Capital Acquisition & Capital Improvement Policies.....	29
Economic Development Policies	29
Community Involvement Policies.....	30
Budget Operations	31-34
Budget Calendar for FY07 Budget.....	35-36
Accounting Operations.....	37
Cash Management: Investments, Reserves, Fund Balances.....	37-39
Debt Service Operations (Outstanding Obligations).....	40-42
Capital Projects Operations	43-48
Capital Asset Guide Summary	49
FY07 Capital Expenditures Schedule.....	50
Taxation and Budget Issues.....	51-53
Tax Levy Order	54
Personnel, Positions and Fringe Benefits	55-59

TABLE OF CONTENTS

Financial Summaries and Charts

Financial Summaries Overview	63-64
Accounting Funds Overview	64-65
Recapitulation of FY 2007 Adopted Budget By Function.....	66
Recapitulation of FY 2007 Adopted Budget By Category	67
FY 2007 Adopted Budget: Operating And Non-Operating Funds	68
Budget Summary For All Funds	69
Budget Summary Trends	70-79
Sources of Revenue :& Revenue Summaries	80-88
Expenditures Comparison by Category	89
Expenditures Comparison by Function.....	90
Departmental Expenditure Budgets - All Funds.....	91-93
FY06 Budgeted to Actual Results Comparison.....	94-96

Departmental Budgets

Departmental Budgets Index.....	99-100
Departmental Budgets Overview	101
Departmental Budgets.....	102-212

Additional Material

Glossary	215-220
County Demographics	221-223
Principal Taxpayers	224
Juvenile Services Fund	225-226
Budget Statutes	227-229
County Directory	230-232



Bill Stoudt
Gregg County Judge

101 East Methvin, Suite 300
Longview, Texas 75601

903/236-8420
903/237-2699 (Fax)

Date: October 1, 2006

To: Gregg County Constituents, Members of the Gregg County Commissioners' Court, Elected Officials, and Appointed Officials

From: Bill Stoudt, County Judge
Linda Bailey, Budget Director

Re: Fiscal Year 2007 Budget

Respectfully, we submit the adopted Fiscal Year 2007 Budget. The Commissioners' Court adopted the budget and the tax rate on August 30, 2006. This budget includes the fiscal year period beginning October 1, 2006 and ending September 30, 2007 and represents a balanced budget, with revenues exceeding expenditures in accordance with budget policy.

Revenues estimated for FY07 are \$38,862,258 with \$3.9 million in additional airport grant funds for total revenue of \$42,783,199. As shown on page 84, property tax revenues are 42% of the total revenue budget. The airport grant of \$4.05 million caused intergovernmental revenues to increase from 9 to 11%. Additionally sales and other tax revenue decreased from 33 to 29%, and remaining sources were relatively flat.

Appropriations for FY07 are \$34,036,353, with additional funds of \$4.05 million for an airport capital grant and \$4.1 million in unfunded mandates, road and other improvements, for a total of \$42,205,218.

The Gregg County elected and appointed officials have been diligent in their efforts to curb spending and seek external sources of funding when available. The following Executive Summary discusses the priorities and issues among the driving factors in Gregg County's overall decision-making process, including budgetary decisions.

EXECUTIVE SUMMARY

This executive summary provides a long-term financial picture of Gregg County and is divided into four parts: **state imposed issues, short-term issues, long-term issues, and regional issues.** The information contained herein originated from several sources. Initial meetings were conducted with the department heads to define issues and consider solution options. Local and regional officials have contacted our office concerning topics for consideration by the County. Our department has also monitored the Texas Legislative sessions closely and followed county-related issues.

State Imposed Issues

In Texas, counties have no ordinance-making powers other than those explicitly granted by state law. Counties operate as an arm of state government and carry out the state’s directives. The Texas State Legislature meets every two years creating laws that affect both state and either directly or indirectly local governments. Thus, state issues have a far reaching effect which encompasses short-term, long-term and regional issues.

Unfunded State Mandates and Grant Cuts

Unfunded state mandates are one of the highest growing concerns among Texas Counties. The state government is currently balancing their budget on the backs of Texas Counties. **The definition of Unfunded State Mandates is ‘a financial burden placed upon county governments by state actions, often resulting in increased property taxes at the local level.’** The following schedule illustrates how these mandates created additional burdens as services and, ultimately, increased funding, is pushed to the county level while the state closes their doors.

State Action	Local Examples
Directives to counties without providing the necessary funding to carry out the directives.	<ul style="list-style-type: none"> ◦ Indigent defense cost to county in FY06 was \$913,383, state funding was \$83,719 ◦ Increase in juror fees cost to county in FY06 was \$104,592, state funding was \$49,028 ◦ ‘Blue Warrant’ inmates, cost to Gregg County for FY04, \$182,200; FY05, \$164,560; and the first nine months of FY06 was \$114,440
Withdrawal of or cuts in state funding to carry out existing directives.	<ul style="list-style-type: none"> ◦ State funding for juvenile services was reduced by \$475,000 over the last 3 years ◦ State funding for community supervision corrections division was reduced by \$180,000 (10%) and the state is asking for 10% reductions again this year; also mandatory timeliness of arraignment created stress factors on this already reducing budget ◦ State funding for indigent health care is decreasing while the regulations to provide indigent care are increasing

State Action	Local Examples
Changes in state operations which inadvertently result in county expenses and inefficiencies.	<ul style="list-style-type: none"> ◦ Upgrade to e-voting equipment cost county \$91,768 in FY06 with FY07 costs for software licensing \$25,000 and no state funding for needed additional equipment ◦ Jail Standards commissions increase their regulations concerning prisoner housing and care (approx. \$1.06 million since FY03) ◦ State agencies for mental health and mental retardation are consolidating, closing or privatizing, which affects the county's assistance to citizens in need of commitment

Appraisal Reform

The 79th legislature reviewed several bills that addressed maximum limits on appraisal, revenue, and taxation. Counties escaped the looming threat of property tax caps during the 79th legislative sessions and began collectively fighting these caps and any other unfunded mandates. The 80th legislative session begins January 1, 2007. With the legislature meeting every two years it is difficult to plan long term goals or capital projects.

In FY06, Governor Rick Perry appointed a ‘Governor’s Task Force on Appraisal Reform’ to recommend a proper balance between protecting taxpayers while ensuring funding for essential services. Topics of review included:

- Appraisal Caps;
- Revenue Caps;
- Elected positions on Appraisal District Boards;
- Unfunded mandate protections; and
- Real estate sales price disclosure.

Should the 80th legislature set caps on appraisals, revenue, or taxation, the public could lose essential county services as commissioners’ courts will be forced to fund mandated services, and reduce funding for discretionary services. Examples of both types of service are shown below:

Mandatory Service	Discretionary Service
Jails	EMS / Fire
Courts	Law Enforcement
Indigent Health	Public Health
Elections	Roads
Juvenile Probation	Senior Services
Adult Probation facilities	Family Services
Prosecution	Parks and Community Centers
County Auditor	Libraries
Debt Service	Economic and Community Development
Records Management	Employee Benefits
Homeland Defense	Health Insurance
Existing Tax abatements	Future tax abatements

Areas where funding and services could be affected include: funding for jail operations would supersede funding for patrol operations; citizens could face shorter lines at elections (2 or 3 times yearly) and longer lines (daily) for vehicle registration, property tax payments and other administrative-type business.

The issue of appraisal caps and revenue caps will again be a challenge, thus affecting county planning on all levels and producing uncertainty for long term vision.

Truth – In – Taxation

One major change in the FY07 budget process involves new legislative law known as SB18 and SB 567. SB18 relating to truth in taxation became effective June 18, 2005. This bill required better communication between the taxing entity and the taxpayer concerning tax increases by mandating two (2) public hearings for tax rate increases and multiple notice requirements of the meetings through newspaper publication and internet postings. The bill re-defined tax increases, **specifically and directly including increases resulting from rising appraisal valuations.** Moreover, the bill passes **all** responsibility for **any** increase to the taxing entity, legally specifying the exact words to be used by the taxing authority when setting the tax rate, publishing notices, etc. The legislature intended for this bill to be the toughest ‘Truth’-in-taxation bill in the nation.

SB567 changed the formatting requirements for posting the ‘Notice of Public Hearings on Tax Increases’. The form doubled in size over the form required for SB18, which will no longer be used. Additionally, the font requirements are larger, thus increasing advertising costs.

Gregg County did not increase their tax rate for the FY07 budget. Increased taxes are due to increased appraisals that are independently prepared.

Strategic Issues: Short Term

Short-term issues are defined as those issues that are currently being addressed or will need to be addressed in the FY07 budget process.

Legislative Bills

During the 79th Legislative Sessions, several bills were presented that affected county revenue, ad valorem taxes, and/or property appraisals state-wide. This office has followed the Governor’s Task Force on Appraisal Reform and will continue to monitor this issue during the 80th Legislature which convenes in January of 2007.

SB1863 was passed in order to improve the collection of court costs, fees and fines imposed in criminal cases. This bill required the county to establish a plan for collecting court costs, fees and fines by having staff dedicated to collection activities. It is the job of the court compliance staff to collect all monies due on the day of sentencing or set up a payment plan. The department will monitor defendants for compliance through telephone contact, letter notification and issuance of warrant if the defendant is non-compliant. The FY07 budget includes \$125,000 and creates two positions for this new department.

79(R)SB 18 and SB567 , as mentioned earlier, increased operational costs in several areas. The tax office out-sources both tax statement printing and delinquent tax collections. These costs will increase due to specific wording and historical data required on the statements, programming charges, supplies and postage. There were increased advertising costs of 30% in the tax office budget and 50% in non-departmental over the last two years, due to mandated posting requirements. Additionally, these two statutes created major timing constraints that are not compatible with existing laws concerning the budget process.

79(R)SB 1704, relating to jury service, was passed during the 79th Regular Session. This bill mandates that each juror be paid no less than \$6 for the first day or fraction of a day served, and no less than \$40 for each day or fraction of a day served after the first day. This bill includes provisions for the comptroller to reimburse a portion of the costs to the counties. Due to this bill, juror pay increased from \$60,000 in FY05 to \$104,592 in FY06. The offsetting reimbursement from the state for FY06 was \$49,028. For FY07, juror pay was budgeted at \$95,000, and state reimbursement was budget at \$50,000.

State cuts in numerous county funds put additional burden on the county budget. The full impact of the 79th legislative 'fallout' is unknown at this time. Other legislative matters will be conveyed as new information is received.

Public Safety

The FY06 budget includes public safety decisions that were mandated and/or implemented during FY06. One additional security position was added to Building Security Fund in February 2006 to accommodate a new security post created at the Community Supervision Corrections Division office. The cost of adding this position was \$26,351 for the remainder of the year and it was anticipated we would receive a refund from the state CSCD funding. During the FY07 budget process we were advised there would not be a state reimbursement for this position. Consequently, \$40,578 was added to the Sheriff's General Fund budget to add this position to the security/ bailiff pool.

In July, 2006, the fire marshal position was restructured with a division lieutenant serving as interim fire marshal and the emergency management director serving as the assistant. This resulted in a new savings of \$4,439 to the FY06 budget. The added responsibilities for the lieutenant are offset by moving the funding for the former fire marshal position to the departmental work schedule in that division.

As far back as 1846, Texas law listed responsibility of county government to provide a safe and suitable jail. The Texas Jail Commission (TJC) monitors this state mandate in present day. Four years ago, TJC agreed to postpone sanctions against the county's jail operations provided the county increased the staff to inmate ratio to appropriate levels (1 jailer to 48 inmates). TJC allowed the county to increase the staffing levels over the course of three years. Gregg County complied with the directives and added 8 jailers in FY04 (\$246,098), 9 jailers in FY05 (276,859) and 8 jailers in FY06 (\$251,472). Due to this unfunded state mandate, the total Gregg County budget has increased \$1.54 million in three years. In order to maintain the staff to inmate ratio

and retain their state certification, the sheriff's FY07 budget includes 8 new jailer positions at a cost of \$332,579.

FY07 includes the second part of a three year salary equalization and certification plan for the Airport Public Safety positions, an increase of approximately \$14,000. Also, due to major turnover in the lower paid positions of the Sheriff's department staff (jail and administration), an additional \$49,312 was distributed to these positions in an effort to retain quality personnel.

The FY07 Budget includes 6 new vehicles for the Sheriff's office. Three of the vehicles are police package vehicles and 3 are fleet vehicles, which cost 28% less than the full police packages. The Sheriff's office currently has around 45 vehicles in their inventory, with several of the vehicles' mileages exceeding 80-100,000 miles. To ensure quality public safety, vehicles should be maintained in good condition and replaced in a timely manner. The cost of replacing these cars is \$109,500.

The Marvin A. Smith (MAS) Corrections Facility began operations in June, 2006 and the FY07 budget includes \$345,448 for annual expenses, an increase of \$166,454 over the FY06 partial year funding. The MAS center houses minimum risk offenders which adds 40 additional beds to Gregg County inventory.

The current jail bed lease with the Management Training Corporation (MTC) will end in February of FY07. The county plans to lease the additional bed space to the United States Marshal Service and the Smith County Sheriff's office for the remainder of the year. The operations and personnel costs are estimated at \$710,895, and the revenue estimate is \$950,100. The net increase to fund balance is conservatively estimated at \$239,205. Funding for these 26 positions was calculated based on eight months of operations.

Due to increased need for repairs and maintenance at the County's jail facilities, one position was transferred from the maintenance department to the sheriff's office during FY06. This employee is certified to supervise inmates as they perform repairs and maintenance at county facilities. Cost savings for use of inmate labor are unknown at this time. This resulted in a zero net effect to the positions budget.

Fringe Benefits

The Commissioners Court approves all fringe benefits' contracts during the renewal period or before contract expiration. Retirement contributions are reviewed and the Court sets the county rate annually, usually in August. The preliminary budget includes the original retirement contribution rate of 170% at a rate of 8.87% for a total contribution of \$1,370,324 to the Texas County and District Retirement System plan.

Fringe benefits are expected to increase approximately \$523,530 from FY06 and FY07, with \$350,000 due to new public safety personnel.

In December 2003, the Commissioners Court created a self-insurance program in an effort to manage ever-increasing health insurance premiums. The fund remains solvent to date and the county insurance consultant recommended no premium changes for FY07. The Commissioners

Court hired an insurance consultant to prepare request for proposals for hospital/major medical insurance in FY06 (for the FY07 budget).

Due to accounting requirements of the Governmental Accounting Standards Board (GASB), accountability for subsidizing retiree premiums created actuarial changes and increase in premiums for FY05.

Capital Projects

Gregg County owns and operates the main courthouse and jail facility, 4 satellite buildings, 13 community facilities, 4 precinct barns, and multiple buildings located at the county airport. During the past 7 years, the county has renovated the courthouse, 188th district courtroom, jail facility, and 124th district courtroom.

The Permanent Improvement fund was created in FY06 to set aside funds for replacement and/or major repairs to county owned facilities; replacement of the county's aging technological assets; and other projects considered by the Commissioners Court in order to keep from spending reserves.

Records Storage Facility – The records storage facility was overcrowded and facing non-compliance with state records management statutes. A design-build facility was bid and awarded during FY06. Funds for this facility were appropriated in the Records Storage Building capital project fund. The project included the new facility and shelving costs, parking and walkway improvements, and upgrades to the existing facility. The Records Storage Project is expected to be completed in early F07.

307th District Courtroom – The FY07 budget includes \$128,000 for renovation to the 307th District Courtroom. Renovations include seating, wall covering, lighting, floor covering, and ADA improvements. This project is expected to be finalized prior to the end of fiscal year 2007.

Computer Upgrade Project – The county's judicial system was purchased in 1998 and includes criminal and civil records used by the clerks, district attorneys, and judicial offices. State mandates for reporting necessitate the need to maintain state-of-the-art software and hardware. The FY07 budget of \$2,004,748 includes \$190,000 for the tax collection software and server hardware.

Airport Improvements

The East Texas Regional Airport is entitled to \$1,000,000 in funding from the Federal Aviation Administration (FAA) each year, with the FAA operating one year behind the county's fiscal year. Our airport administration aggressively seeks discretionary funding from the FAA each year in order to continue the airport's 10-year capital improvement plan.

During FY05 the FAA revised its funding methods for airport improvement projects which created timing disparity in the FY06 budget. In prior years, funding (for the next year) was based on estimated project costs. New FAA procedures require the award of the bid before issuing the grant. State law requires funding to be in place prior to bid letting. In keeping with FAA procedures and State regulations, airport improvements projects will be bid with specific phases

in order to not encumber future year's budgets. This change in funding patterns caused the FY06 budget to be 'doubled' as it included two years of FAA funding grants.

The budgetary impact for the FY07 budget is \$1,000,000 entitlement from FAA and \$3,058,157 in discretionary FAA funding, for a total of \$4,058,157. The FAA funds 95% of the project with the County funding 5% at \$202,908.

Help America Vote Act (HAVA)

In response to federal and state mandates, the county purchased a new elections system during FY06. The federal HAVA grant, administered through the Texas Secretary of State's office provided the majority of the funds for this system replacement in the amount of \$536,420. The county funded \$91,769 of the total system cost of \$628,189. The County's election department effectively trained election workers and the general public prior to the 2006 primary and run-off elections in order to use the new system. The elections department FY07 budget includes \$25,000 and the elections fund includes \$75,000 to cover additional costs including software licensing and maintenance related to the new elections equipment.

Strategic Issues: Long Term

Long-term issues relate to those issues facing the county in the years beyond FY07. The County Judge, as chair of the Commissioners Court, sets the stage for strategic planning through the annual budget document process. The County's budgetary goals include avoiding debt and remaining solvent by ensuring that revenues exceed expenditures. Progressive decisions made by the current and prior Commissioners Courts have enabled the County to operate on a pay as you go basis without incurring additional debt. The County's infrastructure and facilities are in relatively good shape; its budgetary goals include remaining solvent. Its fiscal practices have paved the way to overcome short-term issues as they arise. Annual transfers into the Permanent Improvement Fund should provide adequate reserves for future projects.

Increased Cooperation with Other Entities

Gregg County shares the same citizens' tax base with other local entities, such as schools, cities and emergency services districts. Often services provided by these entities overlaps with county services (law enforcement, justice system, road maintenance and social programs). Cooperation with other entities greatly reduces or eliminates duplication of work, thus reducing the citizens overall tax burden plus giving a greater return to all the county tax payers.

Gregg County as an Employer

The county's most valuable resource is its employees. Efforts to improve grade levels and job descriptions are constantly under review. Since wages are not the only form of benefit for employees, the Human Resources department hosted Employee Information Fairs in FY05 and FY06. This fair provided the opportunity for employees to visit with vendors regarding benefits such as life insurance, health insurance, retirement, deferred compensation, etc. Employees were given a document called the 'Hidden Paycheck,' which shows the employee's salary plus the dollar amount of benefits paid by the county for that employee. Hosting this fair created a minimal fiscal impact to the county budget, and has maximum employee impact by providing benefits information. Minimal benefit changes curtailed holding the fair during FY07.

The proposed FY07 budget includes a 3% COLA (cost of living adjustment) for all positions. Future raises are contingent on the County's ability to address economic and strategic issues.

Increasing Demand for County Services

Unincorporated Gregg County is continuing to grow with more development outside of the city limits. Municipalities have more stringent legislation governing annexation of the unincorporated areas. Issues of fire/public safety and homeland security are a growing cause for concern to citizens. This leaves Gregg County responsible for providing new and expanding services in the newly developed non-municipal areas.

Through interlocal agreements, the County provides road assistance to its cities and the cities provide fire and ambulance service to the unincorporated parts of the county. Likewise, area law enforcement agencies provide support for each other in critical situations. Gregg County supports its volunteer fire departments and public safety agencies monetarily and through sharing grant funds and equipment. These non-profit agencies are gradually moving into the spotlight as homeland security concerns increase.

Technology

During the FY06 budget process, the information services director discussed upcoming concerns for the FY07 budget. The Health Department needs a new operating system which will likely cost at least \$20,000. Microsoft is releasing a new desktop operating system and Office product suite in the spring of FY06. During FY07, the entire county will need to upgrade to the new Microsoft versions at a cost of \$86,625. The Sheriff's office mobile data computing options are estimated at \$10,000. The Tax Collection System will require an upgrade including software and hardware, approximately \$200,000. The Judicial system will require an upgrade including software and hardware, approximately \$800,000. Overall, for the FY07 budget the county is facing an extra \$2 million dollars in technology expenses. These costs will likely be completed over two budget cycles.

East Texas Regional Airport and Industrial Airpark

Gregg County is committed to an ongoing airport improvement program at the East Texas Regional Airport. FAA approved airport projects continue through year 2013 (plans are available at the airport manager's office). Gregg County is responsible for budgeting and expending 100% of the federally approved projects and is reimbursed at a rate of 95%. This year's federal grants will total \$4.05 million for the FY07 budget.

Further development of Gregg County Industrial Airpark is a priority of the Commissioners Court in order to attain the optimum return on investment at the park. Construction on the industrial airpark began in 1990 and continues as companies relocate to the airpark. FY06-07 endeavors included renovation/improvement of taxiways and extension of utilities to better serve businesses at the airpark. Infrastructure needs are being addressed with underground utility available in gas and electric. Water lines are being established for availability to future tenants. The airport lease revenue increased approximately \$33,533 annually due to the development at the industrial airpark.

Regional Strategic Issues

Regional issues are those matters beyond the direct control of Gregg County. Solutions would result from cooperation with several entities within the area.

Homeland Security

Under the guidance of the federal Department of Homeland Security, governmental agencies have formed alliances to strengthen the local partnership for emergency management. The duties of the Gregg County Judge, who serves as the county Emergency Management Officer, are to work with all city mayors in coordinating a response and action plan to deal with any emergency that threatens the health and safety of the citizens of the county. These emergencies could involve terrorist or non-terrorist activity.

The county's health/bio-terrorism officer deals with preparedness and contingency plans in the event of a biohazard or terrorist threat, industrial accidents and chemical spills. The health/bio-terrorism officer works closely with the county's emergency management coordinator who organizes activities with all local law enforcement and emergency preparedness response teams.

Gregg County has aggressively sought federal Homeland Security funding for these activities and was able to acquire over \$700,000 in grants in FY05. The FY06 funding was recently awarded at \$91,050. The monies received were distributed locally with area law enforcement agencies and volunteer fire and rescue departments. The county will continue to pursue future federal funding for homeland security issues and emergency preparedness programs. This budget document includes operations of the county, grant budgets are approved separately.

Air Quality Non-Attainment

Another important external issue is regional air quality maintaining attainment levels. In mid-FY05 the North East Texas region obtained attainment. Gregg County continues to work with regional industries, counties and the North East Texas Air Care (NETAC) committee to adjust, plan and monitor air quality in order to maintain our attainment level. This is an exceptional challenge due to drought conditions in the region this year. Because the status of attainment versus non-attainment significantly impacts state and federal funding of infrastructure and industrial projects in the area, the County plans to continue its endeavors to maintain attainment status.

Water Issues

Water shortages have become an issue across the state. While the North East Texas region appears to have plenty of lakes, ponds, and rivers, it is imperative that local governments and agencies plan for conservation of this precious natural resource. Gregg County will be studying the feasibility of establishing an underground water district to protect the county's underground water resources.

Energy Issues

Retail competition in the sale of electricity began in Texas January 1, 2002. Although most decisions affecting energy policy and prices are made at the national and state levels, planning

efforts at the local level resulted in the delay of deregulation for our area. The Northeast Texas area is exempt from the deregulation process until 2010. Energy costs affect the County budget due to weather variability and jail population fluctuations. Additionally, increased energy costs also impact the economic health and quality of life for the entire community.

Over the last four years energy costs for county facilities increased by 15% in electricity, 64% in natural gas, and 36% in water and sewer. Since FY02, total utility costs (including water and sewer) increased by 30%.

Volatile fuel costs also impact the county's budget. Increases in gasoline and diesel have averaged between 52.8 and 59.4% in the last two years. The FY07 total budget for fuel is \$376,035, which is 15.6% more than the FY06 budget and 82.7% more than actual expenses in FY03.

Transportation

Texas Department of Transportation (TxDOT) implemented changes in recent years regarding the transportation planning process which greatly effect county governments in terms of infrastructure and mobility and will likely obligate Gregg County to issue debt. In order to continue to attract and secure funding for state highway projects, Gregg and Smith Counties joined together to form a Regional Mobility Authority which was approved by the State in October 2004. During FY05 the Commissioners Court of Gregg County and Smith County jointly created the North East Texas Regional Mobility Authority (RMA). This political subdivision was formed to finance, acquire, design, construct, operate, maintain, expand, or extend transportation projects. The newly created RMA will benefit the local economies by generating revenue for additional transportation projects; providing local governments more control in transportation planning; and helping to build transportation projects sooner, which will bring congestion relief faster, improve mobility and increase safety for motorists. The FY07 budget includes the RMA's budget request of \$5,500.

The Texas Department of Transportation (TxDOT) has scheduled construction for improvements on state highway 135. The total cost for this project is an estimated \$35,057,000 of which the county's portion is \$233,000. The county began paying for right-of-way incrementally in September of 2004. Payments are expected to continue until 2008. FY07 includes \$42,000 for this project.

Most of Gregg County is located within five major cities: Longview, Kilgore, Gladewater, White Oak, and Lakeport. The County provides assistance through interlocal agreements and specific road laws by repairing and building roads and installing culverts for cities and other governmental agencies. Additionally, the county has provided funding for specific city road projects when monies were available. The FY07 budget includes \$300,000 for City of Longview road projects.

Summation

The Commissioners' Court has continued their aggressive approach to financial management by reducing operating costs where feasible and encouraging departmental efficiency. Due to this consistent approach, Gregg County may comfortably withstand any current economic problems,

pay cash for needed capital projects, pursue economic development, while dealing with the state and federal mandates and maintaining an aggressive level of service for the citizens we serve.

Thanks to all elected and appointed officials and their capable staff members for their cooperation and responsive approach during the budget process.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Gregg County
Texas**

For the Fiscal Year Beginning

October 1, 2005

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented the Distinguished Budget Presentation Award to Gregg County, Texas for its annual budget for the fiscal year October 1, 2005 - September 30, 2006. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only. We believe our current budget continues to conform to GFOA program requirements.

Exhibit I

AN ORDER OF THE COMMISSIONERS COURT OF GREGG COUNTY, TEXAS, ADOPTING THE ANNUAL BUDGET FOR GREGG COUNTY FOR FISCAL YEAR 2007

§

BE IT REMEMBERED at a regular meeting of Commissioners Court of Gregg County, Texas held on the 30th day of August, 2006 on a motion made by Charles Davis, and seconded by Danny Craig, the following Court Order was adopted:

- WHEREAS, Chapters 111.003 through 111.013 of the Local Government Code of the State of Texas prescribes the method by which the Gregg County Commissioners Court shall adopt an annual budget; and
WHEREAS, a budget for the fiscal year beginning October 1, 2006 and ending September 30, 2007 has been proposed by the County Judge as the Budget Officer; and
WHEREAS, the proposed budget has been filed with the County Clerk as prescribed by law; and
WHEREAS, a public hearing on the proposed budget was conducted on August 30, 2006 as prescribed by law; and
WHEREAS, the salaries and allowances of certain elected officials have been proposed and appropriate notifications of these elected officials have been given.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED that the Commissioners Court of Gregg County adopts and approves the proposed budget including attached list of corrections (item no. _____), for Gregg County for the fiscal year beginning October 1, 2006 and ending September 30, 2007.

DONE IN OPEN COURT this the 30th day of August, 2006.

[Signature of Bill Stoudt]

Bill Stoudt, County Judge

[Signature of Charles W. Davis]

Charles W. Davis, Precinct #1

[Signature of R. Darryl Primo]

R. Darryl Primo, Precinct #2

[Signature of Bob Barbee]

Bob Barbee, Precinct #3

[Signature of Danny E. Craig, Sr.]

Danny E. Craig, Sr., Precinct #4

Attest:

[Signature of Connie Wade]
COMMISSIONERS COURT OF GREGG COUNTY TEXAS
Connie Wade, County Clerk

0062



OVERVIEW

This page was left blank intentionally.

Texas County Government

Texas county government is generally an extension of state government, focusing on the judicial system, health and social services, law enforcement, and road construction and maintenance. In contrast to other parts of the country, Texas counties seldom have responsibility for schools, water and sewer systems, and electric utilities. In Texas, counties have no ordinance-making powers other than those explicitly granted by state law. The Texas State Legislature meets every two years creating laws that affect both state and either directly or indirectly local governments.

Texas has 254 counties with similar organizational features: a governing body (the Commissioners Court) consisting of one member elected at large (the County Judge), and four members (Commissioners) elected by qualified voters of individual county precincts. The County Judge is both presiding officer of the Commissioners Court and judge of the County Court and is named for his actual judicial responsibility. The Gregg County Judge is primarily an executive and administrator of the County in addition to his various judicial responsibilities.

The Commissioners Court serves as both the legislative and the executive branch of county government, and the court has budgetary authority over virtually all county departments, including those headed by other elected officials. The construction and maintenance of county roads and bridges are major responsibilities of the Gregg County Commissioners for precincts #1, #3, and #4. Other general functions of the Commissioners Court as entitled in the Texas Constitution and statutes include:

- 1) Layout, establish, change, maintain, and discontinue public county roads;
- 2) Build and maintain bridges;
- 3) Administer and provide for public welfare services;
- 4) Establish a courthouse and jail;
- 5) Appoint numerous minor officials and fill vacancies in certain offices;
- 6) Perform numerous duties in regard to elections;
- 7) Set the County tax rate and adopt the budget;
- 8) Issue debt and let contracts.

In Texas County government, there is not a hierarchy level for elected county officials, as all officials answer directly to the voters. The Commissioners Court authority over county offices, including elected offices, is limited to its authority to approve and disapprove (and increase or decrease) the budgeted funds appropriated for each department's activities.

Elected offices created by the Constitution include County Judge, Commissioner, Constable, County Attorney, County Clerk, District Attorney, District Clerk, Justice of the Peace, Sheriff and Tax Assessor/Collector. These offices are elected at large with the exception of the Commissioners, Justices of the Peace and Constables, which are elected by individual precincts.

Offices created by legislative act include State District Judges, County Courts-at-Law, County Auditor, County Purchasing Agent, Community Supervision Corrections Division, and Juvenile Probation. The State District Judges and County Court-at-Law Judges are elected at large. The remaining legislative offices serve under various boards as shown on the organization chart shown on page 19.

GREGG COUNTY COMMISSIONERS COURT



Bill Stoudt
County Judge



Charles W. Davis
Precinct #1



R. Darryl Primo
Precinct #2



Bob Barbee
Precinct #3



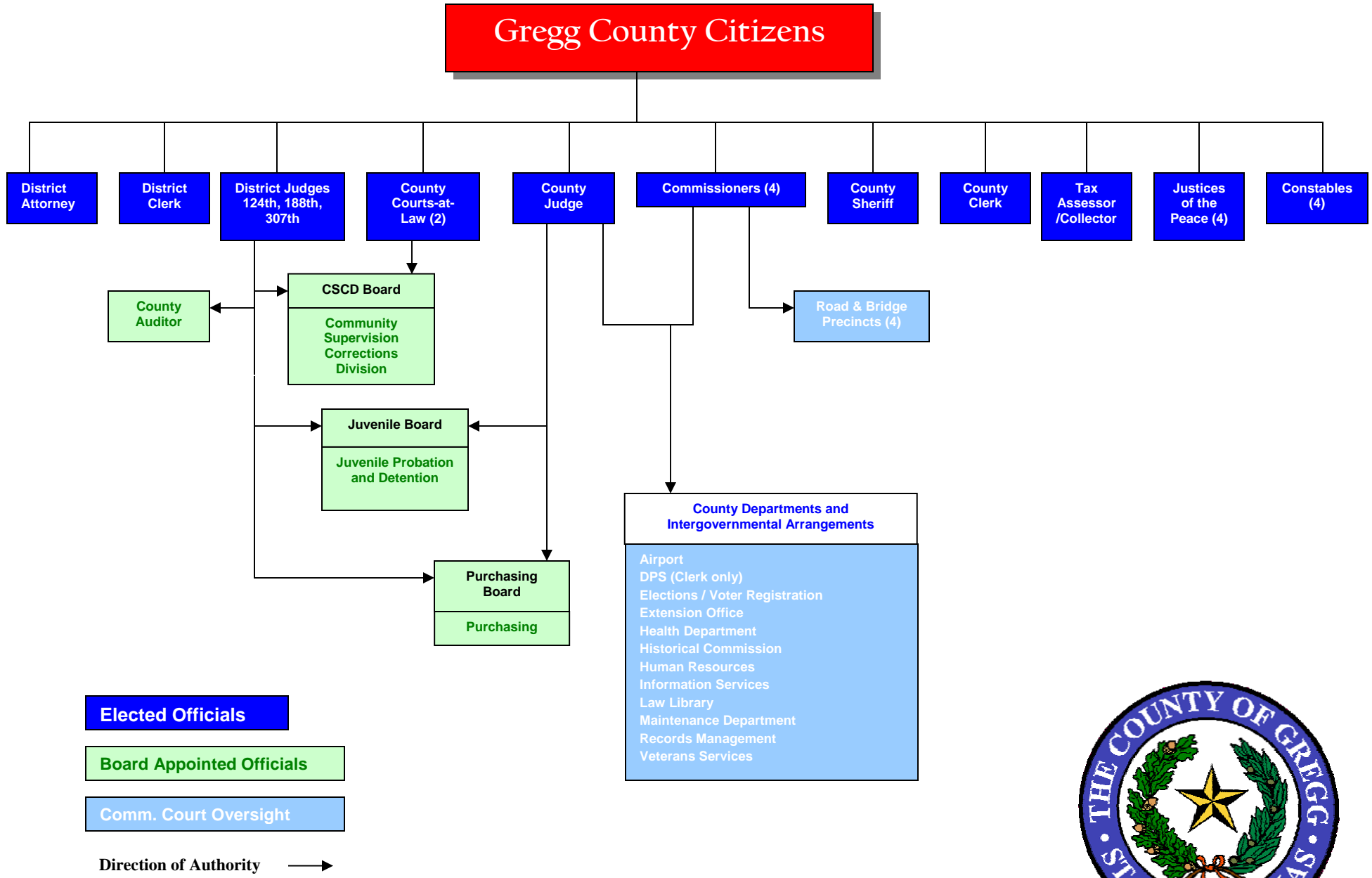
Danny E. Craig, Sr.
Precinct #4

COUNTY LEADERSHIP

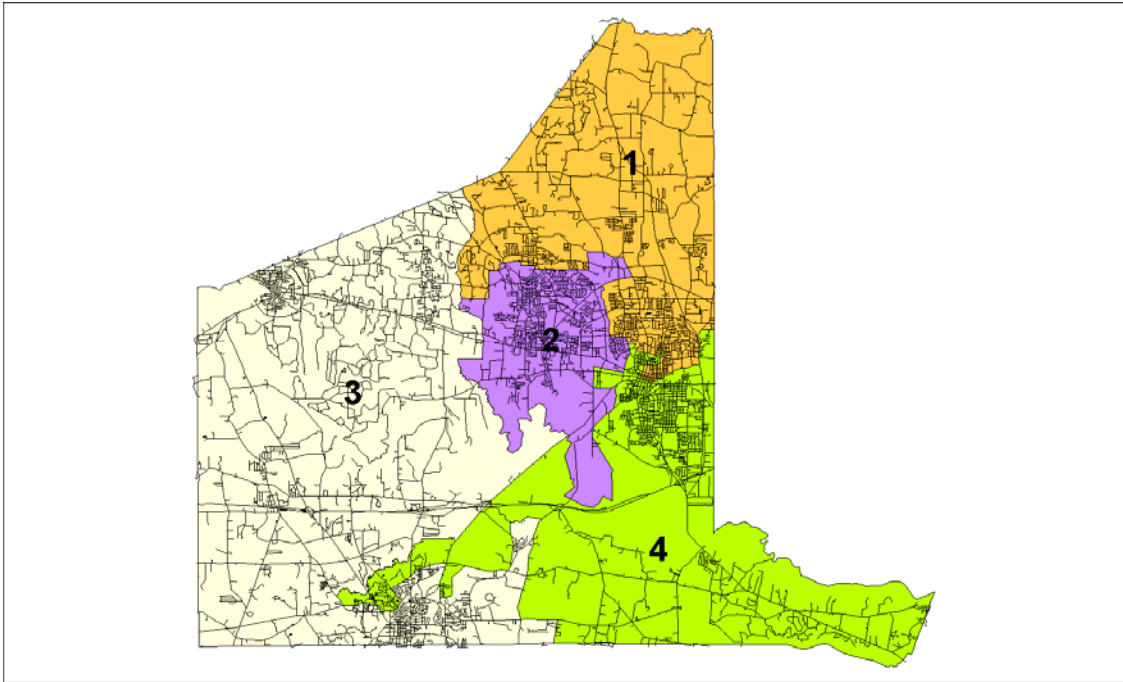
County Clerk.....	Connie Wade
County Sheriff.....	Maxey Cerliano
County Tax Assessor-Collector	Kirk Shields
District Clerk.....	Barbara Duncan
District Attorney	William Jennings
County Auditor	Laurie Woloszyn
County Purchasing Agent	Shelia Embrey

Note: The County Directory located in the appendices of this book contains contact information regarding all elected and appointed officials and department heads.

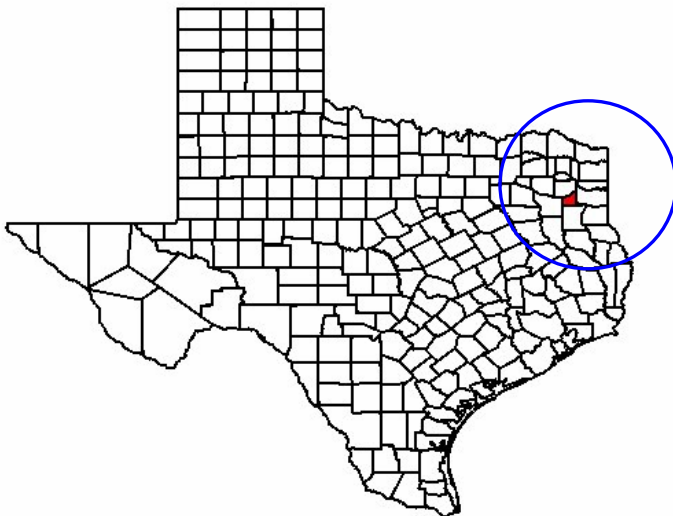
Gregg County Organization Chart



Gregg County Precincts Map



The numbered areas outlined on the above Gregg County map represent the four county precincts from which the commissioners, the justices of the peace, and the constables are elected. In 2001, the Commissioners' Court formally approved this map of precinct lines as proposed by the Gregg County Redistricting Committee, which was formed to ensure the redistricting process followed state and federal guidelines. The precinct lines were determined based on the 2000 U. S. census figures; each precinct had the same number of residents, as required by law. The four precincts vary greatly in land area due to differences in population density in the county. The central and northern sections have many residential neighborhoods, while the rural southern and western sections are relatively less populated.



The Texas County map to the left highlights Gregg County in red. This map shows the County's location within the State of Texas and illustrates its smaller size in area, as compared to other counties.

Local Environment

Gregg County is located in the northeast region of Texas and it encompasses 274 square miles. Rolling hills, pine forests, and lakes and rivers provide the county's residents with a tranquil life style and many recreational opportunities. According to the Texas State Data Center and Office of State Demographer, the projected 2005 population for Gregg County is 115,649 (65% white, 20.4% black, 2.8% other, with ethnicity of 11.9% Hispanic). U.S. Interstate 20 connects the county to the Fort Worth-Dallas metropolitan area to the west (120 miles) and to Shreveport, Louisiana to the east (60 miles).

The city of Longview is the county seat and the county's largest city with an estimated population of 73,941 residents, or 64% of the total county population. Gregg County also includes the cities of White Oak, Elderville, Easton, Lakeport, Clarksville, Warren City, and parts of Kilgore and Gladewater. Longview and most of the county are included in the Longview-Marshall Metropolitan Statistical Area, the largest MSA in the eastern part of Texas.

Gregg County offers quality educational opportunities at both public and private schools. The larger public school districts include Longview, Pine Tree, Spring Hill, White Oak, Sabine and Kilgore. Private schools include Longview Christian Academy, Trinity School of Texas, and St. Mary's School.

County residents may pursue a college education or vocational - technical training at several area educational institutions. LeTourneau University, located in Longview, attracts about 2,000 students annually with its highly rated aviation and engineering programs. For several years, the university has received national recognition as an excellent educational value. Kilgore College, home of the famous Rangerettes precision marching drill team, offers academic courses, vocational training, and technical degree programs at campuses located in Kilgore and Longview. The University of Texas at Tyler offers college courses at the Longview University Center, located in north Longview on Highway 259.

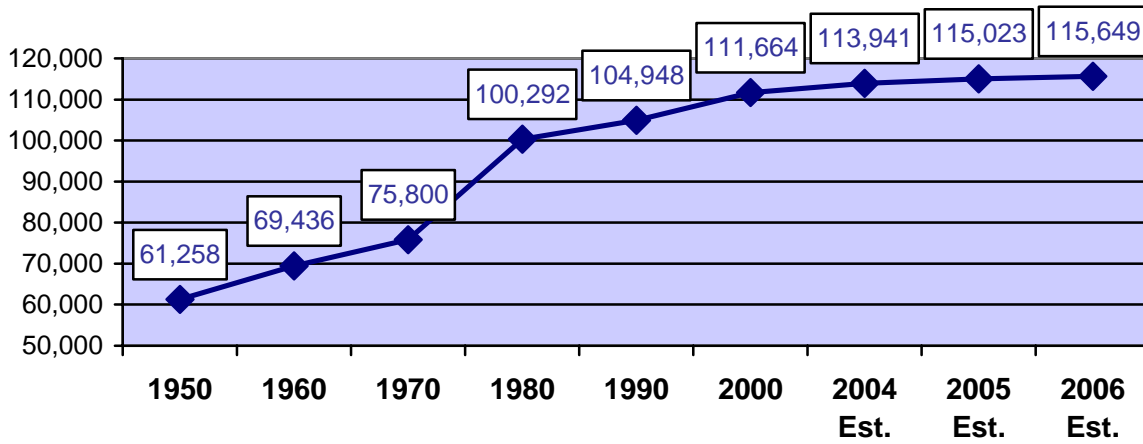
Gregg County offers many cultural activities and family entertainment events during the year:

ArtsView Children's Theatre	East Texas Symphonic Band
The Longview Ballet Theater	The Longview Community Theater
Opera Longview	The Longview Symphony Orchestra
AlleyFest	Great Texas Balloon Race
Longview Rodeo	East Texas Gusher Days
Gregg County Historical Museum	Gladewater Rodeo
East Texas Oil Museum	DerrickFest
Longview Museum of Fine Arts	Texas Shakespeare Festival
Gladewater Glory Days	White Oak Roughnecks Days

Gregg County's economy has been dominated by the oil and gas exploration and service industries since 1930. Beginning in the mid-1980's, crude oil dropped from \$28 to \$16 per barrel, which caused a near depression in the oil and gas industry throughout Texas. Since the sustained decline in oil and gas prices, the county's civic leaders and public officials have sought to diversify the area economy by attracting manufacturing and other businesses not associated with the petroleum industry. This effort, while still ongoing, has been successful. There are over 40

manufacturing companies in the area with over 10,000 employees. Among the area’s larger manufacturing companies are Texas Eastman Chemical Company, LeTourneau, Inc., Dana Co., Trinity Industries, Inc., Fleetwood Travel Trailers, Stemco, Inc., Crosby/LeBus Manufacturing, Southwest Steel Casting, Vertex RSI, Aeon Coil Products, Alcatel USA, and Norris Cylinder. Major non-manufacturing employers include Good Shepherd Health System, Kilgore College, Brookshire’s Grocery, the City of Longview, Longview ISD, Longview Regional Medical Center, Neiman Marcus, Sitel, Pine ISD and Gregg County; each entity employs 400 or more people in the county.

Population Trend for Gregg County



History of Gregg County

In 1873, Bluford W. Brown, a state representative from the Summerfield community, introduced a bill before the Thirteenth Texas Legislature to create a new county from parts of Upshur, Rusk, and Harrison Counties. The proposed name commemorated a popular Confederate Army general named John Gregg who was killed in action on October 7, 1864. Gregg County was officially created by passage of an act by the Thirteenth Legislature on April 12, 1873, and the new county was expanded by passage of another act the following April 30, 1874. However, Gregg County ended up being significantly smaller than all of the adjoining counties because representatives for Harrison County successfully prevented the western end of that county from joining Gregg County, as was planned by the legislative committee.

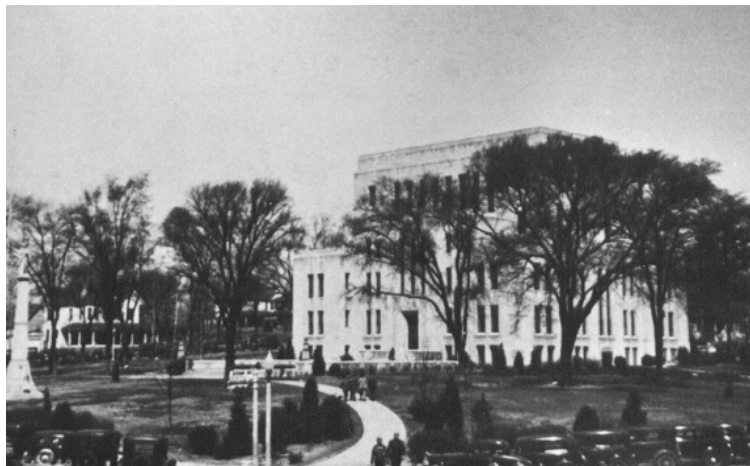


Gregg County Courthouse - 1879

The Southern Pacific Railroad established Longview in 1870 while constructing its transcontinental line and the town was incorporated in 1871. Kilgore was created by the International Railroad near New Danville in 1872. The Texas & Pacific Railroad acquired the Southern Pacific Railroad and then continued construction westward from Longview in early 1873. The railroad established Gladewater near Point Pleasant. Longview, Kilgore, and Gladewater were primarily sawmill towns. Longview also had offices and shops for the three railroads, Kelly Plow Works after 1882, and the Graham Box Factory after 1903. However, cotton farming remained the foundation of the economy, occupying about half of the county's cultivated acreage.

In 1930, Gregg County was rescued from the Great Depression by the discovery of the East Texas Oil Field, the largest pool of petroleum ever discovered in the continental 48 states. "Dad" Joiner brought in the Daisy Bradford No.3 on October 3, 1930, and that well was quickly followed by the Lou Della Crim No.1 and the J.K. Lathrop No.1 wells within 60 days. Nearly half of the field's 200+ square miles lay in the western third of Gregg County. Over the past 70 years, it is estimated that 6 billion barrels of oil have been recovered. An estimated 1 billion barrels remain to be recovered.

Transformed into boom towns almost overnight, Kilgore and Gladewater became incorporated cities in 1931. By the time drilling activity declined in 1935, there were about 15,000 wells and 95 refineries in the field. Among a multitude of civic improvements, the new wealth contributed to the creation of Kilgore College. Oil and gas exploration, production, and the related service industries continued to dominate Gregg County's economy for the next 60 years.



Gregg County Courthouse - 1932

Petroleum and natural gas production allowed Gregg County to prosper during the national economic boom that followed World War II. The federal government built the Harmon General Hospital near Longview during the war and after the war the government donated it for use as LeTourneau Technical Institute (later LeTourneau University). The contribution of the hospital was part of the government's inducement to persuade LeTourneau, Inc. to build and operate a military manufacturing plant in Longview. The Texas Eastman plant, established near Longview

in 1950, became the largest petrochemical complex in inland Texas and brought many educated, well-paid residents to Gregg County. Another industrial milestone was the construction of the Schlitz (later Stroh) brewery plant in 1964. Also beginning in 1964, the construction of U.S. Interstate 20 placed Gregg County on a major east-west transportation artery. Although Gregg County's economy suffered from the multi-year decreases in petroleum prices, today's more diversified economy is sound and growing in a slow, but sustained manner. As the third millennium begins, the future looks bright for Gregg County and its citizens.



Gregg County Courthouse – West Wing – 1982

COUNTY POLICY AND LONG RANGE GOALS

Mission Statement

Our mission is to provide quality services that are responsive, respectful, and effective in a fair and equitable manner that will enhance the quality of life for Gregg County residents.

Vision

- We will treat the residents of Gregg County with dignity and respect;
- We will continually strive to maintain the trust and credibility that the residents of Gregg County expect and deserve;
- We will be accountable to our citizens of Gregg County and responsive to their needs;
- We will embrace our historical heritages;
- We will continually explore new ways of innovation and service capabilities.

Gregg County Goals

- 1) Provide quality service to the citizens of Gregg County
- 2) Manage the public's resources with the highest integrity
- 3) Strive for efficiencies in all departments
- 4) Maintain accountability in all departments
- 5) Provide an equitable justice system that is equal to all
- 6) Promote the values of every employee, treating them with respect, fairness, and diversity
- 7) Preserve the historical culture of Gregg County
- 8) Retain community communications and improve relationships with all cities in Gregg County
- 9) Maintain a leadership role in regional issues
- 10) Promote and preserve the health, safety, and welfare of the citizens of Gregg County

Budget Policies

- **Gregg County shall maintain a balanced budget.**

Accordingly, **a balanced budget is one in which the total expenditures do not exceed the total resources, or total estimated revenues plus reserves.** Optimally, the goal in balanced budgeting is for expenditures not to exceed revenues, while maintaining a 25% level of operating reserves.
- **A comprehensive budget shall be prepared on an annual basis covering all proposed expenditures for the succeeding fiscal year.**

This policy is in accordance with Texas Local Government Code section 111.003. It further provides the commissioners' court and the general public with the necessary financial information to evaluate the overall financial condition of the county.
- **The budget shall include comparative departmental workload indicators.**

The format of the budget document has substantially changed over the last 7 years. Workload indicators are included for the county's major departments to provide the court and public with a measure of the activities being provided. Output indicators provide the foundation for performance measurements to determine departmental efficiencies and/or areas needing improvement. A goal of the budget department is to establish a comprehensive reporting system that will provide the court, departmental officials, and citizens with the ability to evaluate the level, efficiency, and value of the services being provided.
- **The budget shall be prepared in such a manner as to facilitate its understanding by the general public and the commissioners' court.**

The county judge, as the budget officer, strives to provide the general public and the court with a more informative and comprehensive budget document that not only provides financial data, but addresses policy statements and issues pertinent to the decisions of the county. This budget document is designed to give a more complete understanding of the facts and circumstances supporting the decisions being made by county officials.
- **The commissioners' court shall hold public hearing(s) and workshops on the budget and tax rate.**

Texas Local Government Code section 111.007 requires that the county hold a public hearing on the proposed budget. Gregg County usually holds at least one public hearing outside of normal working hours to encourage and facilitate public attendance and input. Budget hearings with the commissioners' court are held during the budget process and the hearings are subject to the Texas Open Meetings Act. Additionally, 79(R) SB 18 requires two public hearings on any tax increase.
- **The budget shall be prepared in such a manner to support GASB reporting requirements.**

A goal of the budget department is to corroborate the financial reporting requirements of GASB by coordinating budget documentation with financial reports provided through the County Auditor's office.
- **Gregg County shall maintain a budgetary control system for adherence to the adopted budget.**

The county maintains an encumbrance accounting system as a method of budgetary control. All approved appropriations in the annual budget are expended only through the issuance and approval of purchase orders. All purchase orders are cancelled at year end according to county policy.

Accounting Policies (including Revenue & Expenditures)

- ◆ **Gregg County prepares its financial statements** in conformity with generally accepted accounting principles (GAAP) for local governmental units and the Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.
- ◆ **Government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.
- ◆ **Governmental fund financial statements** are reported as using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available and is considered to be available when it is collectible within the current period (within 60 days of the end of the current fiscal period). Expenditures generally are recorded when a liability is incurred, however, debt service expenditures and expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.
- ◆ **Revenue policies are as follows:**
 - ◇ Funding sources are sought for various programs throughout the County in order to offset the loss of state and federal funding and to compensate increased expenditures due to mandates.
 - ◇ State laws predominantly mandate flat rates or minimum/maximum amounts for fees and charges for service, leaving some discretion to the Commissioners Court. Justification is required by departments before Commissioners Court will increase a fee, unless the change is mandated. The fees the State of Texas allows the counties to collect rarely, if ever, cover the cost of services provided.
 - ◇ One-time revenues are not considered for ongoing expenditures.
- ◆ **Expenditures policies are as follows:**
 - ◇ Local Government Code 111.010 provides that once the budget is approved by the commissioners court, the county may spend funds only in strict compliance with the budget, except in the case of an emergency.
 - ◇ The goal of the Commissioners Court is to designate and classify as reserve fund balances at a minimum of 25% of the budgeted operating expenditures of Gregg County Funds.
 - ◇ The county maintains accountability for actual expenditures to budget comparison through the use of financial reports, which are compiled and acknowledge by Commissioners Court monthly. Additionally, the financial software is set to restrict spending from insufficient funds at the requisition level.

Cash Management: Investments and Reserves Policies

- The County's current bond rating with Standards and Poor is A+ and it is the county's goal to maintain this rating, or improve it.
- The Commissioners Court established an Investment Committee comprised of the County Judge, one Commissioner, the County Auditor, the County Clerk (who is the designated investment officer) and two citizens involved in the financial market. This committee recommends policy for adoption by the Commissioners Court.

Investment Policy

- Gregg County's investment policy is to:
 - 1) Ensure the security of its principal in the overall portfolio as the foremost objective;
 - 2) Structure the investment portfolio in a manner which will provide the liquidity necessary to pay its obligations as they come due;
 - 3) Optimize return on investments within the constraints of safety and liquidity;
 - 4) Diversify its investments and restrict its investment vehicles to only those high grade instruments which qualify under the law;
 - 5) Maintain accountability of investments, subjecting them to internal controls, quarterly reporting and independent audit.
 - 6) To pursue an active versus a passive portfolio management philosophy, securities may be sold or exchanged before they mature if market conditions present an opportunity for Gregg County to benefit from the trade or if necessary to meet the cash needs of Gregg County. Under this investment policy, all investments will be made with the intent of pursuing, at the time of the purchase, the best rate of return on securities held until maturity, and not with the intent of speculative trading; and
 - 7) To maintain the highest professional and ethical standards, with capable and high quality investment management, as custodians of public trust.

Fund Balance / Reserve Policy

- **Gregg County defines fund balance as the excess of the assets of a fund over its liabilities, reserves and carryover.** State law prohibits deficits to fund balance. Allocated reserves are designated for a specified future use. Unallocated reserves are available for future budget allocation and are available for emergencies.
- **It is the goal of the Gregg County Commissioners Court to designate and classify as reserve fund balances at a minimum of 25% of the budgeted operating expenditures of Gregg County funds.**

Debt Policies

- ◆ The county seeks to maintain a level of indebtedness within available resources.
- ◆ The county shall not exceed legal debt limitations as defined in Article III, Section 52 of the Texas Constitution. Debt cannot exceed \$0.80 per \$100 valuation, with the exception of road bonds. The FY07 debt limitation calculation is shown below:

Assessed valuation	=	\$6,550,741,951	
Debt Limitation	=	52,405,936	or .80 per \$100 of assessed value
Gregg County	=	889,591	or .0140 per \$100 of assessed value multiplied by 97% collection rate

- ◆ In accordance with Article XI, Section 7 of the Texas Constitution, the county is required to set aside a minimum of 2% (two percent) of the principal balance in the interest and sinking fund each year. The FY07 calculation for constitutional requirement regarding principal balance is shown below:

Principal Balance	=	\$1,720,000	
Constitutional Requirement	=	34,400	or 2% of principal balance
Gregg County	=	927,017	Estimated revenue for FY07

- ◆ The county set a long-range goal of early retirement of all of its callable bonds. To achieve this goal, all net revenue received from the lease of the new jail facility was transferred to the debt service fund for the early retirement of the bonds associated with the jail facility. In FY04, debt reserves were used to pay a portion of the callable bonds and remaining debt was refinanced at a lower interest rate and for a shorter term saving the county \$900,000 in interest costs.

Capital Acquisition and Capital Improvement Policies

- ◆ The county will adhere to the Capital Asset Guide as approved by commissioners' court in August, 2003. This document establishes criteria for inventory vs. capital assets; capital asset definitions and guidelines.
- ◆ Items costing \$5,000 or more are considered capital purchases. Additionally, items costing between \$500 - \$5,000 are identified and tagged for inventory purposes.
- ◆ The commissioners' court will attempt to pay all capital improvement project costs on a cash basis.
- ◆ Capital improvement projects approved for funding will be evaluated according to community impact and service needs, total costs, and short term and long term financial impact on operating funds.

Economic Development Policies

- ◆ Economic development is vital to the health, wealth, and stability of Gregg County. The commissioners' court is committed to the development and maintenance of a high quality, modern infrastructure.
- ◆ The Gregg County Industrial Airpark is a 300 acre site located at the East Texas Regional Airport, formerly called the Gregg County Airport. The commissioners' court developed and funded an airport economic development board to oversee the development of this industrial airpark. This area has been designated as a foreign trade zone and widespread interest is being cultivated. The long range goal of the commissioners' court is to develop a thriving industrial region capable of bringing economic growth and jobs to the community.
- ◆ The commissioners' court continues to support area regional economic development corporations with funding to assist in these corporation's efforts to attract and maintain business and industry. The commissioners' court also executes interlocal agreements with the incorporated cities within the county to continue to provide additional services to the taxpayer.
- ◆ Gregg County provides property tax abatements, when appropriate, to encourage business and industry to locate new facilities in the county and to encourage the expansion of existing business property, plant, and equipment.
- ◆ The commissioners' court is committed to building and maintaining a strong infrastructure, which includes maintaining roads and bridges, to provide high quality services for the residents of Gregg County and to provide an incentive to business and industry seeking to relocate or expand.

Community Involvement Policies

- **Gregg County reduces duplication of facilities and personnel through interlocal agreements.**
Section 251.015 of the Transportation Code allows the use of road equipment, other construction equipment, including trucks, and employees necessary to operate the equipment to assist another governmental entity on any project so long as the cost does not exceed \$15,000; and 1) the use of the equipment or employees does not interfere with the county's work schedule; and 2) the county does not pay any costs related to the use of the equipment or employees that the county would not pay if the assistance were not given to the other governmental entity. Mutual aid agreements help to avoid the unnecessary duplication of services by allowing the county to assist the other governmental entities with road work in turn for their assistance in ambulance and fire protection within the jurisdictional limits of the unincorporated areas of Gregg County.
- **Gregg County has continued to fund qualifying community organizations to assist with the development and maintenance of preventive, informative, and special needs programs for the citizens of the county.**
These programs and organizations, such as literacy programs, drug and alcohol programs, and health organizations, offer many long-term benefits to the community and help to reduce the costs associated with the judicial processes and indigent costs through preventive measures and enhanced earning capacities of individuals being served.
- **The County continues to explore ways and concepts to enhance the quality of life and meet the needs of its citizens.**

BUDGET OPERATIONS

Basis of Budgeting

The FY07 budget was prepared on a modified accrual basis consistent with generally accepted accounting principles (GAAP) and budgetary control takes place at the categorical level. This is the same basis that is used for the audited general purposed financial statements prepared by the County Auditor. Under the modified accrual basis of accounting, revenues are recognized for budgetary purposes when they are received and become measurable and expenditures are recognized when the related fund liability is incurred, such as with a purchase order. Estimated purchase amounts are encumbered through the requisition process, prior to the release of purchase orders to vendors. When requisitioned encumbrances indicate an overrun of the departmental or project budget, purchase orders are not created until appropriations are available. The county maintains this encumbrance accounting system as a method of budgetary control. With the exception of capital project funds, all encumbrances are closed at the fiscal year end by county policy.

Budget Administration

The adopted budget serves as a fiscal plan and legal appropriation for county spending. State law forbids overall spending above the amount specified in the adopted budget. **Gregg County defines a balanced budget as one in which the total expenditures do not exceed the total resources or total estimated revenues plus reserves.**

Level of Control. The FY07 Budget was adopted in categorical format allowing elected and appointed officials to operate within the categorical budget amounts for salaries, fringes, operating and capital expenses. This policy empowers the individual offices with the ability to manage their own budgets, consistent with established policies, in a manner they believe results in their organization operating at its most efficient and effective level. The salaries and fringes categories included in the budget adoption process are directly tied to departmental positions budgets that will be enforced by the County Auditor through the payroll process.

Budget Changes. Changes to the budget are submitted to the County Judge's office in the form of budget transfers or budget amendments. Budget transfers are changes that have corresponding budget reductions and increases between categories, departments, or funds (LGC 111.010d). Budget amendments are changes that will increase the total, or 'bottom line,' of the budget. Expenditure budget amendments are considered only in emergency situations as allowed by Texas Vernon's Statutes, Local Government Code 111.010 (c). All budget amendment and transfer requests are submitted to the County Judge's office with comments regarding the necessity of the request. The County Judge's office is responsible for placing the request on the Commissioners' Court agenda and the court has the authority to grant or deny the request.

Special Budgets

Funds compiled in this document form the County's operation budget. Throughout the course of the year, departments seek grant and other funding sources for specific programs or departmental functions. In keeping the Texas statutes (LGC 111.0106 through 111.0107), the Commissioners Court reviews and approves or denies these grants or special funding that are external to the county's operating budget. Upon their approval, individual budgets are created for each grant.

Grant budgets are usually available for different fiscal years and they are not included in the operating budget figures; however, they are included in the audited general purpose financial statements.

The Budget Process

The budget process consists of two phases. Phase One, the planning process, is a continual process of information gathering and research. Phase Two, the formal budget process, consists of compilation of the Phase One data and presentation to the Commissioners Court and public according to statutory timing constraints.

PHASE ONE: THE PLANNING PROCESS

As in most Texas counties, **the annual budget process is the core planning process** for Gregg County. Planning processes for budget operations continue year-round in the form of five-year plans, debt reduction plans and capital needs assessments.

Five-Year Plan

In 2003, the budget office worked with a consultant to formulate a five-year planning process. The five-year plan actually consists of eleven-years of revenue, expenditure, and fund balance data for the operating and debt service funds. Five years of actual historical data and the current amended budget forms the basis for calculating scenarios for the next five years. Graphs are created to provide visual insight, showing ‘where we’ve been, where we are and where we are going’, assuming the same financial management patterns are continued.

Revenue calculations are based on several factors. Historical appraisal data is gathered to determine annual percentage of increase to property values and ultimately determine property tax collections. State Comptroller information is reviewed for various tax collections patterns for sales, motor vehicle, and mixed beverage taxes. Other revenues are evaluated to determine stability as a viable source of income.

Expenditures estimates are based on historical trends and investigation of variances from year to year. The plan adheres to debt schedules, with the exception of scenarios used to evaluate options for callable bonds. As a service organization, salaries and fringe benefits form the majority of the expenses, so scenarios are created for providing no raises and various cost of living adjustments. Operating costs are estimated at current growth patterns, or at levels of growth acceptable to the Commissioners Court.

The first five-year plan revealed the county would be deficit spending within two years if decisions were not made. It was this revelation that prompted the Commissioners Court to review the debt structure, encourage departmental efficiencies and analyze capital spending needs more closely. The review resulted in restructuring the debt (see below), requesting 3% decreases in departmental operations, deferment of most capital spending for a year, and due to increased fringe benefits cost, no cost of living adjustments that year.

Subsequent plans have aided in the decision-making process to increase ad valorem taxes by 4-1/2 cents, provide cost of living adjustments, and re-establish some capital spending.

Debt Reduction Plan

Based on information provided in the five-year plan and recommendations from a financial consultant, the Commissioners Court used reserves to pay down the principal balance of the 1993 debt series to \$2,575,000 and refinance the remaining debt at the reduced rate of 2%, reducing the final payoff from 2010 to 2008. This resulted in interest savings of \$880,000 over the remaining life of the 2004 series.

The County's debt policy includes reducing debt whenever it is economically feasible to do so. The 1988 debt was retired in FY05 and the 2004 debt series is not callable. **Current debt plans include adherence to the 2004 debt schedule and not issuing new debt.**

Capital Needs Assessment

Ideas for capital expenditures are provided to the county at various levels: through citizens groups, other governmental entities, department officials, and emergency situations. Although these ideas are presented throughout the year, Texas statutes forbid spending not included in the budget. When issues appear throughout the course of the year that constitute an emergency or unforeseen circumstance, the statutes allow for amendments to the budget. Grant funding is sought whenever possible and, when funding is not available, issues are noted and addressed during the next annual budget process.

Capital equipment purchases (such as vehicles, tractors, copiers, etc.) are addressed during the departmental reviews in budget process. When there is an emergency need for replacement of an item, budget is transferred from emergency contingency funds, when available, to replace the item. Examples would include operational failure of heating and air conditioning units and telephone systems, property damages due to accident or disaster occurrence.

Capital projects requested, or mandated, by other governmental entities are presented to the county through the involved department. For more complex projects the Commissioners Court selects a committee to review project feasibility and cost factors, and make a recommendation to the Commissioners Court. Committee members either include or coordinate information with the county auditor, purchasing agent, and the assistant district attorney, whose functions are to ensure the project is compliant with accounting principles, and budgetary and purchasing statutes. Careful consideration is given to ensure compliance requirements by other governmental entities, as was the case in the selection of the elections equipment provided through Help America Vote Act funding.

When citizens groups present an idea to Commissioners Court, the process is handled in the same manner as a request from a governmental entity; however, the committee does not usually include the auditor or purchasing agent until later in the process.

In each case, all commitments to capital projects are brought in the form of an idea or request to Commissioners Court and committee recommendations are either accepted, declined, or tabled by Commissioners Court prior to actual expenditures.

Capital improvements at the East Texas Regional Airport are mandated by the Federal Aviation Administration. The airport follows a master plan which is approved by the FAA, first, then presented to and approved by Commissioners Court. The auditor and purchasing agent work

with the airport director to ensure appropriate accounting principles, budget and purchasing statutes are followed. The importance of the airport to the community is discussed on page 45. Due to the high security nature of all airport matters, the county relies heavily on FAA recommendations.

STEP TWO: THE FORMAL BUDGET PROCESS The formal budget process begins in April with the formulation of the budget instruction manual. The manual includes the budget calendar (shown on pages 35-36) for the year and serves as a guide to department officials in the budget process. Also included are detailed instructions for request submissions, required forms, and specific budgetary concerns for the year. A copy of the statutes regarding county budgets is located in the appendix of this document.

Budget requests are completed on-line and due by early May. Budget requests are reviewed by the budget office on an individual basis and analyzed in terms of input, output, outcomes, objectives, and historical trend.

Revenue estimates are received throughout the budget process from the county auditor. The revenue estimates provide the necessary parameters for evaluating budgetary requests. Meetings are conducted between the budget office and the department officials in late May or early June. A preliminary review packet is prepared combining the latest revenue estimates with the budget requests and program statistics for review by the commissioners' court.

Budget workshops with the commissioners' court begin in late July or August to discuss funding levels, requests, and policy issues. By early August, a proposed budget is prepared by the budget office and filed with the county clerk based on the instructions of the commissioners' court. Public hearings are held prior to the adoption of the budget by commissioners' court in late August or early September. The adopted budget is filed with the county clerk.

Note About the Budget Calendar

The budget calendar looks more complex than the budget process. The legal references for the statutes concerning appraisals, taxation, open records, and budgets are provided for convenience to the public, as well as the departments. The purpose of the detail in the calendar is to simplify the process for the public as it combines the various laws concerning the budgetary process and arranges the activities by dates.

FY07 Budget Calendar

Date	Action	Official
April 12, 2006	Distribute budget instruction manual and request forms to departments	County Judge
April 18, 2006	Receive 1 st round of revenue and ending fund balance estimates	County Auditor
May 5, 2006	Deadline for departments to enter and return budget forms	Department Heads
May 16, 17, and 18, 2006	Preliminary review of departmental requests with officials	County Judge Department Heads
June 14, 2006	Receive 2 nd round of revenue and ending fund balance estimates	County Auditor
June 29, 2006	Preliminary budget worksheets to Commissioners	County Judge
July 14, 2006	Receive 3 rd round of revenue and ending fund balance estimates	County Auditor
July 25, 2006	Certified appraisal rolls due (Tax Code 26.01)	Chief Appraiser
July 26, 2006	Revised revenue estimates to Commissioners – based on certified taxable values	County Auditor
July 31 to August 7, 2006	Commissioners visit department heads regarding budgets (if needed)	Commissioners Department Heads
August 1, 2006 (a)	Deliver the appraisal roll to Commissioners Court and certify a collection rate for the current year (Tax Code 26.04b)	Tax Assessor-Collector
August 2, 2006	FY07 Preliminary Proposed Budget filed with County Clerk .(Local Government Code 111.003 and 111.006)	County Judge
August 4, 2006	Post required 72 hours notice of budget workshop – included in the posting for the regular meeting on August 7, 2006. (Government Code 551)	County Judge
August 7, 2006 (a)	Deadline to calculate, publish and present to Commissioners Court required schedules, statements and notices of effective and rollback tax rates. (Tax Code 26.04e)	Tax Assessor-Collector
August 7, 2006	Commissioners Court budget workshop immediately following the 9:00 a.m. meeting. Discuss and vote to place a proposal to adopt a tax rate on Commissioners' Court agenda August 30, 2006. Set 2 public hearings concerning the proposed tax rate.	Commissioners Court
August 7, 2006	Submit publication request “Notice of Public Hearings” for both public hearings. (1 st quarter-page notice in newspaper and on TV and website, if available) (Tax Code 26.06 and 26.065) <i>Must be published at least seven days before the first public hearing on August 17, 2006.</i>	County Judge

FY07 Budget Calendar (continued)

Date	Action	Official
August 11, 2006	Post required 72 hour notice for the 1st public hearing – included in the posting for the Commissioners’ Court meeting on August 17, 2006. (Government Code 551)	County Judge
August 18, 2006	Post the required 72 hour notice for the 2 nd public hearing to be held August 21, 2006. (Government Code 551)	County Judge
August 17, 2006	First public hearing at 9:00 a.m.	Commissioners Court
August 17, 2006	Submit publication request “Notice of Vote on Tax Rate” (Quarter page notice in newspaper and on TV and website, if available) (Tax Code 26.06)	County Judge
August 14, 2006 (b)	Submit publication request for notice of any proposed salary increases for elected officials in newspaper (Local Government Code 152.013) <i>Must be published at least ten days before public hearing on budget.</i>	County Judge
August 14, 2006	Submit publication request for notice of public hearing on FY07 Budget in newspaper (Local Government Code 111.0075) <i>Must be published at least ten days before public hearing on budget.</i>	County Judge
August 21, 2006	Second public hearing immediately following the Commissioners’ Court meeting at 9:00 a.m.	Commissioners Court
August 21, 2006	Submit publication request for “Notice of Vote on Tax Rate” (Quarter page notice in newspaper and on TV and website, if available) (Tax Code 26.06) <i>Must be published at least seven days before public hearing on budget</i>	County Judge
August 25, 2006	Post required 72 hours notice for the public hearing on the FY07 Budget and meeting to adopt the FY07 Budget and adopt the tax rate – will be included in the posting for the regular meeting on August 30, 2006 (Government Code 551)	County Judge
August 30, 2006	Public hearing on budget immediately following the Commissioners Court meeting at 10:00 a.m. After public hearing, Commissioners Court will vote to adopt the FY07 Budget then vote to adopt the tax rate. (Local Government Code 111.007)	Commissioners Court
August 31, 2006	Notice to departments of proposed departmental budgets	County Judge

Notes: (a) Statutes allow some flexibility on these dates.

(b) This step will be omitted if elected officials salaries remain the same as in FY06.

Dates are subject to revision

ACCOUNTING OPERATIONS

Basis of Accounting

All governmental fund types are accounted for using the modified accrual basis of accounting. Gregg County adheres to Governmental Accounting Standards Board (GASB) and generally accepted accounting principles (GAAP) in its budgetary process and in its accounting process. The county judge serves as the budget officer of the county and prepares and enters the annual budget. The county auditor serves as the accountant and prepares and audits all financial activity (including grant funds). Both offices work closely together to maintain integrity in financial reporting.

When comparing the audited financial statements to the budget document, there are few differences. Both the budget and financial reports use the same fiscal year. To ensure congruity with the financial statements other financing sources and uses, and actual changes in fair value of investments are recorded in the budget. The fund structure of the budget adheres to the financial statement fund structure. Gregg County does not have component units, so no activity is recorded in either document. Also, there are no outstanding leases and there is no immediate intent to enter into one.

The major difference between the budget document and the financial statements is that the financial statements include grant schedules and internal service and agency funds that are not under the Commissioners Court jurisdiction.

CASH MANAGEMENT OPERATIONS

Investments

The County's current bond rating with Standards and Poor is A+ and it is the county's goal to maintain this rating, or improve it. The Commissioners Court established an Investment Committee comprised of the County Judge, one Commissioner, the County Auditor, the County Clerk (who is the designated investment officer) and two citizens involved in the financial market. This committee recommends policy for adoption by the Commissioners Court. Investment policies are shown on page 28.

Fund Balance and Reserves

Gregg County defines reserves as 'an account used either to set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenue for a specific future purpose.' Allocated reserves are designated for a specified future use. Unallocated reserves are available for future budget allocation and are available for emergencies.

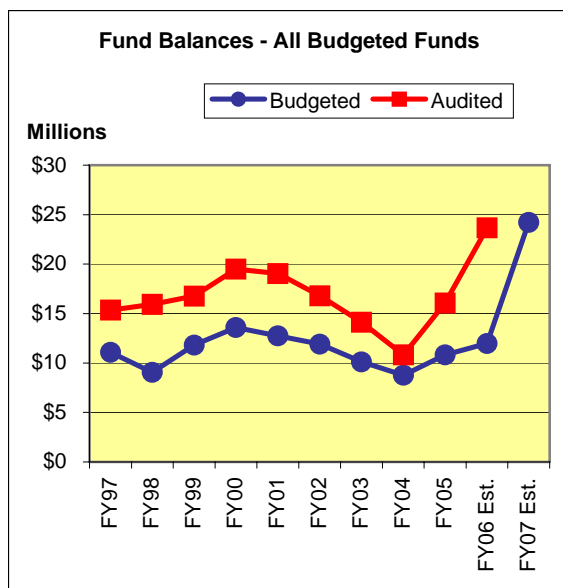
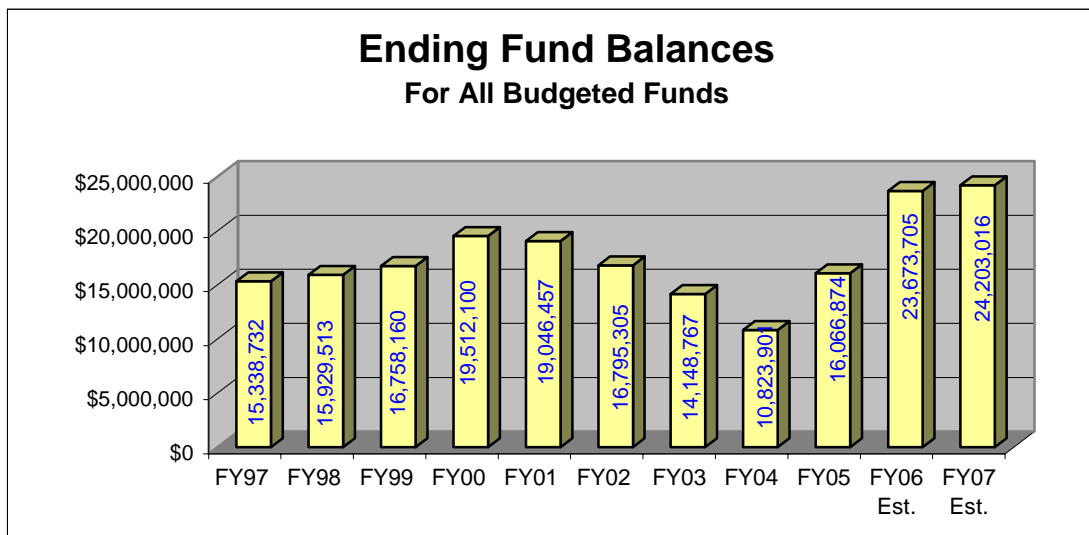
The definition of fund balance is 'the excess of the assets of a fund over its liabilities, reserves, and carryover.' State law prohibits deficits to fund balance.

It is the goal of the Gregg County Commissioners Court to designate and classify as reserve fund balances at a minimum of 25% of the budgeted operating expenditures of Gregg County funds. Reserves are crucial to continued operations in the event of disaster. The current operating ratio is 57.79%, while, the combined proposed reserve ratio for FY07 is estimated at 57.35%, with the

assumption that 100% of revenues are received and 100% of appropriations are spent for both FY06 and FY07.

Thus far, Gregg County’s strategic investment and reserve policies enabled the county to pay for capital improvement projects without tax increases or additional debt; establish a self-insurance plan for medical health insurance for the county’s employees; and pay for early retirement of the 1993 bond series in FY04.

The estimated ending fund balances for FY06 and FY07 are based on conservative revenue estimates and assume that all budgeted expenditures will actually be spent. For the past several years, actual revenues have exceeded budgeted revenues and actual expenditures have been less than budgeted expenditures as depicted in the chart and table shown below. Based on this trend, the Commissioners Court anticipate that actual fund balances will again exceed those estimated for FY06 and FY07.



Ending Fund Balance	Budgeted	Audited
FY97	\$11,093,552	\$15,338,732
FY98	9,061,553	15,929,513
FY99	11,829,596	16,758,160
FY00	13,574,539	19,512,100
FY01	12,737,927	19,046,457
FY02	11,918,031	16,795,305
FY03	10,108,645	14,148,767
FY04	8,762,281	10,823,901
FY05	10,822,992	16,066,874
FY06 Est.	11,995,486	23,673,705
FY07 Est.	24,203,016	

Fund Balance Projections

Fund balance projections are provided throughout the course of the budget process by the County Auditor's office. Projections in this document are based on internal reports, historical trends, prorated and sensitivity analysis. Current year audited figures (FY07) are expected to be provided in spring of calendar year 2007, well into the new budget year.

General Fund Projections

For fiscal year 2006, the audited beginning cash balance in the general fund was \$9,547,098. The estimated FY06 cash ending balance of the general fund is \$16,844,502, \$1.5 million more than earlier budget projections of \$15,289,169.

The FY07 estimated revenues are \$31,864,043; appropriations are \$27,411,083; and budgeted net transfers and other financing sources/uses into the general fund are (\$2,483,418). The budgeted ending fund balance is projected at \$18,814,041. This projected 12% increase over FY06 is primarily due to the tax rate distribution.

Road and Bridge Projections

For fiscal year 2006, the audited beginning cash balance in the road and bridge fund was \$1,568,734. The estimated FY06 cash ending balance of the road and bridge fund is \$1,785,643 as of September 30, 2006, \$ 327,093 more than earlier projections of \$1,458,550.

The FY07 estimated revenues are \$4,162,932; appropriations are \$4,981,321; and budgeted net transfers and other financing sources/uses are \$101,500. The budgeted ending fund balance is projected at \$1,068,755.

Other Funds Projections

For the fiscal year 2006, the audited beginning cash balance in all other funds was \$ 4,951,041. Combined ending fund balances for FY06 are estimated at \$5,043,560. The Health Care fund ending balance consists of \$2.45 million, or 48% of all other fund balance projections.

For FY07, combined ending fund balance of all other funds are estimated at \$4,320,220. This amount includes reserves of \$2.5 million for the Health Care fund, \$132,404 for Debt Service funds, and \$711,732 for Capital funds.

DEBT SERVICE OPERATIONS

OUTSTANDING OBLIGATIONS

Gregg County is one of the few Texas counties that is not encumbered with major debt obligations. The bond rating for Gregg County is A+ at Standards and Poor and A2 for Moody's. In FY07, the County's principal debt obligation of \$1.75 million represents approximately 4 % of the total budgeted \$42 million. In comparison, the principal debt obligation in FY1996 was \$22 million and the total budget was \$29 million. Over the years, the Commissioners' Court has aggressively sought refinancing and early retirement of debt obligations to build a strong financial foundation for the County.

At the beginning of FY05, Gregg County's debt obligation was \$5,093,850. The 1988 Series were retired in March, 2005 with a final payment of \$2,390,000, leaving a debt obligation of \$2,678,100. The 1993 Series were paid down and refinanced in FY04 resulting in a savings of \$900,000. The remaining debt consists of the 2004 Series obligations that were issued at \$2,575,000, with payoff scheduled for March 1, 2008. The outstanding debt obligation as of October 1, 2007 will be \$868,600. This debt is direct debt, payable from general revenues.

Debt Goals

The county's debt goals include maintaining a level of indebtedness within available resources and within all legal limits; and aggressively working towards a zero (\$0) level of indebtedness. The long-range goal for debt retirement includes early retirement of debt where callable bonds exist and when advantageous to the county to do so. There are no callable bonds at this time.

Current debt plans include adherence to the 2004 debt schedule and not issuing new debt. However, State and federal mandates will likely obligate Gregg County to issue debt for infrastructure in the near future.

Debt Limitations

The Texas Constitution provides authority for counties to incur debt in Article III, section 52. Limitations for debt capacity are established by State law with limitations on the tax rate. General obligation bonds were used to finance the County's existing debt, thereby guaranteeing repayment of the debt through taxation.

Tax rate limitations require that debt (except for road bonds) cannot exceed \$.80 per \$100 assessed valuation. Gregg County's tax rate distribution for FY07 debt service is \$.0140 per \$100 assessed valuation. In the case of road bonds or improvement bonds, the debt amount may not exceed one-quarter of the assessed valuation of the county. Gregg County does not have any road or improvement bonds.

Article XI, section 7 of the Constitution requires at least two percent of the principal to be set aside every year to the interest and sinking fund. The \$927,017 estimated revenue for debt service in FY07 exceeds the constitutional requirement of \$34,400.

Description of Current Debt Obligations

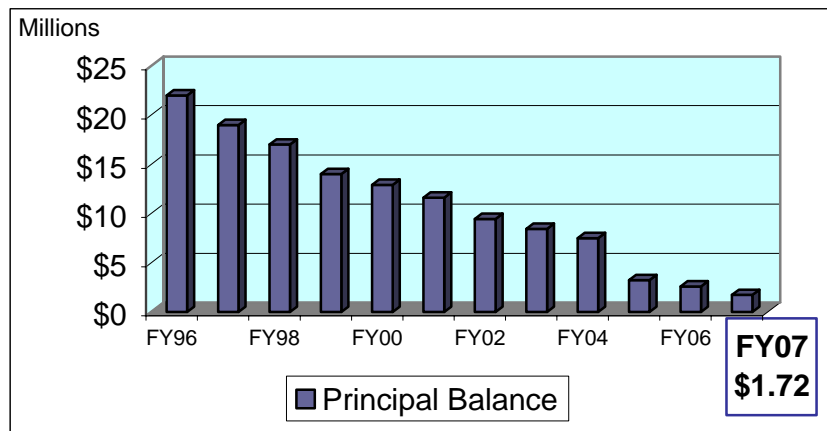
2004 Series – General Obligation Bonds - Issued on March 1, 2004 to refinance the existing 1993 series debt and pay down the remaining principal balance to \$2,575,000. Refinancing resulted in an overall savings of \$880,000 in debt service interest and reduced the payoff from

2010 to 2008. Principal and interest is due in annual installments to March 1, 2008, at the interest rate of 2.0%. These bonds are not callable.

Effect of Debt on Operations

Debt Obligations for the 1988 series retired in FY05. At this time the County anticipates that no increases in the overall tax rate will be necessary to fund outstanding obligations required in future years. The FY07 total debt rate of \$.0140 per \$100 valuation will have no affect on this year's or future operations.

Indebtedness	Original Issue Amount	Principal Remaining	Interest Remaining	Total Principal & Interest Remaining	Date of Maturity
2004 Series	2,575,000	1,720,000	34,400	1,754,400	3/1/08 No early payoff



Outstanding Debt Schedule For FY07 Budget

2004 C Os			
Payment Dates	Principal	Interest	Total
3/1/2007	860,000.00	17,200.00	877,200.00
9/1/2007	-	8,600.00	8,600.00
3/1/2008	860,000.00	8,600.00	868,600.00
Total	1,720,000.00	34,400.00	1,754,400.00

Principal required for FY2006-07	860,000.00
Interest required for FY2006-07	25,800.00
Total Debt Service Required FY07	885,800.00

The 2004 Series was issued at \$2,575,000; payoff 3/1/2008. There is no early payoff option.

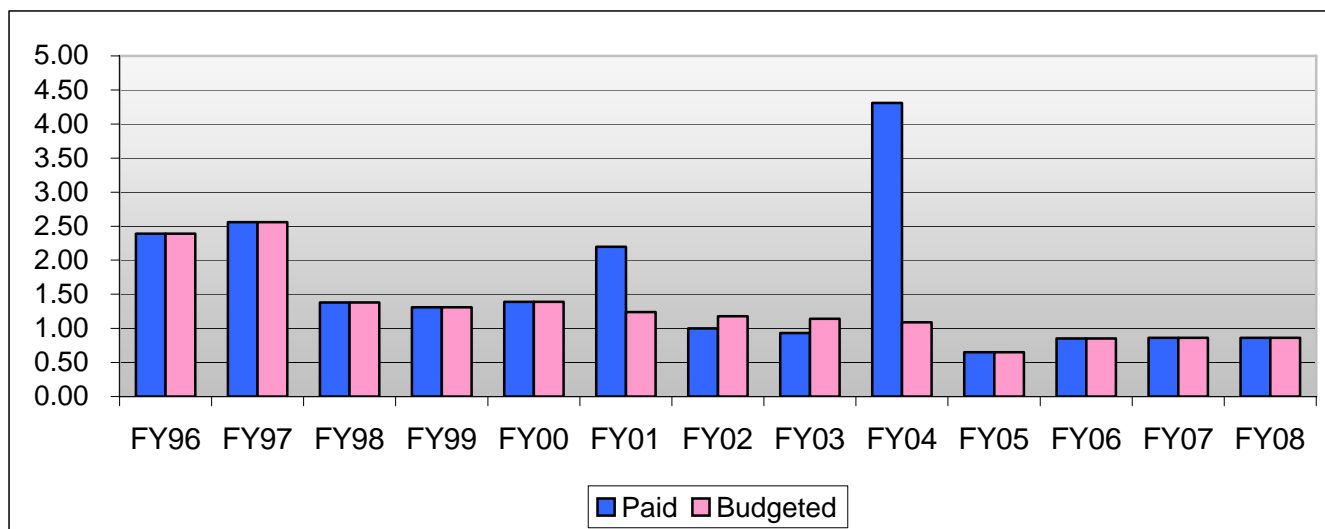
Debt Service Funds

Debt service funds account for the accumulation of resources for and the payment of general long-term debt principal and interest. As required by GAAP, each obligation is accounted for in its own fund.

GOALS and ACCOMPLISHMENTS:

- Retire all debt early, when possible
 - *The 1990 and 1992 series were retired in FY01.*
 - *The principal balance of the 1993 series was paid down and remaining funds were refinanced in March, 2004.*
 - *The 2004 series will retire in 2008, instead of 2010 (1993 series)*
 - *The 1988 series was retired in March of 2005.*

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
General Obligation Bonds Series 1988 Courthouse	\$2,395,874	\$2,390,874	\$2,390,000	\$0	\$0
Certificates of Obligation Series 1993 Jail	438,330	3,797,295	0	0	0
Certificates of Obligation Series 2004 Jail	0	26,050	51,823	855,000	886,800
Total Expenses	\$2,834,204	\$6,214,219	\$2,441,823	\$855,000	\$886,800



The chart shows paid debt paid that was callable in FY01 and the FY04 refinancing as compared to the original budget for that year. Budget amendments were required prior to payoff.

Capital Projects Operations

Capital *projects* are considered major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase the assets' useful lives. Capital *expenditures* include all purchases that will be capitalized, whether purchased within the individual departments, or in capital project funds. This section discusses capital projects operations, first, then provides a summary of Gregg County's Capital Asset Guide and a combined chart of all items to be capitalized in FY07.

As required by Generally Accepted Accounting Practices, Gregg County accounts for its capital projects in separate fund accounts that remain available for use until project completion. Most capital projects are non-routine and the capital project fund closes at the end of the project. Due to unforeseen events that occur in the construction industry, it is the Commissioners Court policy to appropriate known funding levels during the budget process for specific projects and, when necessary, to roll the budget forward into the next year until the project is completed.

Capital Projects' Budgetary Impact - The capital projects scheduled for FY07 will not impact the county's labor force through either reduction or addition of job positions or operation expenses. However, use of reserves for capital projects could result in savings of debt interest expenses in the long term. All other savings associated with capital projects are strictly economic in nature. **Unfunded state mandates affect the ability to plan for additional capital projects.**

Capital Project Expenditures from FY03 to FY07

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Permanent Improvement Fund	\$0	\$0	\$0	\$0	\$200,000
Airport Capital Improvement Fund	\$1,442,374	\$657,038	\$892,523	\$3,368,436	\$4,058,157
Courthouse Capital Improvement Fund	\$69,588	\$0	\$0	\$0	\$0
Longview Community Center	\$0	\$33,503	\$16,646	\$73,774	\$50,000
Industrial Airpark Improvements (1)	\$0	\$0	\$24,681	\$231,055	101,174
124 th Dist. Courtroom (2)	\$0	\$0	\$1,904	\$207,313	0
Records Storage Building (3)	\$0	\$0	\$0	\$359,096	107,600
Computer Upgrade Project (4)	\$0	\$0	\$0	\$0	\$2,004,748
307 th Dist. Courtroom (5)	\$0	\$0	\$0	\$0	\$128,000
Total Capital Projects Expenses	\$1,511,962	\$690,541	\$935,755	\$4,239,674	\$6,649,679

Blue indicates routine capital project funds.

Orange indicates completed capital project funds.

Black indicates projects to be completed during FY07.

Green indicates new projects for FY07 budget.

Capital Projects' Descriptions

Permanent Improvement Fund – This fund was created in FY06 as a contingency to fund special projects unknown at the time of the budget adoption. This fund is considered 'routine' as it is not assigned to a particular project to be completed in a finite time. FY07 budget is \$200,000.

Courthouse Capital Improvements Fund – This fund was used to account for bathroom facility upgrades, wall coverings, flooring, paint, ADA compliance issues and the renovation of the 188th District Courtroom. This fund was closed and remaining funds were transferred to General Fund.

Longview Whaley Community Building – This fund is used to account for activity at the community building. This project is ongoing and 'routine' in nature; the FY07 budget includes \$50,000. The project is completed in phases and final completion is not known at this time.

Built in 1939, this facility (located on Whaley Street) is considered an historical landmark. The FY07 Budget provides for \$50,000 in capital expenditures towards renovating the Longview Community Center. The Community Center is one of 14 county owned facilities used for community activities.

The facility is contractually managed by the Longview Federated Clubs and project priority for construction phases is determined by the clubs' contracted architect. The nature of this contractual relationship diminishes the County's ability to maintain labor force and economic data concerning the project.

Prior to FY04, all costs were recorded as routine repair and maintenance to the facility. A consultant has proposed a plan for major renovations/repairs and, to better track activity, all costs associated with renovating the facility are now recorded in a capital project fund. Activities in this fund are considered "routine" in that small allocations are made to this project each year. Any consideration to renovate the facility at one time is contingent on the needs and interest of the local community.

Industrial Airpark Improvements – This fund is used to provide taxiway and utility improvements to attract more business to the industrial airpark. Remaining project funds of \$101,174 were rolled into the FY07 budget. This project is not ongoing and the fund will close upon project completion.

124th District Courtroom – This fund was used to account for upgrades to the 124th district courtroom include carpeting, wall covering, dropping the ceiling and seating changes for ADA compliance. This project is not ongoing and the fund closed upon project completion.

Records Storage Building – This fund was used to account for building a new records storage building adjacent to the existing facility. Remaining project funds of \$107,600 were rolled into the FY07 budget. This project is not ongoing and the fund will close upon project completion.

Computer Upgrade – The FY07 budget includes \$2,004,748 for upgrades to the existing judicial system and tax collection system. These systems have not had major upgrades in approximately 7 years. This project is expected to be finalized prior to the end of FY07. This project is not ongoing and the fund will close upon project completion.

307th District Courtroom – The FY07 budget includes \$128,000 for renovations to the 307th District Courtroom. Renovations include seating, wall covering, lighting, floor covering and ADA improvements. This project is expected to be finalized prior to the end of FY07.

Airport Capital Improvement Fund – Monies from this fund are limited to upgrading and expanding the East Texas Regional Airport. This project is considered ‘routine’ in that the fund will continue to remain active with the master plan extending to 2013.

The FY07 Budget provides for \$4,058,157 in capital expenditures for the East Texas Regional Airport. As demonstrated on the following table , Gregg County is committed to an ongoing airport improvement program to further advance economic development in the east Texas region. These projects are primarily funded through federal funds from the Federal Aviation Administration (FAA) for airfield / runway improvements, fencing and security, and equipment to maintain the airfield.

Capital improvement projects are an imperative part of the operation of the East Texas Regional Airport. They provide a means of keeping the airport facility in compliance with the standards required by the FAA for the safe operation of commercial and general aviation. These projects also provide the funding to help develop the airport property for new and expanded business opportunities, as well as the safe and efficient operation of existing business. These businesses provide employment and tax revenue for the county and the community.

The airport is a portal to our community and the first thing that many business and leisure travelers experience when they arrive. It is very important to make that visit a safe and pleasant one for everyone.

Airport improvement projects do not influence the County’s labor force through either reduction or addition of job positions or operation expenses. The County retains an engineering firm to oversee the construction projects and assist with coordinating the FAA grant documentation. Because the project is not managed by the County, data concerning the ongoing nature of the projects (from year to year) and impact to the regionally economy, such as job creation data, etc., is unavailable.

The chart on the following page was provided by the airport manager and is a concise version of the airport master plan. Gregg County is responsible for budgeting and expending 100% of the federally approved projects and is reimbursed at a rate of 95%. The County’s funding requirement for FY07 is \$202,908. The FAA approved project schedule for the airport, available in the airport manager’s office, lists projects through the year 2013.

Airport Projects

Project Description	Year	Federal Share	County Share	Total Cost
Apron Reconstruction Phase II	91/92	\$ 365,000	\$ 40,556	\$ 405,556
Runway 13/31 Overlay, Guidance Signs, Airport Master Plan	92/93	2,190,215	243,357	\$2,433,572
Apron Reconstruction Phase III	93/94	609,442	67,716	\$677,158
Rehabilitate Runway 17/35 & Taxiway	94/95 95/96	1,039,610	115,512	\$1,155,122
Aircraft Rescue Fire Vehicle	94/95 95/96	261,482	29,054	\$290,536
Apron Reconstruction Phase IV - Windcone Installation - Stormwater Drainage Plan -Aviation Easements	96/97	1,004,045	111,561	\$1,115,606
Rehabilitate AARF Building - Phase I	96/97	225,000	25,000	\$250,000
Rehabilitate AARF Building - Phase II	97/98	229,693	25,522	\$255,215
Apron Reconstruction, Phase V	98/99	650,454	72,606	\$726,060
Runway Safety Area Upgrade	98/99	720,258	80,029	\$800,287
Electrical Improvements	99/00	310,002	34,445	\$344,447
Engineering Work / Taxiway Overlay Study	99/00	12,150	1,350	\$13,500
Paving & Drainage Improvements	99/00	315,000	35,000	\$350,000
Convert runway 4/22 to taxiway	01/03	3,034,296	337,144	\$3,371,440
Security Fencing	02/03	1,280,000	142,222	\$ 1,422,222
Reconstruct GA Aprons/Taxiways, Phase 1	03/04	2,081,911	109,574	\$ 2,191,485
Rehab GA Aprons Phase 2	05/06	1,302,854	68,571	\$1,371,425
Master Plan	05/06	261,250	13,750	\$275,000
ARFF Vehicle Purchase	05/06	166,250	8,750	\$175,000
Sweeper Truck Purchase	05/06	190,000	10,000	\$200,000
Design for Runway/Taxiway Rehab	05/06	688,750	36,250	\$725,000
Design Landside Drainage Imp.	05/06	15,200	800	\$16,000
Runway/Taxiway Construction Phase I	05/06	\$2,375,000	\$ 125,000	\$2,500,000
Runway/Taxiway Construction Phase II	06/07	\$3,244,750	\$170,776	\$3,415,526
Landside Drainage Imp. Construction	06/07	\$85,500	\$4,500	\$90,000
Terminal Surveillance Equipment	06/07	\$26,249	\$1,382	\$27,631
Maintainer Purchase	06/07	\$237,500	\$12,500	\$250,000
Passenger Bridgeway Purchase	06/07	\$261,250	\$13,750	\$275,000



The pictures on this page were taken at the East Texas Regional Airport, formerly known as the Gregg County Airport. The airport terminal building is shown to the left.



This picture supports the community significance of the airport and the many functions it serves. The picture was taken in 1992 and shows a privately owned place in the foreground, with a NASA jet carrying the space shuttle on its way to California.



The airport also hosts the annual East Texas Balloon Race each summer. The above picture was taken during one of the nightly balloon ‘glows’.

Recent Projects - Projects completed during the past several years from the courthouse capital project fund included renovation of the 188th and 124th district courtrooms; sound systems for all courtrooms; wallpaper, carpet and upholstery for various offices, and corridors; and an elevator upgrade. Projects at the industrial airpark include improvements to roads and taxiways. Additional funds were secured from the state to partially fund a separate project to update courthouse restrooms in compliance with the American Disability Act. Various construction / renovation projects were performed at the existing jail facilities and paid from the jail capital project fund.

Projects Under Consideration – One project under consideration is an expanded parking area for both the public and employees at the courthouse facility. People are parking and walking sometimes 3 to 4 blocks most days due to courts in trial or voir dire.

A Note About State Highway Projects

State highway projects are for state roads and the roads do not belong to the county at the end of the project; therefore, all funding is budgeted in the right-of-way department in the road and bridge fund. (see page 194)

The Texas Department of Transportation (TxDOT) presented project plans to Commissioners Court regarding state highway 135. Phase I of the project involves improving a portion of SH135 (from I-20 NW to Susan Rd) by reconstructing it as a four lane divided urban highway with a flush median. Phase I project costs are estimated at \$8,700,000. Gregg County's portion for right of way costs will amount to \$109,000. The first payment of \$25,000 was paid in FY2004; the second payment of \$25,000 was paid in FY2005 and the final payment of \$59,000 was paid in FY2006.

Additionally, Phase II of the state highway 135 project consists of construction from Susan Rd to US 271. Project costs are estimated at \$24,000,000 with the county's portion of right-of-way costs at \$124,000. The FY07 budget includes the first payment for Phase II, \$42,000.

Through its prudent management of funds, Gregg County has been able to fund state highway projects for several years through the use of reserves.

All project construction data concerning labor force and economic impact can be obtained at the State of Texas Department of Transportation.

Other projects under consideration include the widening of highway 149 in partnership with the Northeast Texas Regional Mobility Authority and expanding George Richie Road in partnership with the city of Longview and NETRMA. Funding for these projects will likely include the issuance of debt.

Capital Asset Guide Summary

The Commissioners Court approved the Capital Asset Guide in August, 2003 as presented and recommended by the County Auditor. This guide was compiled to comply with new reporting requirements of the Governmental Accounting Standards Board (GASB), Statement No. 34.

According to the Gregg County Purchasing Policies and Procedure Manual, the Gregg County Purchasing department is responsible for all *county inventory*. This inventory consists of all county property valued over \$499.99 with a useful life of at least one year. Prior to the approval of the Capital Asset Guide inventory was maintained on all items between \$100.00 and \$499.99 as well.

Capital Asset Definitions and Guidelines

- (a) Capital assets are real or personal property that have a value equal to or greater than the capitalization threshold for the particular category of the asset and have an estimated useful life of greater than one year.
- (b) The County has invested in a broad range of capital assets that are used in the County's operations, which include the following major categories:
 - 1. Land and land improvements
 - 2. Buildings and building improvements
 - 3. Improvements other than buildings
 - 4. Infrastructure
 - 5. Machinery, equipment, and other assets
 - 6. Leasehold improvements
 - 7. Construction in progress

Capitalization Thresholds

<u>Class of Asset</u>	<u>Threshold</u>
Land/Land improvements	Capitalize all
Building/building improvements	\$25,000
Improvements other than buildings	\$25,000
Infrastructure	\$25,000
Machinery, Equipment and Other Assets	\$5,000
Leasehold improvements and Construction in Progress	\$25,000

The County Auditor sets the uniform life and residual value standards for each class of assets, determines appropriate depreciation methods, and advises the commissioners' court and all departments regarding the capitalization process. Routine capital expenditures are defined as ongoing projects with phases for completion but no final project completion date. Non-routine capital expenditures are defined as projects that are scheduled for a specific completion date.

FY07 Approved Capital Expenditures

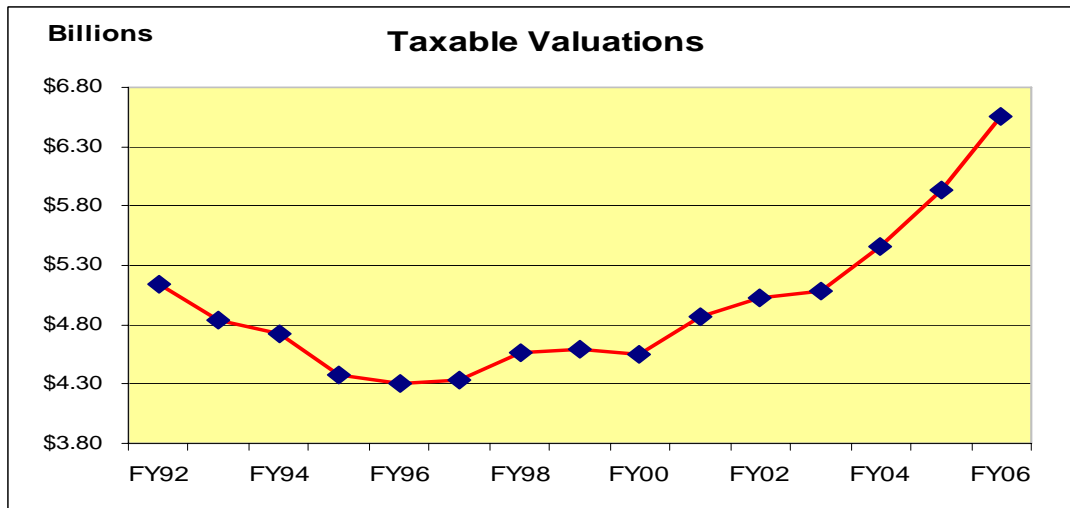
Fund / Department	Department Total	Description	Buildings Acct #752000	Capital Eqpt. Acct #753000	Non-Cap. Eqpt. Acct #754000	Other Capital Accounts
General Fund						
County Auditor	\$20,500	Workstations (4)	\$0	\$0	\$20,500	\$0
Information Services	98,600	Replacement of older equipment	0	0	98,600	0
307th District Court	1,200	Office Equipment	0	0	1,200	0
Court Compliance Division	9,700	Office furniture and equipment	0	0	9,700	0
Constable #3	1,200	Radio equipment	0	0	1,200	0
Sheriff - Corrections	109,500	Patrol cars (3), fleet cars (3)	0	109,500	0	0
Contract Jail Operations	27,000	Van - 15 passenger with insert	0	27,000	0	0
Courthouse Building	1,500	Minor Tools & equipment	0	0	1,500	0
Hugh Camp Memorial Park	5,000	Playground Equipment	0	5,000	0	0
Comm. Bldg. - Easton	2,000	Kitchen and playground equipment	0	0	2,000	0
Subtotal General Fund	\$276,200		\$0	\$141,500	\$134,700	\$0
Other Funds						
Elections Services Fund	\$5,000	Office equipment	\$0	\$0	\$5,000	\$0
Records Mgmt - Co Clerk	5,000	Scanner	0	0	5,000	0
Law Library Fund	2,000	Furnishings and equipment	0	0	2,000	0
Justice Technology Fund	10,000	Computer equipment	0	0	10,000	0
Road & Bridge Precinct #1	100,000	Motorgrader and reclaimer (buy back program)	0	100,000	0	0
Road & Bridge Precinct #3	32,000	Crew cab truck	0	32,000	0	0
Road & Bridge Precinct #4	80,000	Road equipment	0	80,000	0	0
Airport - Terminal	150,000	Air conditioning unit	150,000	0	0	0
Airport - Maintenance Shop	131,000	Car lift, pickup, tractor, mower and backhoe	0	131,000	0	0
Airport - Public Safety	5,500	Bunker gear, bed unit	0	0	5,500	0
Subtotal Other Funds	\$520,500		\$150,000	\$343,000	\$27,500	\$0
Capital Improvement Funds						
Permanent Improvements	\$200,000	Facility improvements	\$200,000	\$0	\$0	\$0
Airport Improvement	4,058,157	Improvements approved by FAA master plan	0	0	0	4,058,157
Longview Whaley Comm Bldg	50,000	Building improvements project	50,000	0	0	0
Industrial Airpark Imp.	101,174	Project not completed in FY06	101,174	0	0	0
Records Storage Building	107,600	Project not completed in FY06	107,600	0	0	0
Computer Upgrade Project	2,004,748	System upgrades - judicial and tax office	0	2,004,748	0	0
307th Courtroom Project	128,000	Courtroom improvements	128,000	0	0	0
Subtotal All Other Funds	\$6,649,679		\$586,774	\$2,004,748	\$0	\$4,058,157
Total Projected Capital Expenditures	\$7,446,379		\$736,774	\$2,489,248	\$162,200	\$4,058,157

Taxation and Budget Issues

FY06 TAX DATA

NOTE: The FY06 taxable valuations and FY06 tax rate funds the FY07 proposed budget.

Tax Base - The tax base was at \$5.15 billion in 1992, dropped to \$4.30 billion in 1996, and rose to \$5.46 billion in 2004. The FY06 tax base valuations are \$6,550,741,951. Fluctuations in the tax base have primarily been due to changes in mineral valuations, primarily oil and gas..



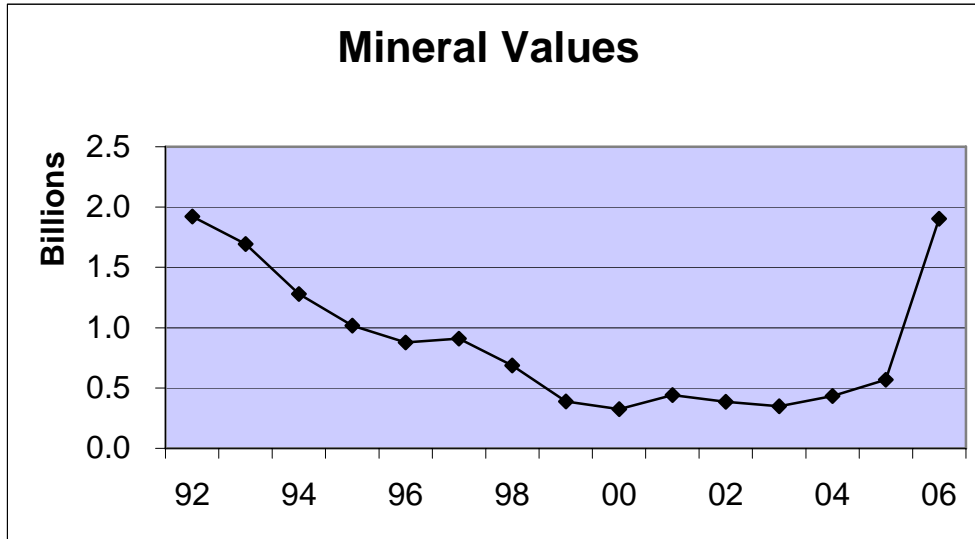
<u>Tax Year</u>	<u>General / Constitutional</u>	<u>Road & Bridge</u>
2001	4,871,178,974	4,805,482,470
2002	5,037,482,905	4,990,858,887
2003	5,086,924,217	5,040,323,846
2004	5,465,177,943	5,418,567,589
2005	5,526,592,457	5,480,215,806
2006	6,550,741,951	6,505,069,785

Tax Freezes – On January 12, 2004, the Commissioners Court adopted Proposition 13, a constitution amendment to Article VIII, Section 1-b(h) of the Texas Constitution. This Proposition authorizes a county to establish an ad valorem tax freeze on residence homesteads of the disabled and of the elderly and their spouses. Simply put, the total amount taxed to qualifying residents is fixed from the point of eligibility until certain criterion affect the eligibility.

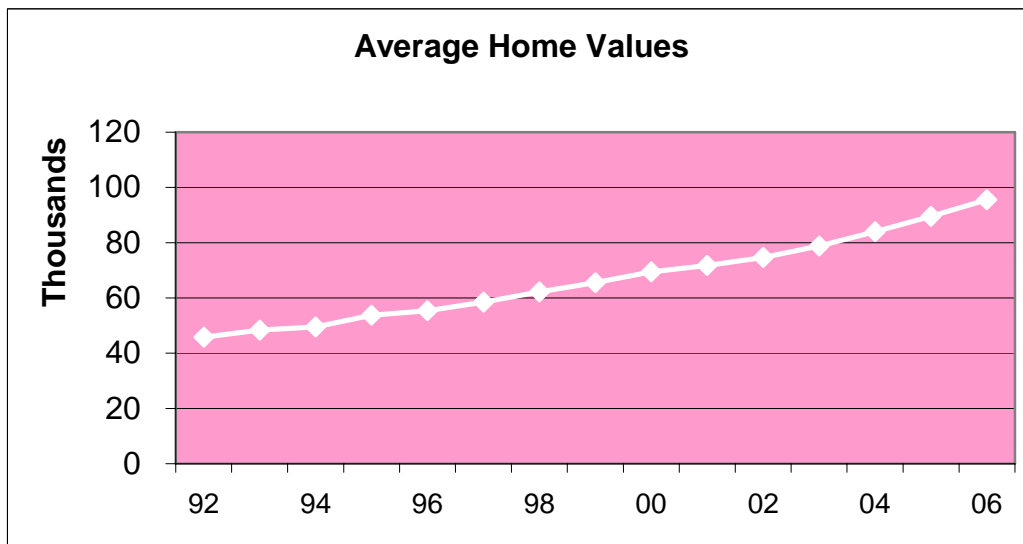
The FY07 budget includes adjustments on frozen property values for the first time. As shown below approximately \$405 million dollars of frozen value will be included in this exemption bracket. These exemptions are expected to reduce the FY07 tax revenue by approximately \$89,846.

<u>Frozen Taxes:</u>	<u>Tax Year 2005</u>	<u>Tax Year 2006</u>
Total frozen value for over 65	380,879,932	431,688,554
Total frozen value for disabled person	24,475,018	30,253,976
Total frozen taxable values	405,354,950	461,942,530

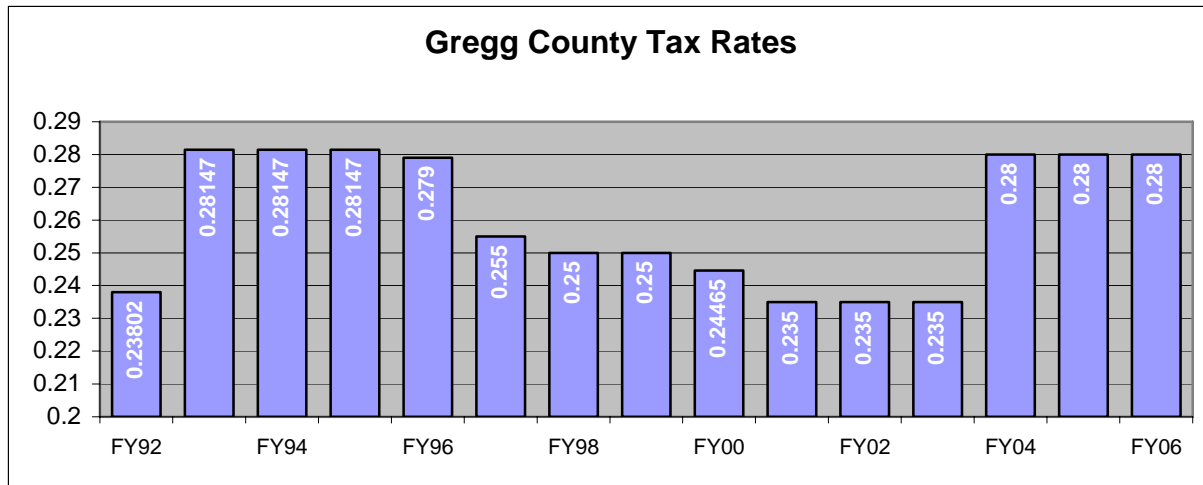
Mineral values - Over the past 14 years (from 1992 to 2006) there was a 295% decline in mineral values associated with the oil and gas industry. This decrease from \$1.92 billion in 1992 to \$568 million in 2005 has had an adverse affect on the county's tax base. Gas production in the area has risen since FY2003, and in FY06, due to rising fuel costs, it increased 234%.



Average Home Values - Since 1996, the sustained increase in home values have helped stabilize the overall tax base by substantially offsetting the mineral value decreases. Economic diversification and growth, population increases, and rising property values are crucial to the recovery and stabilization of Gregg County's tax base. Average home values have risen by 52% since 1992. The average home value for 2006 is \$95,512



Property Tax Rate – The chart below reflects the historical tax rate changes. The FY06 tax rate will fund the FY07 proposed budget and is proposed to remain the same as last year: \$.28 per \$100 valuation.



NOTE: The tax rate remained at .28147 for fiscal years 1993, 1994, and 1995, and was reduced over time to .235 where it remained for fiscal years 2001, 2002, and 2003. The FY06 tax rate of .28 is still lower than the 1995 rate of .28147. The tax rate reductions between FY95 and FY03 effectively saved the taxpayers over \$13 million dollars.

The proposed property tax rate disbursement for FY2006-07 follows:

<u>Fund</u>	<u>Rate</u>	<u>Tax Revenue @ 97%</u>
General Fund	.2307	\$14,706,498
Airport Maintenance Fund	.0160	944,982
Road and Bridge	.0140	826,859
FM Lateral Road	<u>.0053</u>	<u>331,691</u>
 Total Proposed Maintenance & Operations (M&O) Tax Rate:	<u>.2660</u>	<u>\$16,810,030</u>
 Debt Service -2004 Series	.0140	889,591
 Total Tax Rate & Distribution	<u>.2800</u>	<u>\$17,699,621</u>

AN ORDER OF THE COMMISSIONERS COURT OF GREGG COUNTY, TEXAS, MAKING TAX LEVIES FOR GREGG COUNTY FOR TAX YEAR 2006

§

BE IT REMEMBERED at a special meeting of Commissioners Court of Gregg County, Texas held on the 30th day of August, 2006 on a motion made by Charles Davis, and seconded by Bob Barbee, the following Court Order was adopted:

- WHEREAS, the Commissioners Court has considered all requests for County expenditures for the fiscal year beginning October 1, 2006 and has been provided with estimated revenues for such year by the County Auditor; and
WHEREAS, the Commissioners Court has caused appropriate legal notice of the proposed ad valorem tax rate to be published according to State law; and
WHEREAS, public hearing(s) were conducted on August 17, 2006 and August 21, 2006 to allow public comment on the proposed FY06 tax rate, which will fund the FY07 budget; and
WHEREAS, Commissioners Court action is required to finally adopt a tax rate for tax year 2006 and to levy such tax on each \$100 of assessed valuation of all taxable property within the County.

NOW IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED that the Commissioners Court of Gregg County hereby levies a tax of \$0.28000 on each \$100 assessed valuation of all taxable property in the County, as more fully described below:

FOR MAINTENANCE AND OPERATIONS

- \$.2307 for General Fund
.0160 for Airport Maintenance Fund
.0053 for FM Lateral Road
.0140 for Road & Bridge
\$.2660 Total Maintenance and Operations Tax

FOR DEBT SERVICE

- \$.0140 for Certificates of Obligation, Series 2004

THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE. THE TAX RATE WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$ 22.99.

DONE IN OPEN COURT this the 30th day of August, 2006.

[Signature of Bill Stoudt]
Bill Stoudt, County Judge

[Signature of Charles W. Davis]
Charles W. Davis, Precinct #1

[Signature of Bob Barbee]
Bob Barbee, Precinct #3

[Signature of R. Darryl Primo]
R. Darryl Primo, Precinct #2

[Signature of Danny E. Craig, Sr.]
Danny E. Craig, Sr., Precinct #4

RDP
B CW



0180

PERSONNEL ISSUES

Several years ago, the Commissioners Court established a position control policy to manage increasing employee costs. With the approval of the Commissioners Court, departments have been allowed to internally restructure positions, duties and salaries during the fiscal year. Commissioners Court is currently reviewing the personnel policy manual to ensure compliance with laws, as well as evaluate the fairness of policy issues.

Merit, COLAs, and Longevity Pay

The FY07 includes a 3% cost of living adjustment (COLA). As per county policy, the longevity pay is paid annually as follows: \$120 for employees with 5-10 years of service, \$240 for 10-20 years, and \$360 for employees with 20+ years of service.

New Positions

The county requires that requests for new employees must be supported by data indicating the new position is mandated by state or federal regulations, or that a department's workload has increased significantly. The request is considered more favorably when outside sources will fund the new position.

The FY07 budget includes 2 new positions for the new Court Compliance Division department. These employees will be dedicated to the task of improving collections of court costs, fees and fines imposed in criminal cases. The county is required to establishment of a collections program by April, 2007 as mandated by SB1863. The initial cost of this mandate for FY07 is \$125,000, which includes \$90,061 in personnel costs.

Three years ago, Texas Jail Commission (TJC) agreed to postpone sanctions against the county's jail operations provided the county increased the staff to inmate ratio to appropriate levels (1 jailer to 48 inmates). TJC allowed the county sheriff to increase the staffing levels over the course of three years. Gregg County complied with the directives and added 8 jailers at a cost of \$246,098 in FY04; 9 jailers at a cost of \$276,859 in FY05 and the final 8 positions were included in the FY06 budget at a cost of \$251,472. The Gregg County jail was certified in FY2006. The FY07 budget includes 8 additional jailer positions at a cost of \$294,499 in order to maintain staff to inmate ratio. This unfunded state mandate has increased the county budget over \$1.06 million in the last four years.

In early 2007 the jail lease contract with MTC will end upon completion of their facility. The sheriff has worked diligently with the Commissioners Court to secure contracts with the U.S. Marshal Service and Smith County. A contract jail operations department was created and 26 new positions were included in the FY07 budget. These positions are prorated for eight months of operations with combined salaries and benefits totaling \$621,817.

The FY07 budget includes \$23,500 for one full-time maintenance position at the airport. The maintenance positions at the airport have the responsibility of maintaining the airfield in accordance with FAA regulations, which includes approximately 1200 acres of land. Additionally, they are responsible for all county buildings and equipment located at the airport. Adding this full-time position will improve the response time of the maintenance personnel.

Deleted or Restructured Positions

Once a position becomes vacant, it is the responsibility of the department head to justify the need for the position to be filled. In its effort to maintain efficiency, the Commissioners Court has been favorable of workforce reduction and department restructuring that eliminates positions through attrition.

One part-time position was deleted in the purchasing department and the workload will be shifted to the remaining two positions. One employee in the information services department plans to retire in June, 2007 and the position will be eliminated at that time with the remaining salary being distributed to other positions that will absorb that workload.

During FY06, the lieutenant in the airport public safety department and the 9-1-1 addressing coordinator assumed the responsibilities of the fire marshal upon his resignation. The fire marshal position in the sheriff's office was moved to the airport public safety department to offset the workload of the lieutenant. This restructuring reduced the county's budget by \$4,000.

The following schedules of position changes depict the growth of positions in the County from FY02 to FY07. In FY04 the county eliminated three (3) positions and added eight (8) jailer positions and reclassified 2.25 positions. In FY05, nine (9) more jailer positions were added, along with two (2) prosecutor positions, and the FTE of 2.25 in clerical help. During FY05, four (4) sheriff deputy positions were added for homeland security purposes, two (2) part-time clerks were approved. Restructuring for homeland security moved one position from health/welfare and nine (9) positions from general government (airport) to law enforcement/corrections. In FY06, one clerk was added to Justice of the Peace Precinct #1 and eight (8) jailer positions to the sheriff's office. The majority of the changes occurred in the law enforcement category. Eight positions were added in FY04, 22 positions were added in FY05, 16.75 positions were added in FY06 and 36.5 positions were added in FY07.

Category	Actual FY03	Actual FY04	Actual FY05	Amended FY06	Adopted FY07
General Government	108.5	105.5	96.5	96.5	97
Health / Welfare	13.5	13.5	13.5	14	13.5
Judicial	72.5	74.75	77.5	77.5	79.5
Law Enforcement / Corrections	145.75	153.75	175.75	192.5	229
Public Buildings	21	22	22	22	21
Transportation	53	50	49	49	49
Totals	414.25	419.5	434.25	451.5	489

The follow schedule depicts changes to positions by categorical ratio and count.

Category	% Change FY03 to FY07	Count Changes FY03	Count Changes FY04	Count Changes FY05*	Proposed Changes FY06	Proposed Changes FY06
General Government	-10.59%	-1	-3	-9	0	.5
Health / Welfare	0%	-.5	0	0	.5	-.5
Judicial	9.65%	1.5	2.25	2.75	0	2
Law Enforcement / Corrections	57.12%	3	8	22	16.75	36.5
Public Buildings	0%	-1	1	0	0	-1
Transportation	-8.16%	0	-3	-1	0	0
Totals	18.04%	2	5.25	14.75	17.25	37.5

Personnel Positions by Department					
Department	Actual FY03	Actual FY04	Actual FY05	Amended FY06	Proposed FY07
County Clerk	20	19	20	20	20
Purchasing	3	2.5	2.5	2.5	2
Human Resources	3	3	3	3	3
County Judge	4	3	3	3	3
Elections	4	4	4	4	4
County Auditor	9	9	9	9	9
Tax Assessor-Collector	32	31	30	30	30
Information Services	7	7	7	7	7
Extension Office	6	5.5	5.5	5.5	5.5
County Court-at-Law #1	3	3.5	3.5	3.5	3.5
County Court-at-Law #2	3	3.5	3.5	3.5	3.5
124th District Court	2	2	2	2	2
188th District Court	2	2	2	2	2
307th District Court	2	2	2	2	2
District Clerk	21	21	21.5	21.5	21.5
Justice of the Peace Precinct #1	4	4	4	5	5
Justice of the Peace Precinct #2	2.5	2.5	2.5	2.5	2.5
Justice of the Peace Precinct #3	4	4	4.25	4.25	4.25
Justice of the Peace Precinct #4	3	3	3	3	3
District Attorney	23	24	26	25	25
Court Compliance	0	0	0	0	2
Constable #1	1.25	1.25	1.25	1.25	1.25
Constable #2	1	1	1	1	1
Constable #3	1	1	1	1.25	1.25
Constable #4	1	1	1	1	1

Personnel Positions by Department (cont.)					
Department	Actual FY03	Actual FY04	Actual FY05	Amended FY06	Proposed FY07
Sheriff	138	146	159	166.5	177
Contract Jail Operations	0	0	0	0	26
MAS Criminal Justice Center	0	0	0	8	8
Department of Public Safety	1.5	1.5	1.5	1.5	1.5
Juvenile Board	3	3	3	3	3
Veterans Service	2	2	2	2	2
9-1-1 Addressing	2	2	2	2.5	2.5
Health Department	9.5	9.5	9.5	9.5	9
Courthouse Building	18	19	19	19	18
Community Buildings	3	3	3	3	3
Co Clerk Records Management	2	2	2	2	2
Road & Bridge Administration	4	4	4	4	4
Road & Bridge Precinct #1	16	14	15	15	14
Road & Bridge Precinct #2	1	1	1	1	1
Road & Bridge Precinct #3	18	17	16	16	17
Road & Bridge Precinct #4	14	14	13	13	13
Law Library/County Records Mgmt	0.75	0.75	0.75	0.75	0.75
Airport Administration	18	19	10	10	11
Airport Public Safety	0	0	9	9	10
Building Security	2	2	2	3	2
Totals	414.5	419.5	434.25	451.5	489

Positions reflect part-time as well as full-time positions. Grant funded positions are not reflected on this schedule as the grant funds are not included in this document.

Fringe Benefits

The County's medical insurance is a partially self-insured plan administered by a third party administrator. The county established an internal service fund to properly account for the fund's activity. As an accounting practice, internal service funds are not budgeted. The court contracts with an insurance consultant to evaluate and advise the county regarding the management of these funds. Data concerning this fund's activities is available to the public as analysis is provided on an ongoing basis. Due to the stability of our reserves, the county's insurance consultant did not recommend an increase to the health or dental insurance premiums for FY07. The county's estimated insurance cost for 485 full-time employees is \$2.83 million for group health and \$142,000 for dental insurance.

In addition to health and dental insurance, the county provides group life, accidental death and dismemberment and long term disability insurance. The estimated annual cost of these benefits is \$75,060.

The retirement rate is annually approved by the Commissioners Court, usually prior to budget adoption in August. The 2007 rates employer contribution rate is 8.87% and the employee contribution rate at 7%. The 79th Legislature passed bills requiring retirement contributions for

all part-time employees. The retirement system operates on a calendar year. Retirement contributions are estimated at \$1,370,395.

This page was left blank intentionally.



FINANCIAL SUMMARIES

This page was left blank intentionally.

Financial Summaries Overview

As per Texas statutes, all governmental funds in this document are appropriated, unless otherwise noted. The audited financial statements include various trust and agency (fiduciary) funds that are not under the jurisdiction of the Commissioners Court and, therefore, are not included in this document. Special budgets are adopted throughout the year for grant funds and are not included in this document, unless a required 'match' amount is known at the time of the budget adoption.

The financial summaries section contains county-wide data in various formats to provide different aspects and allow comparisons for the viewers' interest.

Revenue data is presented in the following major categories:

Property Tax – Current – includes current year ad valorem taxes collected from October 1st through June 30th.

Property Tax – Delinquent – includes current year ad valorem taxes collected from July 1st through September 30th and prior year taxes collected at any time.

Sales Tax – includes the county portions of the state sales tax and motor vehicle sales tax.

Other Taxes – includes all taxes other than ad valorem and sales.

Licenses & Permits – includes all revenue derived from issuance of licensing or permits (i.e., alcoholic beverages, sewage, etc.)

Intergovernmental – includes funds received from federal, state, and local government sources in the form of grants, shared revenues and payments in lieu of taxes.

Fees of Offices – also known as charges for services, includes fees charged for services by county departments to provide a service to the public or another governmental entity.

Fines & Forfeitures – includes fines assessed by the courts and bail bond and property forfeitures.

Interest – includes interest and unrealized gains or losses on investments.

Rental Income – includes revenue derived from lease or rental of county property (i.e., community buildings, airport hangars, office space, etc.)

Miscellaneous – includes revenue not classified in another category.

Categorical expenditures are divided into five major categories: salaries, fringe benefits, operating expenses, capital expenses and debt service. Schedules shown in categorical format reflect totals by categories for the entire budget regardless of fund or function. The FY07 budget is adopted in categorical format at the departmental level.

Functional revenue and expense titles are more closely aligned with standard divisions used in the audited financial statements and include expenses related to general government, judicial, law enforcement/corrections, health and welfare, public buildings, roads and transportation, debt service, and capital project functions. The departmental budgets indices on pages 99-100 list the departments alphabetically by function.

The *operating and non-operating* schedule divides the funds into types of operation and is used to establish the operating and overall reserve ratios. Operating funds include funds where the county's main operations are recorded. Although road and bridge, building security, and the airport maintenance are considered special revenue funds, they are dependent on ad valorem tax revenue and/or subsidies from general fund. Additionally, the tax rate can be adjusted between these funds to accommodate expenses. Discretionary funds derive their major operating income directly from fees that are restricted in use by either statute or court order. Debt Service funds are restricted by statute for debt retirement. Capital Project funds are created according to GAAP in order to record capital expenditures on individual projects.

Accounting Funds Overview

Major funds listed in the audited financial statements are notated below. According to GASB criteria, the Airport Improvement Capital Project fund will be considered as a major fund when the FY07 financial statements are audited, depending on the approval and acceptance of the grant funding.

General Fund (major fund) - The general fund accounts for all revenues and expenditures not required to be accounted for in other funds. This fund provides for the general governmental or daily operations of the county. The primary sources of revenue to the general fund are ad valorem and sales tax and charges for services.

Special Revenue Funds – Special revenue funds are used to account for monetary activity that is restricted for specific purposes.

- **Airport Maintenance** – The airport maintenance fund is designated for the maintenance of the East Texas Regional Airport. Property taxes and user fees are major sources of revenue.
- **Security Funds (2)**– The *building security fund* was created by statute to assist counties with courthouse security. Its restricted fees are collected through court costs; transfers from general fund cover any shortfalls. The 79th Legislature created a new fee that is accounted for in the *justice court security fund* for security in the Justice of the Peace offices located outside of the courthouse building.
- **Elections Services** – The elections services fund is restricted for elections purposes. Revenue is received from elections held for other entities (i.e., schools, cities, etc.)
- **Health Care (major fund)** – The health care fund was created by commissioners' court when the State of Texas disbursed tobacco settlement funds. The court chose to restrict the original funds and only use interest earnings to fund specific health care services. The State of Texas annually distributes funds to the counties based on county indigent health care expenses from the previous year.
- **Jail Lease Facility** – This fund was created to account for the collection of jail telephone commission at the North Jail facility and is used for maintaining that facility.
- **Justice Court Technology** - This fund consists of state authorized fees to be used for technology purchases and upgrades for the justices of the peace courts.

Accounting Funds Overview (continued)

- **Law Library** - The law library fund is restricted for the provision and upkeep of the county's law library. The principal sources of revenue are state authorized fees.
- **Records Management (5)** – There are five records management funds, as follows: one county-wide fund, two county clerk funds (civil and criminal) and two district clerk funds (civil and criminal). All revenue for these funds consists of state authorized fees and are restricted to the preservation of official county documents.
- **Road & Bridge (major fund)** - This fund is restricted for the purpose of building and maintaining county roads, bridges, signs, and right-of-ways. Major sources of revenue include property taxes, motor vehicle sales tax, fines and motor vehicle registration fees.

Debt Service Funds – Debt service funds are used to account for the accumulation and disbursement of resources associated with the county's debt obligations. Property taxes, interest income, and transfers from the general fund provide the resources necessary to pay the annual principal and interest payments. Gregg County has one active debt service fund in FY07.

Capital Project Funds – Capital Project funds are used to account for the financial resources designated for major capital acquisitions or construction. Each capital project is named according to the purpose of the project. For example, the Airport Improvement fund is a fund limited to upgrading and expanding the East Texas Regional Airport. Current capital project funds include:

- Permanent Improvement Fund – This fund was created in FY06 as a contingency to fund special projects unknown at the time of the budget adoption.
- Airport Capital Improvement Fund (new major fund for FY2006) – Monies from this fund are limited to upgrading and expanding the East Texas Regional Airport. This project is considered 'routine' in that the fund will continue to remain active with the master plan extending to 2012.
- Longview Whaley Community Building – This fund is used to account for activity at the community building. This project is ongoing and 'routine' in nature. The project is completed in phases and final completion is not known at this time.
- Industrial Airpark Improvements – The fund reserves for this project are to provide taxiway and utility improvements to attract more business to the industrial airpark.
- 124th District Courtroom – Upgrades to this courtroom include carpeting, wall covering, dropping the ceiling and seating changes.
- Records Storage Building – This fund is used to account for building a new facility adjacent to the current records storage facility
- Computer Upgrade – Upgrades include the judicial system and tax collections system.
- 307th District Courtroom – Upgrades to this courtroom include carpeting, wall covering, seating changes.

**Recapitulation Of
Fiscal Year 2007 Adopted Budget
By Function**

	General Fund	Road & Bridge	Other Special Revenue Funds	Debt Service	Capital Improvement Funds	Total All Funds
Est. Balance at 10/1/06 (1)	16,844,502	1,785,643	3,865,109	92,187	1,086,264	23,673,705
Revenues						
Property Taxes - Current	14,706,498	1,158,550	944,982	889,591	0	17,699,621
Property Taxes - Delinquent	380,489	35,182	29,226	32,426	36,350	513,673
Sales Tax	10,750,000	1,300,000	0	0	0	12,050,000
Other Taxes	205,000	0	0	0	0	205,000
Licenses & Permits	61,000	1,075,000	0	0	0	1,136,000
Intergovernmental	540,415	23,000	90,000	0	3,855,249	4,508,664
Fees of Office	3,084,600	0	451,700	0	62,000	3,598,300
Fines & Forfeitures	540,000	520,000	0	0	0	1,060,000
Interest	400,000	50,000	89,400	5,000	3,800	548,200
Rental Income	220,941	0	266,500	0	0	487,441
Miscellaneous	975,100	1,200	0	0	0	976,300
Total Revenues	31,864,043	4,162,932	1,871,808	927,017	3,957,399	42,783,199
Total Funds Available	48,708,545	5,948,575	5,736,917	1,019,204	5,043,663	66,456,904
Transfers In and OFS (2)	25,000	101,500	15,500	0	2,317,748	2,459,748
Total Available Resources	48,733,545	6,050,075	5,752,417	1,019,204	7,361,411	68,916,652
Expenditures by Category						
Salary Expense	12,763,151	1,846,429	799,621	0	0	15,409,201
Fringe Benefits	5,213,233	806,233	334,313	0	0	6,353,779
Operating Expenses	9,158,502	2,116,658	833,899	0	0	12,109,059
Capital Outlay	276,200	212,000	308,500	0	6,649,679	7,446,379
Debt Service	0	0	0	886,800	0	886,800
Total Expenditures	27,411,086	4,981,320	2,276,333	886,800	6,649,679	42,205,218
Transfers Out and OFU (3)	2,508,418	0	0	0	0	2,508,418
Reserves	18,814,041	1,068,755	3,476,084	132,404	711,732	24,203,016
Total Expenditures, Transfers Out & Reserves	48,733,545	6,050,075	5,752,417	1,019,204	7,361,411	68,916,652

(1) Reserves represent unaudited ending fund balances at 09-30-2006.

(2) OFS = Other Financing Sources

(3) OFU = Other Financing Uses

Note: Difference between OFS and OFU includes miscellaneous revenue and transfers to grant funds.

**Recapitulation of
Fiscal Year 2007 Adopted Budget
By Category**

	General Fund	Road & Bridge	Other Special Revenue Funds	Debt Service	Capital Improvement Funds	Total All Funds
Est. Balance at 10/1/06 (1)	16,844,502	1,785,643	3,865,109	92,187	1,086,264	23,673,705
<u>Revenues</u>						
Property Taxes - Current	14,706,498	1,158,550	944,982	889,591	0	17,699,621
Property Taxes - Delinquent	380,489	35,182	29,226	32,426	36,350	513,673
Sales Tax	10,750,000	1,300,000	0	0	0	12,050,000
Other Taxes	205,000	0	0	0	0	205,000
Licenses & Permits	61,000	1,075,000	0	0	0	1,136,000
Intergovernmental	540,415	23,000	90,000	0	3,855,249	4,508,664
Fees of Office	3,084,600	0	451,700	0	62,000	3,598,300
Fines & Forfeitures	540,000	520,000	0	0	0	1,060,000
Interest	400,000	50,000	89,400	5,000	3,800	548,200
Rental Income	220,941	0	266,500	0	0	487,441
Miscellaneous	975,100	1,200	0	0	0	976,300
Total Revenues	31,864,043	4,162,932	1,871,808	927,017	3,957,399	42,783,199
Total Funds Available	48,708,545	5,948,575	5,736,917	1,019,204	5,043,663	66,456,904
Transfers In and OFS (2)	25,000	101,500	15,500	0	2,317,748	2,459,748
Total Available Resources	48,733,545	6,050,075	5,752,417	1,019,204	7,361,411	68,916,652
<u>Expenditures by Function</u>						
General Government	7,363,332	0	1,470,886	0	0	8,834,218
Judicial	5,158,898	0	79,941	0	0	5,238,839
Law Enforcement/Corrections	10,537,760	0	645,506	0	0	11,183,266
Health & Welfare	2,291,183	0	80,000	0	0	2,371,183
Public Buildings	2,059,913	0	0	0	0	2,059,913
Roads & Transportations	0	4,981,320	0	0	0	4,981,320
Debt Service	0	0	0	886,800	0	886,800
Capital Projects	0	0	0	0	6,649,679	6,649,679
Total Expenditures	27,411,086	4,981,320	2,276,333	886,800	6,649,679	42,205,218
Transfers Out and OFU (3)	2,508,418	0	0	0	0	2,508,418
Reserves	18,814,041	1,068,755	3,476,084	132,404	711,732	24,203,016
Total Expenditures, Transfers Out & Reserves	48,733,545	6,050,075	5,752,417	1,019,204	7,361,411	68,916,652

(1) Reserves represent unaudited ending fund balances at 09-30-2006.

(2) OFS = Other Financing Sources

(3) OFU = Other Financing Uses

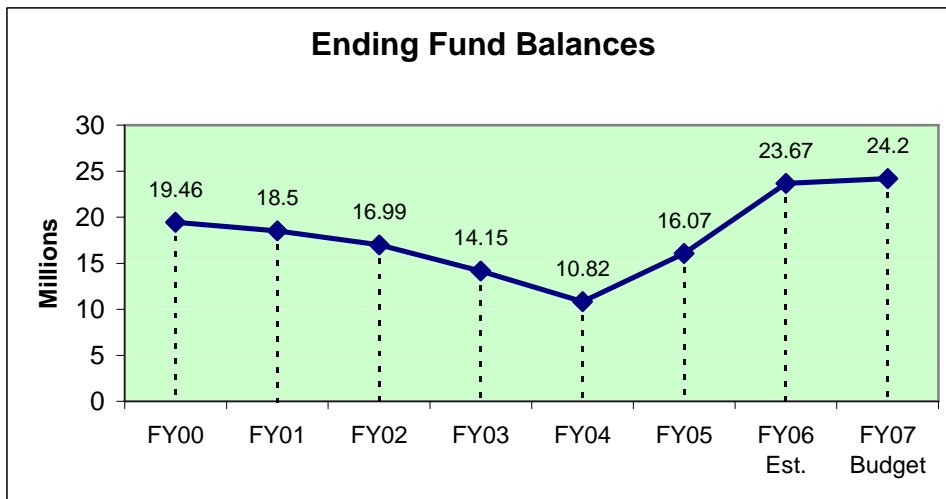
Note: Difference between OFS and OFU includes miscellaneous revenue and transfers to grant funds.

**Fiscal Year 2007 Adopted Budget
Operating and Non-Operating Funds**

	Estimated Beginning Fund Balance at 10/01/06	Budgeted Revenues FY07	Budgeted Expenditures FY07	Budgeted OFSources FY07	Budgeted OF Uses FY07	Estimated Ending Fund Balance at 9/30/07
Operating Funds						
General Fund	\$16,844,502	\$31,864,043	(27,411,086)	\$25,000	(\$2,508,418)	\$18,814,041
Road & Bridge Fund	1,785,643	4,162,932	(4,981,320)	101,500	0	1,068,755
Airport Maintenance Fund	582,686	1,314,708	(1,683,200)	500	0	214,694
Building Security Fund	34,219	73,500	(93,591)	15,000	0	29,128
Sub-Total	<u>\$19,247,050</u>	<u>\$37,415,183</u>	<u>(\$34,169,197)</u>	<u>\$142,000</u>	<u>(\$2,508,418)</u>	<u>\$20,126,618</u>
Debt Service Funds						
GO 2004 Series	92,187	927,017	(886,800)			132,404
Sub-Total	<u>\$92,187</u>	<u>\$927,017</u>	<u>(\$886,800)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$132,404</u>
Total Operating and Debt Service	\$19,339,237	\$38,342,200	(\$35,055,997)	\$142,000	(\$2,508,418)	\$20,259,022
Operating Reserve Ratio:						57.79%
Discretionary Funds						
Elections Services Fund	\$43,713	\$5,200	(\$26,000)			\$22,913
Co. Clerk Records Management	299,339	146,000	(197,934)			247,405
Jail Lease Facility Fund	147,360	50,000	(60,000)			137,360
Law Library Fund	151,576	62,000	(66,691)			146,885
County-Wide Records Mgmt	63,584	53,000	(54,167)			62,417
Justice Court Technology Fund	51,509	22,500	(10,000)			64,009
Dist. Clerk Records Mgmt	34,212	10,200	(250)			44,162
Dist. Clerk Criminal Rec Mgmt	67	0	0			67
Justice of the Peace Security	4,145	3,500	(3,000)			4,645
Co. Clerk Criminal Rec Mgmt	2,165	1,200	(1,500)			1,865
Health Care Fund	2,450,534	130,000	(80,000)			2,500,534
Sub-Total	<u>\$3,248,204</u>	<u>\$483,600</u>	<u>(\$499,542)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,232,262</u>
TOTAL OPERATIONS	22,587,441	38,825,800	(35,555,539)	142,000	(2,508,418)	23,491,284
Capital Project Funds						
Permanent Improvement Fund	\$719,558	\$36,158	(\$200,000)	0	0	\$555,716
Airport Improvement Fund	134,268	3,920,941	(4,058,157)	135,000	0	132,052
Longview Whaley Comm Bldg.	23,664	300	(50,000)	50,000	0	23,964
Industrial Airpark Improvements	101,174	0	(101,174)	0	0	0
124th District Courtroom Imp.	0	0	0	0	0	0
Records Storage Bldg	107,600	0	(107,600)	0	0	0
Computer Upgrade Project	0	0	(2,004,748)	2,004,748	0	0
307th District Courtroom Imp.	0	0	(128,000)	128,000	0	0
Total Capital Projects Funds	<u>\$1,086,264</u>	<u>\$3,957,399</u>	<u>(\$6,649,679)</u>	<u>\$2,317,748</u>	<u>\$0</u>	<u>\$711,732</u>
Total - All Funds	\$23,673,705	\$42,783,199	(\$42,205,218)	\$2,459,748	(\$2,508,418)	\$24,203,016
Overall Reserve Ratio:						57.35%

Budget Summary For All Funds Fiscal Years 2002-2007

	Actual Results FY 2003	Actual Results FY 2004	Actual Results FY 2005	Unaudited Actual FY 2006	Adopted Budget FY 2007
Beginning Fund Balances	16,795,305	14,148,770	10,823,897	16,066,873	23,673,705
Revenues					
Property Taxes - Current	11,356,868	11,556,145	14,944,563	16,211,333	17,699,621
Property Taxes - Delinquent	392,494	372,364	323,244	358,238	513,673
Sales Tax	10,063,372	10,763,374	11,854,879	13,897,077	12,050,000
Other Taxes	219,288	215,206	229,112	257,967	205,000
Licenses & Permits	1,148,658	1,152,454	1,177,202	1,268,757	1,136,000
Intergovernmental	1,657,502	1,107,268	1,408,635	3,875,060	4,508,664
Fees of Office	3,064,753	3,191,563	3,568,488	4,266,465	3,598,300
Fines & Forfeitures	924,097	1,049,229	1,073,380	1,130,345	1,060,000
Interest	181,940	216,983	511,617	829,020	548,200
Rental Income	591,582	583,245	749,970	545,803	487,441
Miscellaneous	44,203	332,699	447,506	550,878	976,300
Total Revenues	29,644,757	30,589,472	36,288,596	43,190,943	42,783,199
Expenditures by Category					
Salary Expense	(11,904,204)	(12,275,993)	(13,049,169)	(13,794,442)	(15,409,201)
Fringe Benefits	(4,608,566)	(4,944,712)	(4,832,280)	(5,404,715)	(6,353,779)
Operating Expenses	(10,928,395)	(9,486,397)	(9,304,871)	(10,098,053)	(12,109,059)
Capital Outlay	(2,283,029)	(1,099,459)	(1,427,524)	(5,260,032)	(7,446,379)
Debt Service	(2,834,204)	(6,214,219)	(2,457,003)	(913,254)	(886,800)
Total Expenditures	(32,558,398)	(34,020,780)	(31,070,847)	(35,470,496)	(42,205,218)
Transfers In	2,422,414	3,558,470	598,402	1,624,245	2,459,748
Transfers Out	(2,346,044)	(3,457,507)	(569,047)	(1,738,403)	(2,508,418)
Net Transfer In over Trans Out	76,370	100,963	29,355	(114,158)	(48,670)
Net Rev + Trans In over Exp + Trans Out	(2,837,271)	(3,330,345)	5,247,104	7,606,289	529,311
Inventory & Other Adjustments	190,736	5,472	(4,128)	543	
Ending Fund Balances	14,148,770	10,823,897	16,066,873	23,673,705	24,203,016



Ending Fund Balances dropped from \$19.4 million in FY00 to \$10.8 million in FY04. This reduction resulted from paying cash for capital projects and refunding debt service when available.

Assuming the County will receive and expend all amounts budgeted for FY07, the ending fund balance is estimated at \$24,203,019.

Budget Summary Trends

General Fund

General Fund	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budget
Fund Balance Beg. of Year	8,743,934	7,123,910	5,972,103	9,547,099	16,844,502
Revenues	21,277,371	21,241,447	26,623,924	31,242,144	31,864,043
Other Financing Sources	12,016	94,716	32,863	788,067	25,000
Subtotal	21,289,387	21,336,163	26,656,787	32,030,211	31,889,043
Total Available Resources	30,033,321	28,460,073	32,628,890	41,577,310	48,733,545
Expenditures	(20,762,758)	(21,685,390)	(22,512,744)	(24,233,628)	(27,411,086)
Other Financing Uses	(2,346,044)	(782,132)	(569,047)	(499,180)	(2,508,418)
Subtotal	(23,108,802)	(22,467,522)	(23,081,791)	(24,732,808)	(29,919,504)
Prior Period and Other Adj:	199,391	(20,448)	0	0	0
Fund Balance End of Year	7,123,910	5,972,103	9,547,099	16,844,502	18,814,041

General Fund balances were declining over a four year period - from \$10 (in FY01) to \$5.9 million (in FY04); however, since FY05 the fund balance is slowly increasing. Some reductions resulted from transfers between funds (other financing uses). In 2003, transfers of \$2.17million were made to road and bridge fund for a state highway project, capital project transfers were \$97,195, and remaining transfers were for juvenile and other funding. In 2004, new accounting requirements changed the accountability for transfers to Juvenile – where funds were formerly transferred to grant funds, they are now recorded as expenses in the General fund. This increased general fund expenditures 'overnight' by at least \$1 million dollars.

During the budget process, ending fund balance for FY06 was estimated conservatively at \$15,289,169, while unaudited figures are \$1.55 million higher at \$16,844,502. The variance between early estimates and actual amounts is attributed to exceeding the conservative revenue estimates and departments' conservation and efficiency by not expending 100% of their budgets.

Road & Bridge Fund

Road & Bridge	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budget
Fund Balance Beginning of Year	405,264	319,782	976,263	1,568,734	1,785,643
Revenues	3,739,857	4,544,691	4,178,012	4,519,304	4,162,932
Other Financing Sources	2,234,593	26,640	1,179	55,243	101,500
Subtotal	5,974,450	4,571,331	4,179,191	4,574,547	4,264,432
Total Available Resources	6,379,714	4,891,113	5,155,454	6,143,281	6,050,075
Expenditures	(6,051,717)	(3,940,562)	(3,580,151)	(4,357,638)	(4,981,320)
Other Financing Uses	0	0	0	0	0
Subtotal	(6,051,717)	(3,940,562)	(3,580,151)	(4,357,638)	(4,981,320)
Prior Period and Other Adj:	(8,215)	25,712	(6,569)	0	0
Fund Balance End of Year	319,782	976,263	1,568,734	1,785,643	1,068,755

In the Road and Bridge Fund, fluctuations in ending fund balance relate to the distribution of property taxes.

Budget Summary Trends

Other Special Revenue Funds

Other Special Rev. Funds	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budget
Fund Balance Beginning of Year	2,848,347	2,959,870	3,063,455	3,583,389	3,865,109
Revenues	1,431,107	1,460,757	2,044,042	2,054,350	1,871,808
Other Financing Sources	78,610	132,687	73,860	96,619	15,500
Subtotal	1,509,717	1,593,444	2,117,902	2,150,969	1,887,308
Total Available Resources	4,358,064	4,553,314	5,181,357	5,734,358	5,752,417
Expenditures	(1,397,757)	(1,490,069)	(1,600,375)	(1,741,284)	(2,276,333)
Other Financing Uses	0	0	0	(128,000)	0
Subtotal	(1,397,757)	(1,490,069)	(1,600,375)	(1,869,284)	(2,276,333)
Prior Period and Other Adj:	(437)	210	2,407	35	0
Fund Balance End of Year	2,959,870	3,063,455	3,583,389	3,865,109	3,476,084

The Airport Maintenance Fund comprises 70% of the revenue and expenditures in the above 'Other Special Revenue' tables. Ending fund balances for 'Other Special Revenue Funds' remain relatively the same. Of the \$3.8 million ending fund balance for FY06, \$2.4 million is the Health Care Fund. Changes to fund balance are attributed to increased fees, fluctuations in interest earned, and addition of more special revenue funds. These discretionary funds usually generate revenue and spend it during the same fiscal year, thus maintaining balances at the same level each year.

Debt Service Funds

Debt Service Funds	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budget
Fund Balance Beginning of Year	4,352,002	3,424,149	629,541	722,587	92,187
Revenues	1,906,351	2,683,686	2,534,868	967,529	927,017
Other Financing Sources	0	3,270,925	0	0	0
Subtotal	1,906,351	5,954,611	2,534,868	967,529	927,017
Total Available Resources	6,258,353	9,378,760	3,164,409	1,690,116	1,019,204
Expenditures	(2,834,204)	(6,214,219)	(2,441,822)	(898,273)	(886,800)
Other Financing Uses	0	(2,535,000)	0	(699,656)	0
Subtotal	(2,834,204)	(8,749,219)	(2,441,822)	(1,597,929)	(886,800)
Prior Period and Other Adj:	0	0	0	0	0
Fund Balance End of Year	3,424,149	629,541	722,587	92,187	132,404

Debt service ending fund balances have decreased as commissioners' court utilized reserves set aside to pay off bonds as they became callable.

Budget Summary Trends

Capital Projects Funds

Capital Project Funds	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budget
Fund Balance Beginning of Year	445,758	321,060	182,535	645,031	1,086,264
Revenues	1,290,070	658,888	907,750	4,407,615	3,957,399
Other Financing Sources	97,195	33,503	490,500	684,316	2,317,748
Subtotal	1,387,265	692,391	1,398,250	5,091,931	6,275,147
Total Available Resources	1,833,023	1,013,451	1,580,785	5,736,962	7,361,411
Expenditures	(1,511,963)	(690,541)	(935,754)	(4,239,673)	(6,649,679)
Other Financing Uses	0	(140,375)	0	(411,568)	0
Subtotal	(1,511,963)	(830,916)	(935,754)	(4,651,241)	(6,649,679)
Prior Period and Other Adj:	0	0	0	543	0
Fund Balance End of Year	321,060	182,535	645,031	1,086,264	711,732

The ending fund balance of Capital Projects funds will decrease as the project nears completion. When monies are left at year end and the project is not completed, the budget is rolled forward into the new fiscal year in order to complete the project.

Total All Funds

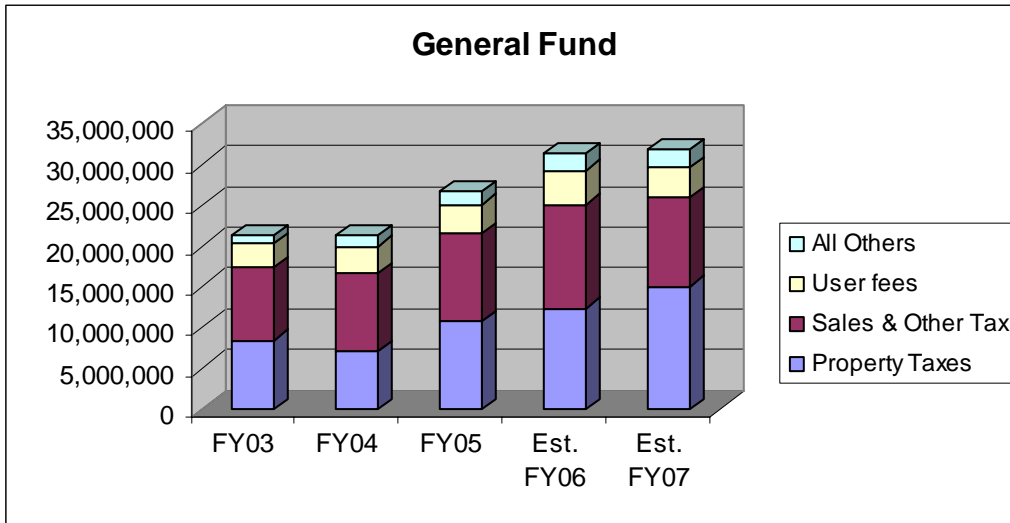
Total All Funds	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budget
Fund Balance Beginning of Year	16,795,305	14,148,770	10,823,897	16,066,873	23,673,705
Revenues	29,644,755	30,589,472	36,288,596	43,190,943	42,783,199
Other Financing Sources	2,422,414	3,558,471	598,402	1,624,245	2,459,748
Subtotal	32,067,169	34,147,943	36,886,998	44,815,188	45,242,947
Total Available Resources	48,862,474	48,296,713	47,710,895	60,882,061	68,916,652
Expenditures	(32,558,399)	(34,020,781)	(31,070,847)	(35,470,496)	(42,205,218)
Other Financing Uses	(2,346,044)	(3,457,507)	(569,047)	(1,738,403)	(2,508,418)
Subtotal	(34,904,443)	(37,478,288)	(31,639,894)	(37,208,899)	(44,713,636)
Prior Period and Other Adj:	190,739	5,472	(4,129)	542	0
Fund Balance End of Year	14,148,770	10,823,897	16,066,873	23,673,705	24,203,016

Overall, ending fund balances decreased from \$18 million in FY2000 to \$10.8 million in FY04. One objective for the FY05 budget was to maintain reserves at the same level (or higher) as FY04. The same objective was set for FY06. These charts illustrate the county's objectives have been met.

Budget Summary Trends – Revenue

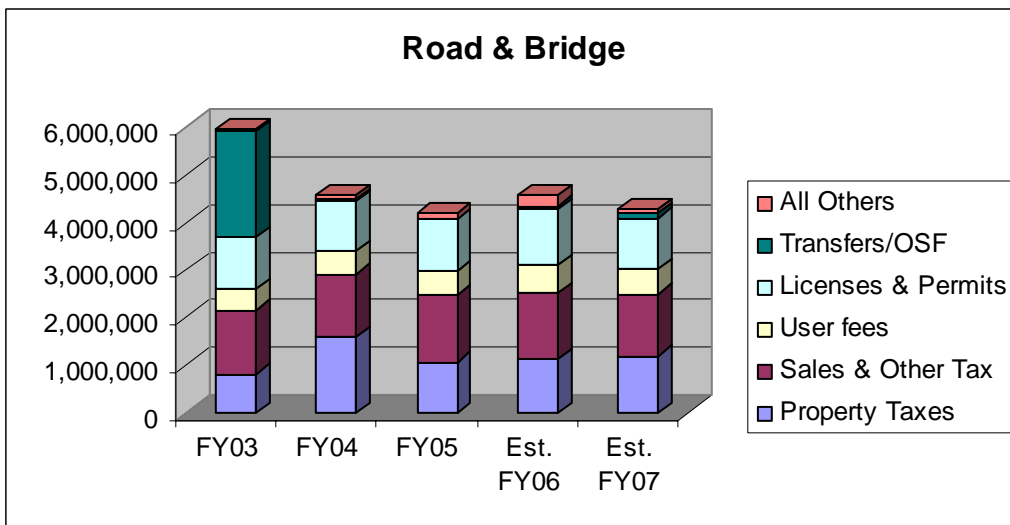
General Fund Revenue by Function

Major sources of revenue for the General Fund and percentage range of annual revenue are: property tax (39 to 47%), sales and other taxes (34 to 45%), user fees (11 to 15%). All other income includes interest income, licenses and permits, intergovernmental, and transfers/other financing sources and provides approximately 4 to 7% of the annual income. General Fund property tax distribution is reduced or increased when the tax rate is set, depending on the needs and/or shortfalls of other funds dependant on taxes. User fees include charges for services and fines and forfeitures.



Road & Bridge Revenue by Function

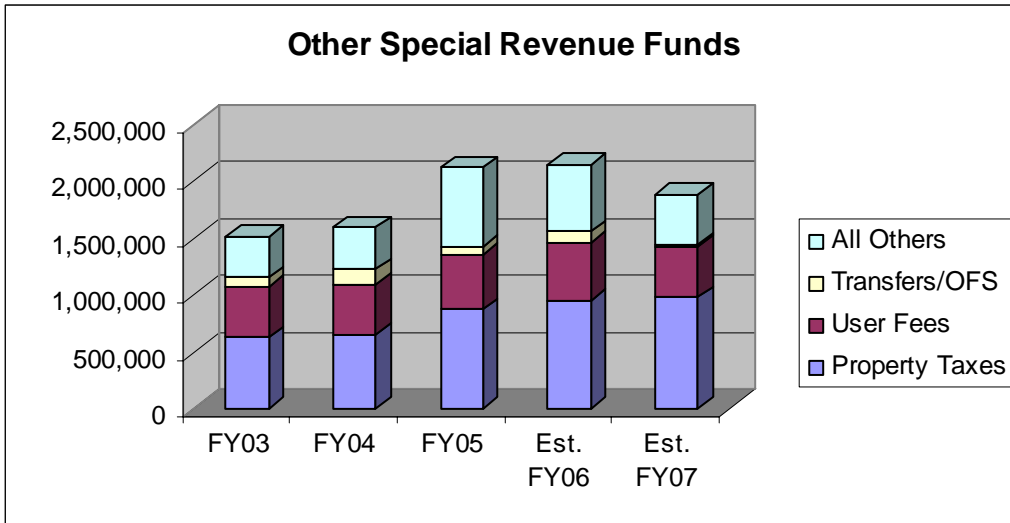
Sources of revenue for Road and Bridge fund are more diversified than any other fund. Property taxes have provided as little as 13% and as much as 35% of the annual income. Sales tax is exclusively motor vehicle sales tax has ranged from 22 to 33% annually. User fees include a large percent of all fines and are mandated by statute. These fines provide roughly 7 to 12% of all annual income. Licenses are comprised of the county's portion of motor vehicle registration, around 18 to 26% annually. The \$2 million transfer in FY03 was from General Fund reserves for a one-time state highway project. All other income is negligible at fewer than 5% of annual income.



Budget Summary Trends – Revenue

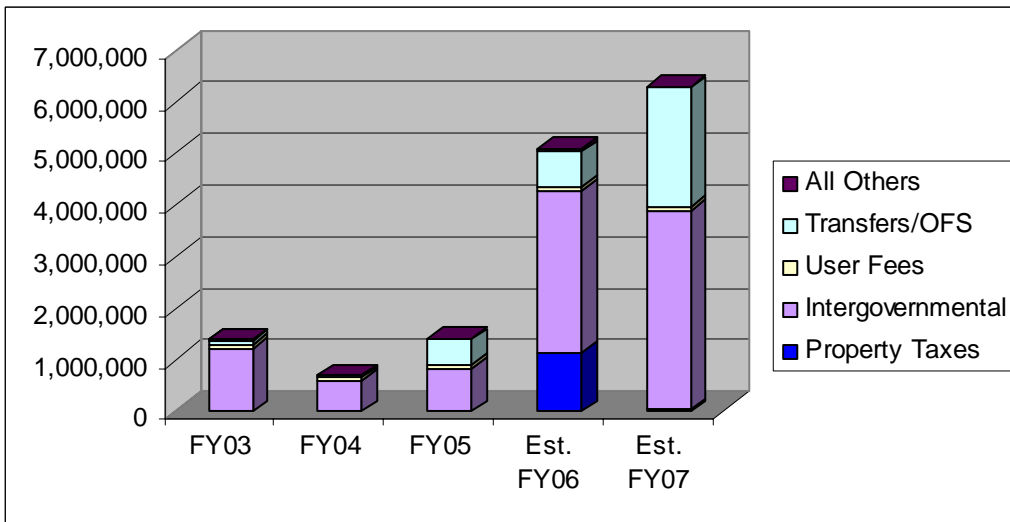
Other Special Revenue Funds Revenue by Function

Revenue sources for all other funds include property taxes which range from 40 to 51% of all annual income. User fees comprise 22 to 30% as shown, as most of these funds were created statutorily to collect specific fees and use those fees for designated purposes. Transfers into these funds usually come from the General Fund at 3 to 8% of annual income. Other fees include interest, intergovernmental, and miscellaneous income at 23 to 32 %. For purposes of these schedules, the rental income at the county airport is included with miscellaneous income. (The county airport receives rental income for hangars and concessions.)



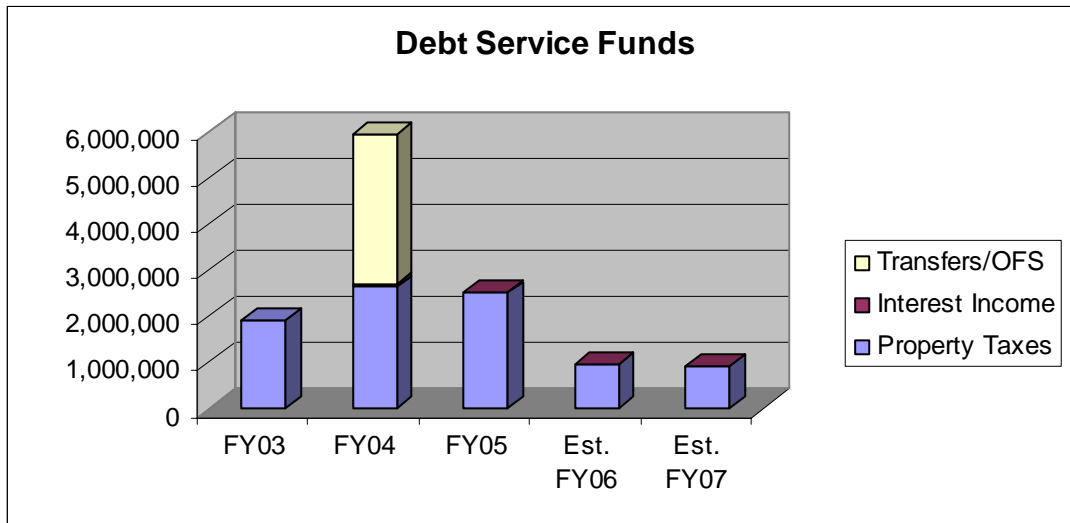
Capital Projects Revenue by Function

Capital Project revenue includes taxes for FY06 for the airport improvement project. Usually passenger facility charges (user fees) are enough to fund the 5% county match for the FAA grants. The FAA grants have been unusually high the past two years and budget statutes and accounting rules require reporting 100% of the activity even though the project is expected to roll forward into FY08. Intergovernmental funds 60 to 85% of all annual revenue; with FAA funding encompassing 71 to 97%. Transfers are budgeted for specific projects.



Budget Summary Trends – Revenue

Debt Service Revenue by Function



Debt Service revenue is comprised of property taxes and interest income. In FY04 reserves were transferred in to debt service to redeem callable bonds.

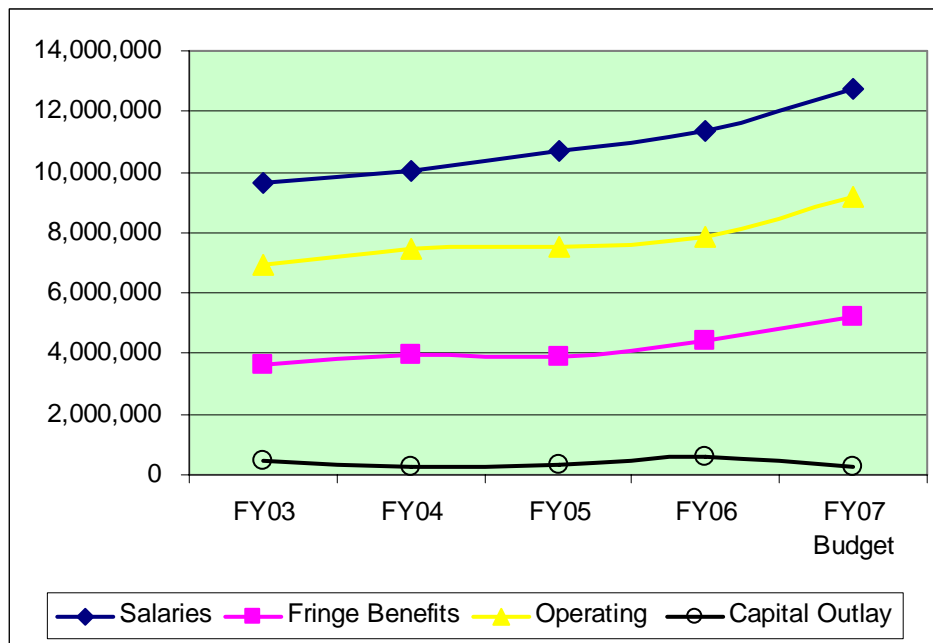
Budget Summary Trends - Expenditures

General Fund Expenditures by Category

Categorically, General fund expenses increased 32% from FY03 to FY07. Fringe benefits increased by 43%, salaries increased by 32%, operating expenses increased by 32% and capital outlay decreased by 42%,. Operating increases are due to economic factors – cost of fuel, supplies, utilities, etc. Salary increases include the addition of 36 positions in the sheriff’s department for jail mandates and courthouse security positions. Fringe benefits have somewhat stabilized as the County continues to monitor the self-insurance plans, however, these costs are likely to continue to fluctuate due to major illness claims and economic factors. Debt service was recorded in FY05 and FY06 as required by GAAP, but actual expenditures were not incurred.

Expenditures by Category	FY03	FY04	FY05	FY06	FY07 Budget
Salaries	9,670,232	10,043,493	10,717,031	11,369,548	12,763,151
Fringe Benefits	3,657,586	3,962,528	3,879,743	4,410,953	5,213,233
Operating	6,958,719	7,441,759	7,542,273	7,841,250	9,158,502
Capital Outlay	476,221	237,610	358,517	596,895	276,200
Debt Service	0	0	15,180	14,982	0
General Fund Total Expenses	20,762,758	21,685,390	22,512,744	24,233,628	27,411,086

General Fund Expenditures by Category



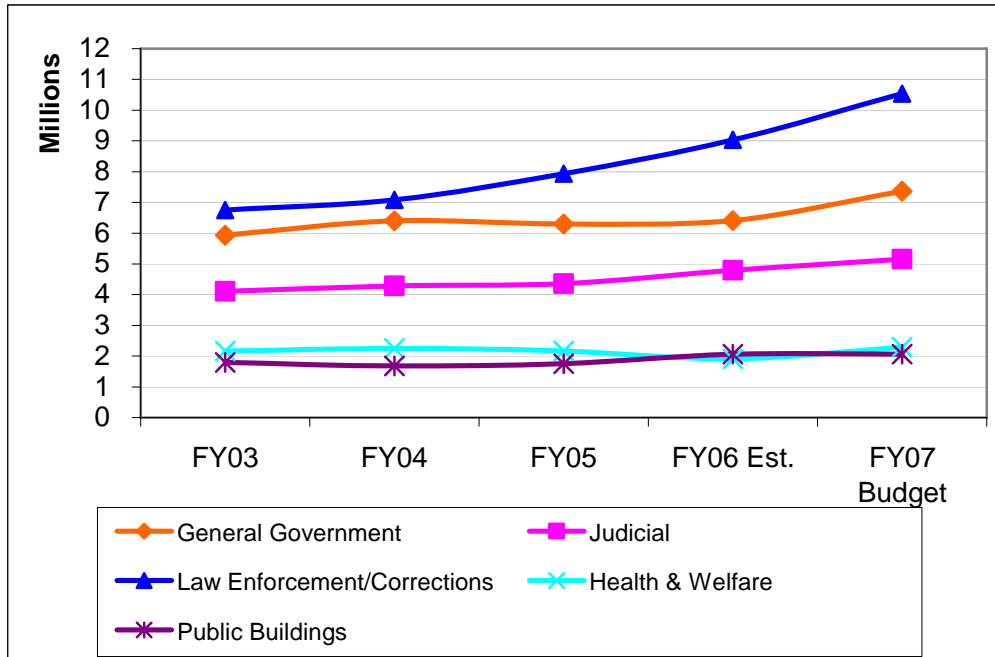
The above chart depicts changes by category for General Fund expenditures. As a government and ultimately ‘service organization’, the highest expenses are related to salaries with operating expenses being the second highest. This schedule shows *slow increases over time* for each category, with very little deviation from the pattern. It is interesting to note that capital outlay shows a 42% decrease when looking at the table above, but when viewing the corresponding chart, capital outlay is relatively flat in comparison with all other categories.

Budget Summary Trends - Expenditures

General Fund Expenditures by Function

When comparing General fund functions from FY03 to FY07, law enforcement grew 56%, judicial increased 26%, general government grew 24%, public buildings increased 15% and health and welfare increased 6%.

Expenditures by Function	FY03	FY04	FY05	FY06 Est.	FY07 Budget
General Government	5,937,230	6,396,299	6,293,608	6,412,218	7,363,332
Judicial	4,104,245	4,280,911	4,356,386	4,795,424	5,158,898
Law Enforcement/Corrections	6,755,964	7,083,700	7,929,408	9,031,176	10,537,760
Health & Welfare	2,166,713	2,245,823	2,163,767	1,911,103	2,291,183
Public Buildings	1,798,606	1,678,657	1,754,395	2,068,725	2,059,913
Debt Service	0	0	15,180	14,982	0
General Fund Total Expenses	20,762,758	21,685,390	22,512,744	24,233,628	27,411,086



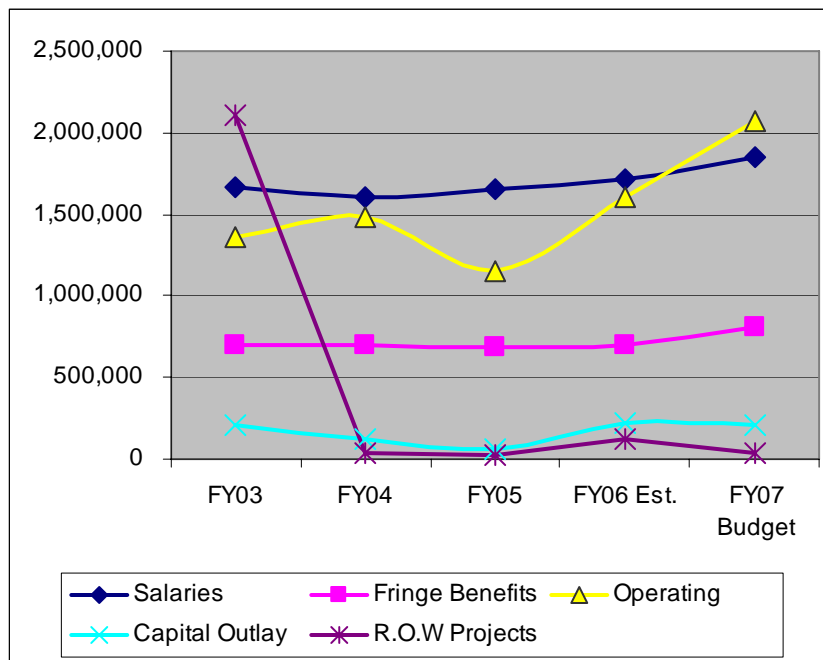
This chart accurately reflects law enforcement expenses exceeding all other expenses, including general government, most of that is due to state mandates in jail certifications.

Budget Summary Trends - Expenditures

Road & Bridge Expenditures by Category

Road and Bridge expenditures are all counted in the road and transportation *function*. The following categorical table and chart best depict where road and bridge funds are spent. Overall this fund has decreased 18%. Fringe benefits increased 15%, salaries increased 10%. Overall salary expenses remained flat due to several positions eliminations. Capital outlay displays little fluctuation as Commissioners continue to share equipment and / or maintain older equipment, allowing more funds for operations. In FY03 the County used reserves to fund \$2.1 million for right-of-way (R.O.W.) expense on a state highway project. The County debt policy includes paying cash for R.O.W. expenses instead of issuing new debt. Operating expenses fluctuate due to cost variances for road projects.

Expenditures by Category	FY03	FY04	FY05	FY06 Est.	FY07 Budget
Salaries	1,671,610	1,607,732	1,658,045	1,709,689	1,846,429
Fringe Benefits	702,171	695,435	680,909	698,830	806,233
Operating	1,357,058	1,483,168	1,155,650	1,604,585	2,074,658
Capital Outlay	212,132	121,481	60,547	224,067	212,000
R.O.W Projects	2,108,746	32,746	25,000	120,467	42,000
Road & Bridge Total Exp.	6,051,717	3,940,562	3,580,151	4,357,638	4,981,320

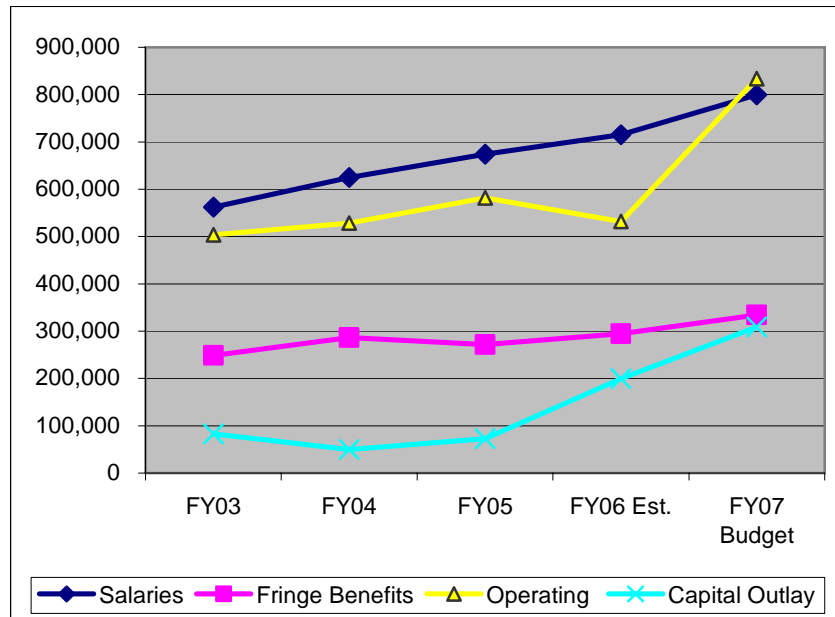


In the above chart the increase in operating expenses for FY07 is due to the increased cost of road materials and fuel expense. Additionally, the precincts scheduled more road projects in FY07.

Budget Summary Trends - Expenditures

Other Special Revenue Funds Expenditures by Category

Expenditures by Category	FY03	FY04	FY05	FY06 Est.	FY07 Budget
Salaries	562,362	624,768	674,093	715,205	799,621
Fringe Benefits	248,809	286,750	271,628	294,932	334,313
Operating	503,872	528,725	581,948	531,751	833,899
Capital Outlay	82,714	49,827	72,706	199,396	308,500
Other Special Revenue Funds	1,397,757	1,490,070	1,600,375	1,741,284	2,276,333



State and federal mandates required the county to purchase new elections equipment due to the Help America Vote Act (HAVA). Operating expenses increased 25% for the first year of licensing for the new HAVA equipment.

Thirty-five percent (35%) of the increase in operating expense is due to accounting procedure changes when moving the industrial airpark from General Fund to the Airport Maintenance fund.

Operating expenses increased 28% due to commissioners court approval to spend more funds for tobacco cessation programs in the Health Care Fund. This decision was based on increased interest earnings from investment of the state allocations from the tobacco settlement funds.

The remaining 12% increase in operating expenses includes repairs for the old records building and jail facilities.

Capital expenses are up due to upgrades in the County Clerk Records Management system, the building addition at the County-Wide Records Management facility and equipment at the airport.

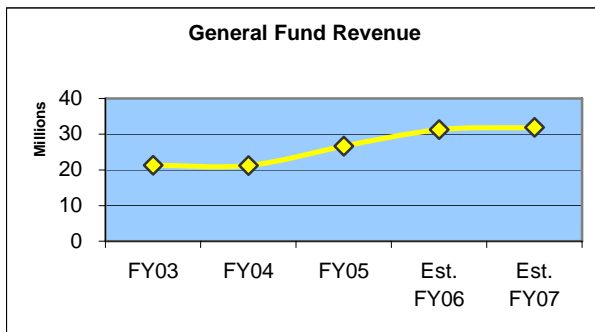
Sources of Revenue For Fiscal Years 2003-2007

General Fund	Actual Revenue FY03	Actual Revenue FY04	Actual Revenue FY05	Unaudited Revenue FY06	Adopted Revenue FY07
Taxes					
Property taxes - current	\$8,126,288	\$6,770,129	\$10,629,372	\$12,059,544	\$14,706,498
Property taxes - delinquent	270,508	265,937	189,230	311,810	380,489
Alcoholic beverage tax	166,607	150,222	151,062	174,379	140,000
Bingo tax	52,681	64,984	78,050	83,588	65,000
Sales tax	8,720,841	9,457,832	10,460,897	12,511,365	10,750,000
Subtotal	<u>17,336,925</u>	<u>16,709,104</u>	<u>21,508,611</u>	<u>25,140,686</u>	<u>26,041,987</u>
Licenses & Permits					
Alcoholic beverage license	28,447	28,900	26,256	25,724	25,000
Bail Bond Board Applications	2,000	7,500	2,500	6,500	1,000
Sexually oriented businesses	15,950	11,000	11,500	10,600	10,000
Sewage disposal	13,461	31,000	29,655	29,610	25,000
Subtotal	<u>59,858</u>	<u>78,400</u>	<u>69,911</u>	<u>72,434</u>	<u>61,000</u>
Intergovernmental Revenue					
FEMA Reimb - Overhead / Admin	0	0	0	5,978	0
State Election Reimbursement	0	0	0	1,020	0
State grants	0	27,443	0	0	0
State supplement - county judge	14,921	0	0	0	0
Fiscal Service Fees	0	6,552	4,570	4,769	4,500
Gregg County Appraisal District	10,386	0	0	0	0
Child Welfare Board Reimbursement	0	0	0	27,186	0
State supplement - county court at law	60,912	79,159	99,156	116,029	90,000
Juvenile Salary Supplement	0	0	0	5,000	0
District Clerk - Attorney General Registry	0	445	0	0	0
State supplement - asst. prosecutors	0	213	14,690	10,241	15,000
State - Indigent Defense Funding	55,079	58,476	45,217	83,719	50,000
State - Juror Reimbursements	0	0	0	49,028	50,000
Federal grant	14,583	13,574	14,666	15,144	14,000
HIDTA Task Force	0	0	2,285	448	500
Drug Enforcement Task Force	0	0	3,021	3,888	0
City of Longview prisoner care	148,079	248,562	225,000	210,408	287,265
State - commercial waste management	191	166	146	134	150
City of Lakeport - Sewer Fees	0	1,100	1,200	1,100	1,000
State - TCEQ	0	11,602	0	0	0
E.T.C.O.G. (9-1-1 equipment)	61,183	34,169	25,000	30,359	28,000
Subtotal	<u>365,334</u>	<u>481,461</u>	<u>434,951</u>	<u>564,451</u>	<u>540,415</u>
Charges for Services					
Departmental Print Charges	0	0	0	2,743	0
County Judge	222	104	97	99	100
County Clerk	678,228	661,614	698,278	994,727	800,000
County Clerk archival fees	0	143,025	138,365	139,025	133,000
Tax Assessor / Collector	675,616	715,235	848,024	1,036,793	920,000
Computer services	6,500	6,500	5,958	6,500	5,800
County Clerk -cash bond administrative fees	16,596	15,343	22,827	21,243	15,000
County Sheriff - cash bond admin fees	697	1,453	860	1,711	1,200
District Clerk - cash bond admin fees	100	375	552	300	200
District Attorney	47,767	57,728	75,794	93,784	70,000
District Clerk	388,855	381,933	399,625	419,461	380,000
Justices of the Peace	28,582	26,688	27,665	30,839	25,000
Trial fees	0	52	160	69	100
Jury	39,638	33,728	32,582	34,599	30,000

NOTE: See page 63 for description of categories

Sources of Revenue For Fiscal Years 2003-2007

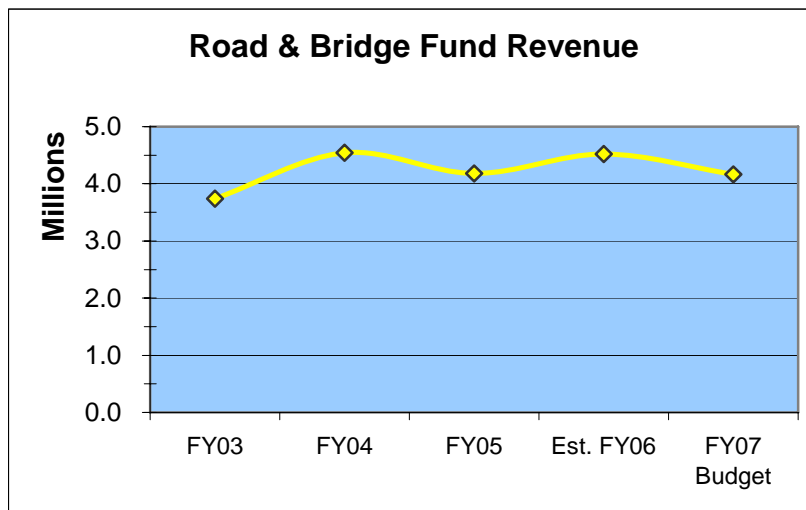
General Fund (continued)	Actual Revenue FY03	Actual Revenue FY04	Actual Revenue FY05	Unaudited Revenue FY06	Adopted Revenue FY07
Probate judges education	2,327	2,274	2,410	2,063	2,000
Other arrest fees	61,116	57,944	53,813	63,161	50,000
County Court at Law #1	2,750	2,419	2,432	1,956	2,200
County Court at Law #2	958	1,526	1,888	1,844	1,500
State fees / County Clerk	71,392	70,261	73,985	85,580	68,000
State fee - TP - judiciary efficiency	3,690	1,873	2,396	4,163	3,000
Court Reporter Services	52,319	48,891	53,198	55,206	48,000
DRO - filing fees	16,485	16,537	20,251	22,134	18,000
Defensive driving fees	43,461	55,095	73,741	65,540	62,000
Child safety fees	3,424	1,724	2,055	5,170	4,000
Traffic fees	17,690	16,531	15,627	15,556	15,000
Video fees	5,602	6,335	6,456	4,828	5,000
County Sheriff	302,896	286,164	358,223	371,497	330,000
Constables	75,321	85,590	101,315	100,659	90,000
C.O.D.E. Unit	3,963	0	0	0	0
Health Department fees	1	0	0	0	0
Parking lot fees	5,730	5,383	5,954	5,789	5,500
Subtotal	2,551,926	2,702,325	3,024,531	3,587,039	3,084,600
Fines & Forfeitures					
Justice courts	486,680	573,715	564,598	567,806	540,000
Subtotal	486,680	573,715	564,598	567,806	540,000
Interest Income					
Interest Income	159,045	126,610	237,839	524,759	400,000
Unrealized gains on securities held	(30,039)	(14,534)	89,186	0	0
Subtotal	129,006	112,076	327,025	524,759	400,000
Rents & Commissions					
Borg Warner contract	34,098	34,098	34,098	34,100	34,100
A&M Tower, Inc.	6,946	7,293	7,657	8,441	8,041
Other rent	50	2,500	8,900	10,050	5,000
Royalties	10,349	9,115	11,103	11,004	8,500
Community bldgs	8,735	8,728	9,043	10,865	7,500
Telephone coin stations	253,348	219,287	181,094	154,501	150,000
Concession commissions	635	10,450	8,550	8,550	7,800
Subtotal	314,161	291,471	260,445	237,511	220,941
Miscellaneous					
MTC -Jail lease	0	222,849	388,302	408,103	180,000
Smith County Jail Lease	0	0	0	0	697,000
U.S. Marshal Service - Jail Lease	0	0	0	43,946	73,100
Other Miscellaneous	33,481	70,046	45,550	95,409	25,000
Subtotal	33,481	292,895	433,852	547,458	975,100
Total Revenue - General Fund	\$21,277,371	\$21,241,447	\$26,623,924	\$31,242,144	\$31,864,043



While property tax revenue is reliably predicted for budgetary purposes, sales tax revenue is unpredictable due to short term economic factors. The increase from FY04 to FY05 is partially due to the tax rate increase.

Sources of Revenue For Fiscal Years 2003-2007

Road & Bridge Fund	Actual Revenue FY03	Actual Revenue FY04	Actual Revenue FY05	Unaudited Revenue FY06	Adopted Revenue FY07
Taxes					
Property taxes - current	\$794,594	\$1,582,316	\$1,029,585	\$1,116,990	\$1,158,550
Property taxes - delinquent	21,843	26,339	44,342	24,683	35,182
Motor vehicle sales tax	1,342,531	1,305,542	1,393,982	1,385,712	1,300,000
Subtotal	2,158,968	2,914,197	2,467,909	2,527,385	2,493,732
Licenses & Permits					
Motor vehicle registration	1,081,544	1,074,054	1,107,291	1,185,515	1,075,000
State weight permits	7,256	0	0	10,808	0
Subtotal	1,088,800	1,074,054	1,107,291	1,196,323	1,075,000
Intergovernmental Revenue					
Federal grant	13,607	0	0	0	0
FEMA Reimb. - Overhead/Admin.	0	0	0	15,088	0
State - Lateral Road	22,730	24,529	24,515	24,490	23,000
Subtotal	36,337	24,529	24,515	39,578	23,000
Charges for Services					
Reimb. - Capital project overhead	0	0	0	102,315	0
Subtotal	0	0	0	102,315	0
Fines & Forfeitures					
County & District Courts	437,417	0	0	0	520,000
Misdemeanor Fines	0	409,386	418,383	466,647	0
Felony Fines	0	27,665	29,582	55,751	0
Civil / BF Fines	0	38,463	60,817	40,141	0
Subtotal	437,417	475,514	508,782	562,539	520,000
Interest Income					
Interest income	13,357	18,914	50,791	88,317	50,000
Unrealized gains on securities held	0	1,724	6,951	0	0
Subtotal	13,357	20,638	57,742	88,317	50,000
Miscellaneous					
Miscellaneous	4,979	35,759	11,773	2,847	1,200
Subtotal	4,979	35,759	11,773	2,847	1,200
Total Revenue - Road & Bridge Fund	\$3,739,858	\$4,544,691	\$4,178,012	\$4,519,304	\$4,162,932



Motor vehicle sales taxes and registration licenses account for about 57% of the total Road and Bridge budget. In FY04, additional property tax revenue was allocated to the Road and Bridge Fund to pay for increased operating expenses.

Sources of Revenue

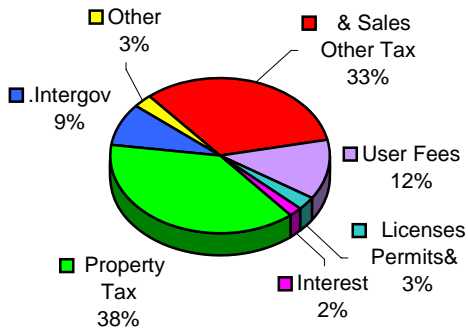
For Fiscal Years 2002-2006

Other Funds	Actual Revenue FY03	Actual Revenue FY04	Actual Revenue FY05	Unaudited Revenue FY06	Adopted Revenue FY07
Special Revenue Funds					
Election Services Fund	\$8,936	\$10,221	\$11,641	\$19,535	\$5,200
Co. Clerk Records Mgmt.	164,079	154,570	154,321	161,382	146,000
Jail Lease Facility Fund	32,215	72,470	65,518	73,905	50,000
Law Library Fund	66,793	61,354	68,592	71,613	62,000
Airport Maintenance Fund	968,478	967,074	1,436,187	1,353,642	1,314,708
County-Wide Records Mgmt.	45,961	45,758	61,695	67,292	53,000
Security Fund	78,811	75,174	77,536	78,672	73,500
Justice Court Technology Fund	873	4,458	26,276	29,923	22,500
District Clerk Civil Records Mgmt	0	8,255	11,571	14,386	10,200
District Clerk Criminal Records Mgmt	0	0	0	67	0
Justice of the Peace Security	0	0	0	4,495	3,500
Co. Clerk Criminal Records Mgmt.	0	0	35	2,130	1,200
Health Care Fund	64,962	61,424	130,670	177,308	130,000
Subtotal	\$1,431,108	\$1,460,758	\$2,044,042	\$2,054,350	\$1,871,808
Debt Service Funds					
Debt Service - 1988 Series	\$1,922,960	\$2,228,422	\$2,467,911	\$0	\$0
Debt Service - 1993 Series	(16,610)	421,418	0	0	0
Debt Service - 2004 Series	0	33,846	66,957	967,529	927,017
Subtotal	\$1,906,350	\$2,683,686	\$2,534,868	\$967,529	\$927,017
Capital Project Funds					
Permanent Improvement Fund	\$0	\$0	\$0	\$1,119,087	\$36,158
Airport Improvement Fund	\$1,286,743	\$658,363	\$904,191	\$3,267,541	\$3,920,941
Jail Improvements Fund	799	279	0	0	0
Courthouse Improvements Fund	2,528	248	0	0	0
Longview Whaley Comm Bldg.	0	0	930	1,154	300
Industrial Airpark Improvements	0	0	2,629	11,481	0
124th District Courtroom	0	0	0	3,946	0
Records Storage Building	0	0	0	4,407	0
Computer Upgrade Projects	0	0	0	0	0
307th District Courtroom	0	0	0	0	0
Subtotal	\$1,290,070	\$658,890	\$907,750	\$4,407,616	\$3,957,399
Total Revenue - All Funds	\$29,644,757	\$30,589,472	\$36,288,596	\$43,190,943	\$42,783,199
Total Transfers In - All Funds	\$2,422,414	\$3,558,471	\$598,402	\$1,624,245	\$2,459,748
Total Available - All Funds	\$32,067,171	\$34,147,943	\$36,886,998	\$44,815,188	\$45,242,947

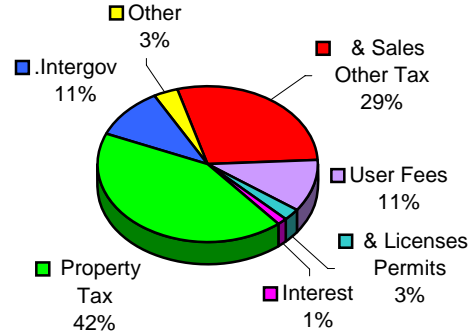
Revenue Comparisons By Category

Gregg County conservatively estimates revenues based on trends, historical data, and economic factors, and budgets adequate expenditures in their budgetary approach. This approach allows the county to cover unexpected expenditures and/or economic downturns should they arise. Major sources of revenue include ad valorem property taxes, sales tax revenue, charges for services (also called fees of office) and intergovernmental revenue. Definitions for these categories can be found on page 63.

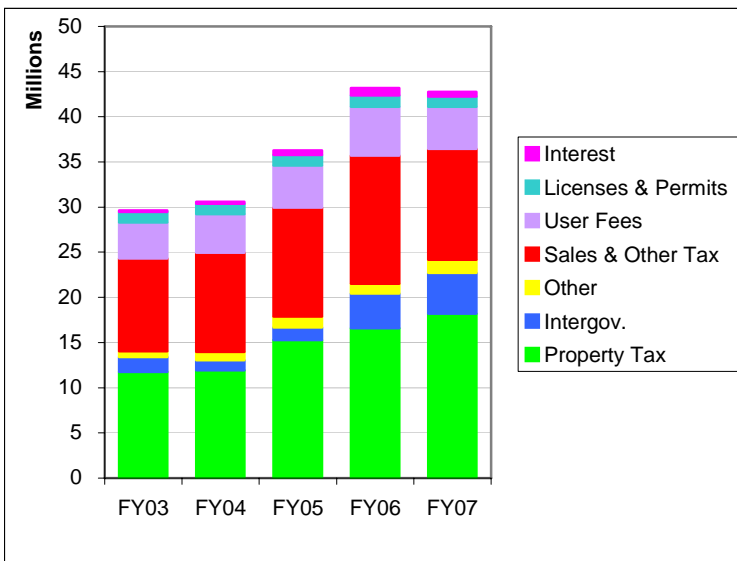
FY06 Unaudited Revenues



FY07 Adopted Revenues



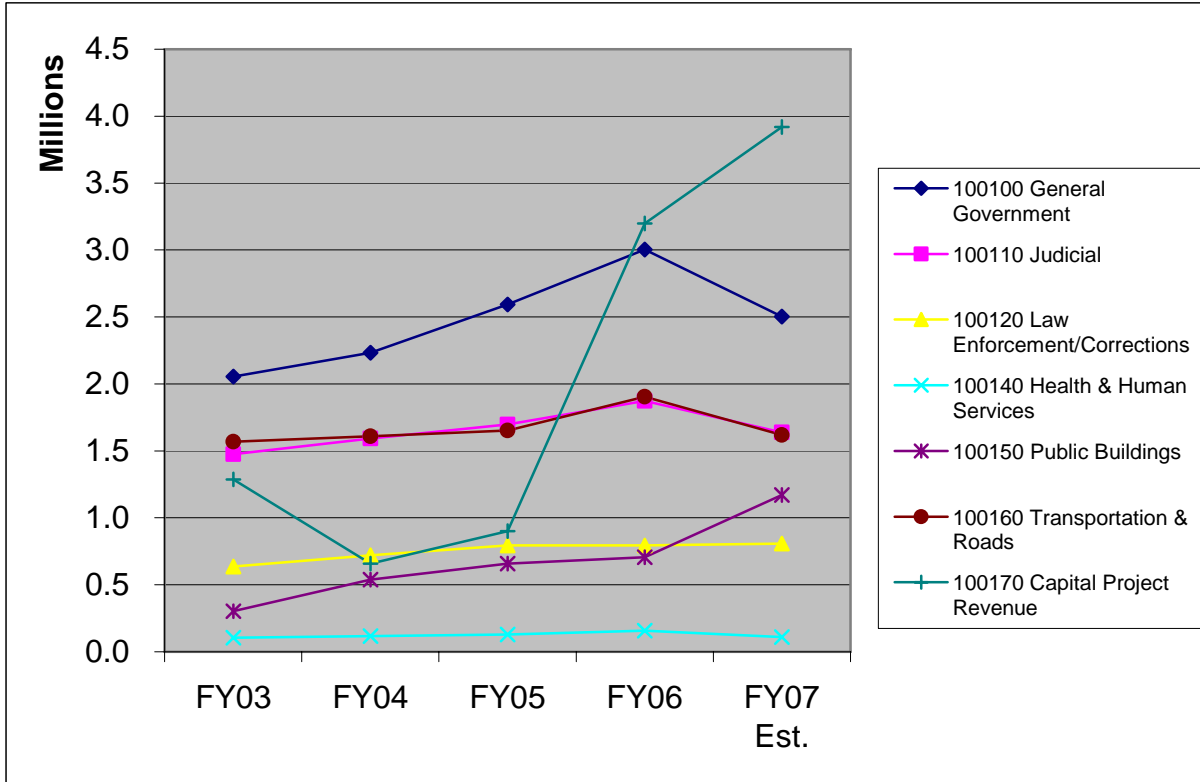
The above pie charts show comparisons between FY06 unaudited revenues and FY07 adopted revenues by percentage. Intergovernmental went from 9% to 11% due to the airport improvement grant. Property tax increased by 4% due to an increase in appraised valuations. Most other categories remained the same. The bar chart below shows comparisons from FY03 through FY07 budget and revenue percentages are listed beside it. Intergovernmental is high due to the airport grant. Taxes increased in FY05 due to the tax rate increase and higher appraisal values. All other revenues remain relatively flat.



	FY03	FY04	FY05	FY06	FY07
Interest	0.6	0.7	1.4	1.9	1.3
Licenses & Permits	3.9	3.8	3.2	2.9	2.7
User Fees	13.5	13.9	12.8	12.5	10.9
Sales & Other Tax	34.7	35.9	33.3	32.8	28.6
Other	2.1	3.0	3.3	2.5	3.4
Intergov.	5.6	3.7	3.9	9.0	10.5
Property Tax	39.6	39.0	42.1	38.4	42.6

Revenue Comparisons By Function

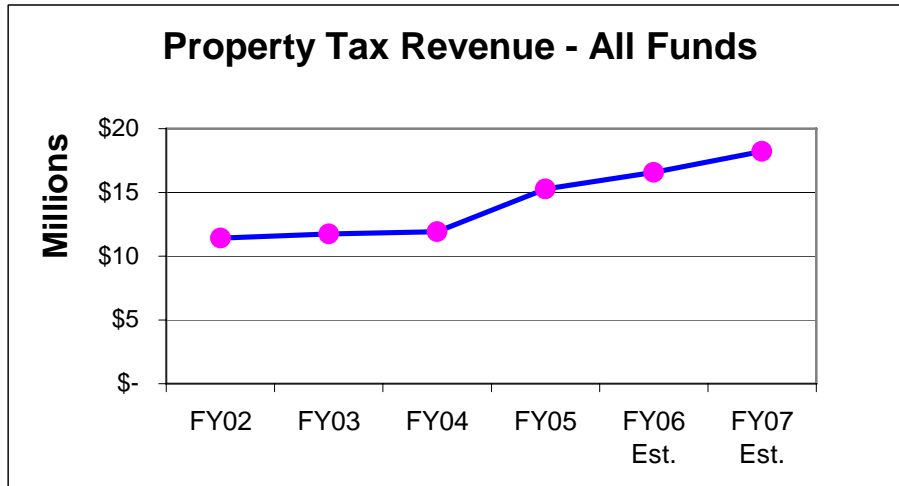
New accounting procedures require revenues to be associated with a function, defined by GASB and implemented by our County Auditor's office. The following chart depicts all functions except revenue, the largest category. The revenue category includes property taxes and interest income.



Summary of Revenues by Function	FY03	FY04	FY05	FY06	FY07 Est.
100000 Revenue	22,216,190	23,124,072	27,863,415	31,556,378	31,016,494
100100 General Government	2,055,129	2,232,311	2,594,100	3,002,794	2,503,741
100110 Judicial	1,474,508	1,591,196	1,697,379	1,874,187	1,638,200
100120 Law Enforcement/Corrections	637,162	719,994	793,278	794,529	808,265
100140 Health & Human Services	104,947	115,636	129,115	156,358	109,150
100150 Public Buildings	303,080	539,167	658,461	705,659	1,170,900
100160 Transportation & Roads	1,567,533	1,609,856	1,652,361	1,903,602	1,619,200
100170 Capital Project Revenue	1,286,208	657,240	900,487	3,197,436	3,917,249
	29,644,757	30,589,472	36,288,596	43,190,943	42,783,199

The chart shows increases from FY05 to FY07 in capital project revenue, which is associated with the airport improvement grants which went from \$838,000 in FY05 to \$3.8 million in FY07. Revenue increase in public buildings is due to new leases at the Industrial Airpark.

Revenue Comparisons By Major Source Type



Ad Valorem Property Taxes are estimated to generate about \$17,699,621 or \$1.4 million more than FY06. Taxes were estimated on a \$6.5 billion tax base, signifying the highest valuations since 1992, when the tax base was \$5.15 billion. Additionally, the tax rate of \$.28 per \$100 valuation is the second highest historical tax rate for Gregg County, with the highest being in FY93-FY95 at \$.28147 per \$100 valuation.

For Texas County governments, property tax revenue is the only major funding source directly under the jurisdiction and available to the Commissioners Court. All other funding sources are outside the full control of the Commissioners Court. For example, sales and mixed beverage taxes are collected and distributed by the State Comptrollers office and are dependant on economic factors. The decision to collect sales tax in 1988 resulted in statutory constraints on 'excess' sales tax designating all funds received over the budgetary amounts for debt service obligations. Likewise, court costs and fees (including copies per page) are set by statutes that set mandatory, minimum and maximum limits. A small number of these fees are optional for the Commissioners Court to decide to collect or to set a limit to collect; most are mandatory, with the state receiving a portion of the collection. Fines & forfeitures are set by the judges; however, defendants can ultimately opt to 'lay out' their fines and court costs in jail (which creates additional expenses for the county).

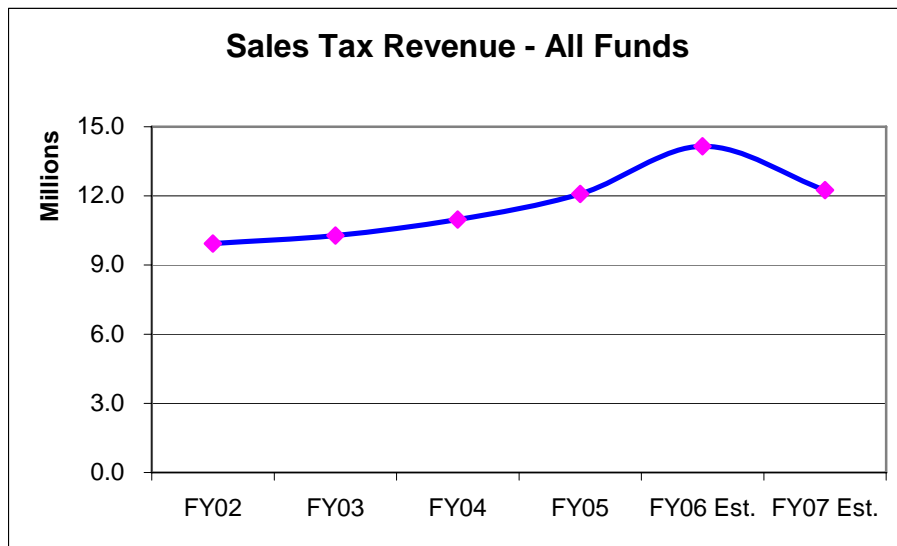
At this time, local tax rates are controlled by the citizens as they elect the Commissioners Court members who set the tax rates. The Texas legislature is currently seeking ways to fairly distribute school taxes to public schools across the state and, in conjunction, restrict the counties and cities taxation limits as well. Taking the power to tax away from local government will gravely limit its ability to function.

Revenue Comparisons By Major Source Type

Sales Tax Revenue is collected at the retail level along with state and city sales tax and is redistributed back to the county through the State Comptroller’s office. Sales tax is imposed on all retail sales, leases and rentals of most goods, as well as taxable services. The maximum amount of combined local taxes is 8 ¼% (.0825). The state sales tax rate is 6 ¼% (.0625). Texas counties can collect ½ to 1.5% in sales tax depending on rates established by other local entities. The sales tax rate in Gregg County is ½ % (.005).

Fluctuations in sales tax revenue are directly tied to the economy and thus are budgeted conservatively. FY07 projections were estimated at \$10.7 million. The State Comptroller’s website provides data regarding the sales tax allocation payment detail and historical summaries for counties, cities and other entities. This data is utilized when estimating revenues. Additionally, the State Comptroller provides press releases regularly concerning sales tax collections and their economic projections concerning sales tax.

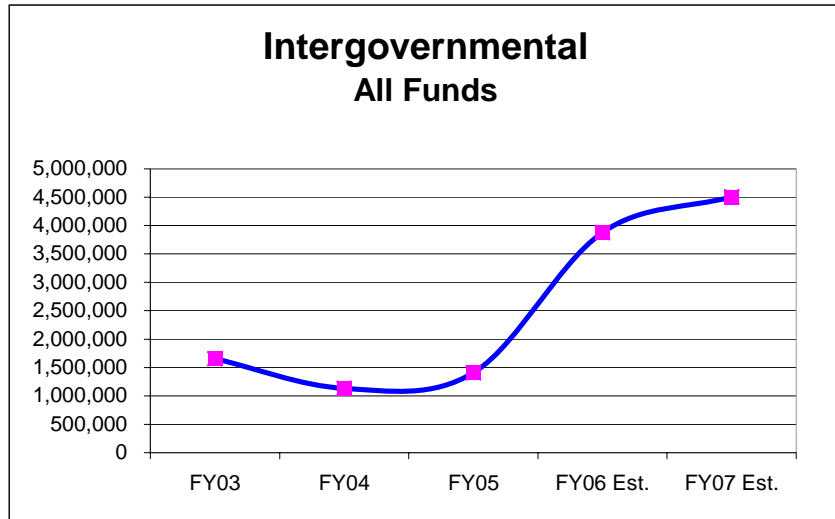
Motor vehicle sales tax is included in the sales tax chart below. Motor vehicle sales tax is levied on all retail sales of motor vehicles in Texas and motor vehicles purchased at retail outside the state and used on Texas public highways by a Texas resident or an individual domiciled or doing business in this state. The county tax assessor-collectors are responsible for collecting this 6 ¼% (.0625) tax and reporting this, along with vehicle registrations, to the Texas Department of Transportation (TxDOT). The maximum distribution to counties is determined by TxDOT annually. Gregg County’s allocation has remained at \$1.3 million for several years.



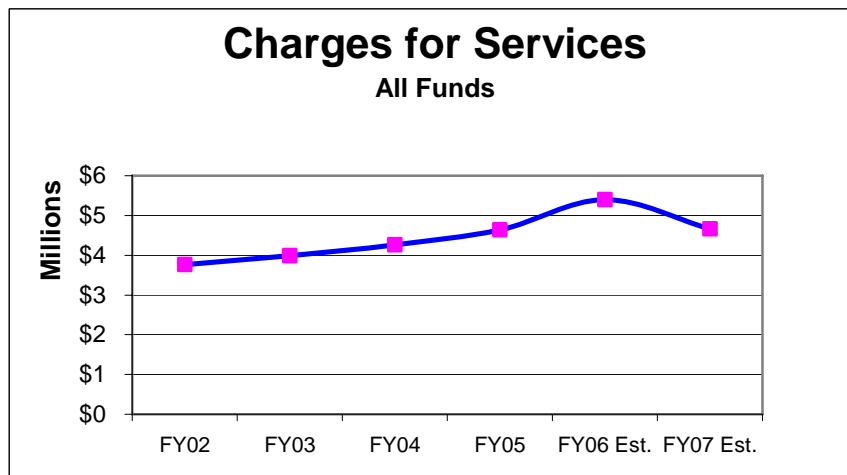
Revenue Comparisons

By Major Source Type

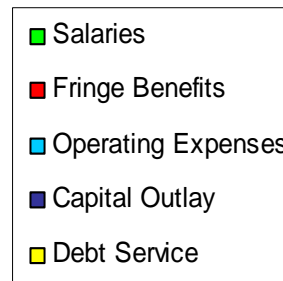
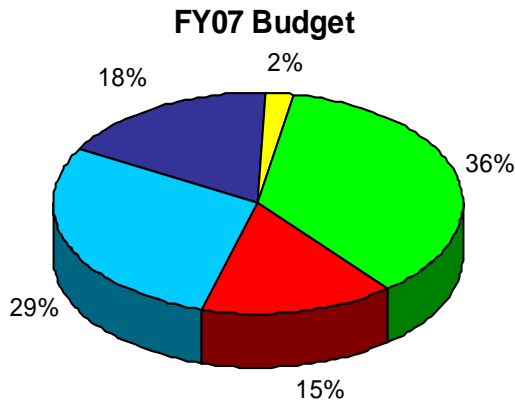
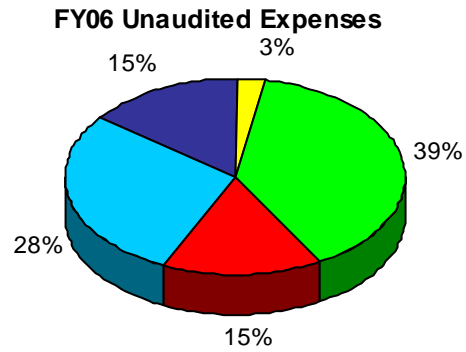
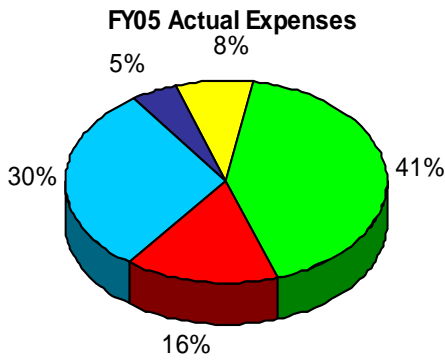
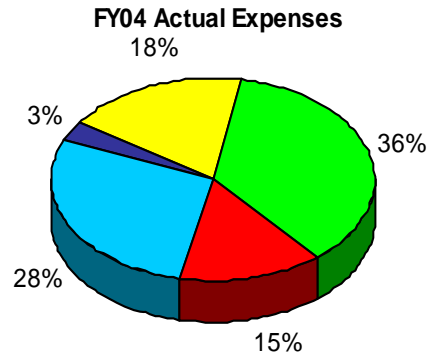
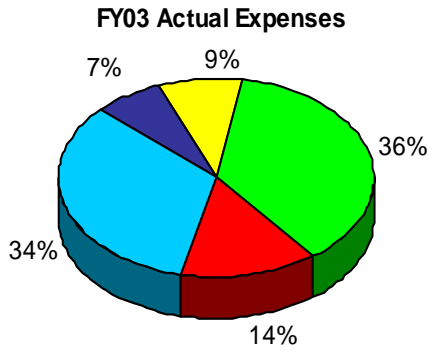
Intergovernmental Revenue includes funds received from federal, state, and local governments. Funding received in this category is usually provided for specific activities, and sometimes requires a cash match. Grants are presented throughout the year to the Commissioners Court who accept the grant and set a separate budget at that time. Intergovernmental amounts included during the regular budget process include regular state funding, such as state lateral road funding, state reimbursement for judges salaries, and state tobacco settlement funds. Federal funding is provided annually for improvements the county's airport (East Texas Regional Airport). The chart shows revenue sources totaling \$12.5 million over an five (5) year span. Of that \$12.5 million, 76% or \$9.6 million was federal funding for airport improvements.



Charges for Services consists of an array of fees collected throughout the organization and includes document filing fees, court fees and fines, and processing fees. Such charges for services, commonly referred to as user fees, assist in offsetting the increasing costs of public services. Due to the uncontrollable nature of user fees, this revenue category for FY07 is also conservatively budgeted. Court costs and other fees (charges for copies, filing fees, etc.) are mostly set and/or mandated by statute. Very few statutes allow the Commissioners Court to opt not to collect or allow the court to set a specific amount to collect, within the range allowed by statute. Court costs are collected locally and the state's portion, again set by statute, is remitted to the State. Amounts shown in the budget are funds that are kept locally, after the State is paid their distribution.

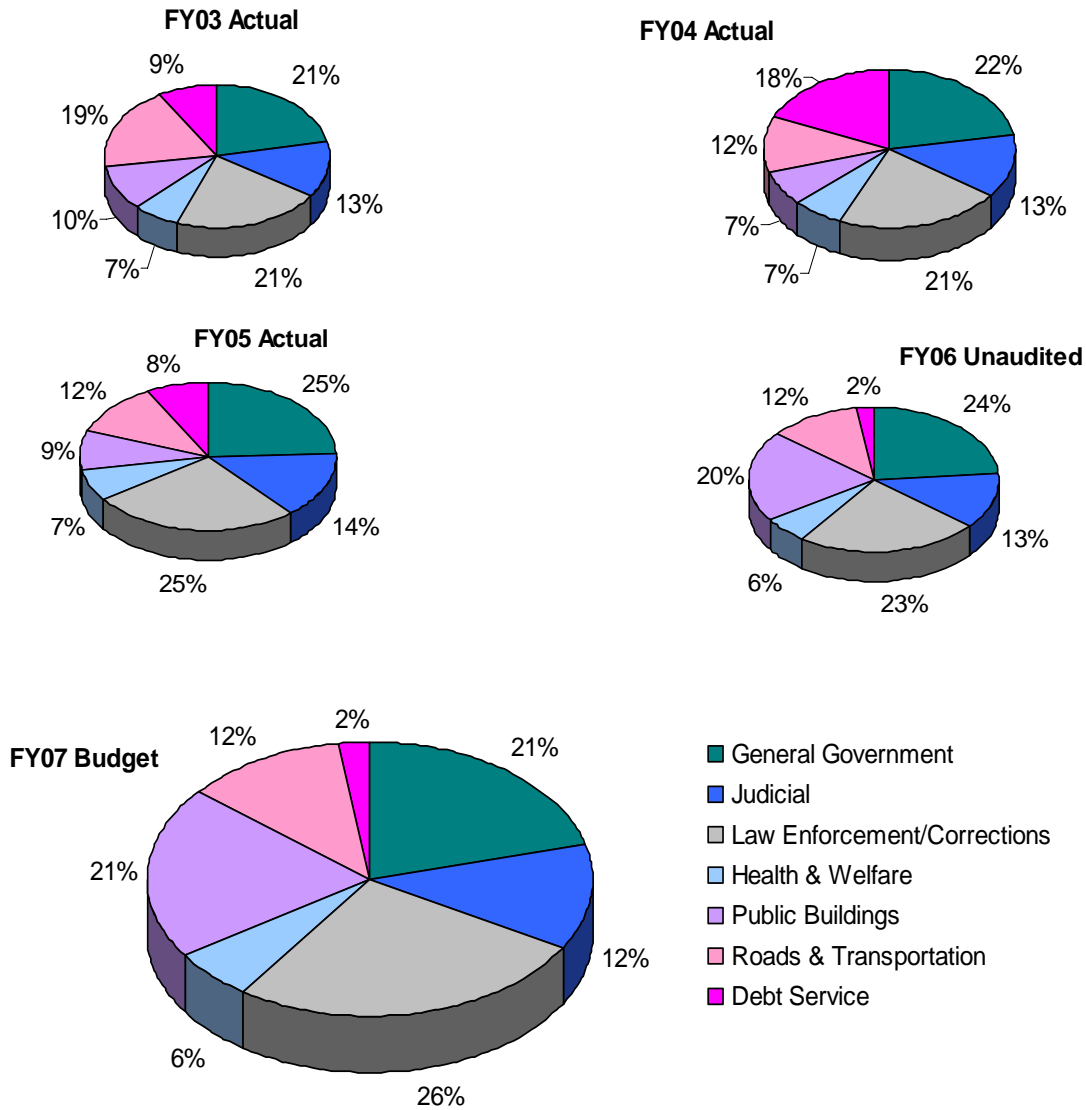


Expenditures Comparison By Category



As illustrated above, salaries and fringe benefits consistently comprise about 50 to 57% of the county's total budgeted expenses which is standard for service organizations. Salaries for FY04, FY05, FY06 and FY07 reflect the additional positions budgeted due to state and federal mandates. The FY04 chart includes the refinancing of the 1993 bond series. Capital expenses fluctuate primarily due to airport improvement projects which are contingent on FAA approval. Operating expenditures decreased from 34% of FY03 expenditures to 29% of the FY07 budget.

Expenditures Comparison By Function



The chart comparisons show a fluctuation from 21% to 25% in general government expenditures. This increase includes \$1.1 million reclassification for juvenile funding, and increases in salaries and fringe benefits. Law enforcement/corrections ranges from 21 to 26%; increases are due to additional jailer expenses. Public building expense includes the airport capital outlay which fluctuates based on FAA approval of projects. FY03 shows 19% of expenses in roads and transportation, which is due to the \$2 million state highway project. FY04 debt service expenses reflect the callable bonds retirement and refinancing. The department budget index on pages 99-100 lists the departments associated with each function. Capital outlay is included in the public buildings function.

Departmental Expenditures Fiscal Years 2003-2007

	Actual Expenses FY03	Actual Expenses FY04	Actual Expenses FY05	Unaudited Expenses FY06	Budgeted Expenses FY07
<u>General Fund</u>					
County Clerk	742,382	664,956	744,309	784,470	822,311
County Clerk - Archive Restoration	0	1,019	3,393	1,800	150,000
Telecommunications	34,044	36,232	37,745	39,935	45,276
Purchasing	124,334	131,987	135,234	136,339	141,629
Human Resources	156,497	158,114	160,480	165,160	170,452
Non -Departmental	1,734,009	2,172,719	1,948,024	1,887,377	2,456,106
Non-Departmental - Judicial	713,674	692,696	612,325	767,786	750,000
County Judge	213,783	196,080	197,850	206,244	226,054
Postal Services	0	0	0	0	39,610
Elections	229,251	254,473	218,475	261,652	271,239
Auditor	362,538	440,638	449,966	462,582	509,384
Tax Assessor-Collector	1,240,720	1,278,292	1,312,533	1,354,090	1,409,613
Information Services	960,385	920,051	939,486	965,888	952,126
Extension Service	139,287	141,738	146,113	146,681	169,532
Court of Appeals	10,786	11,649	11,645	11,463	15,158
County Court-at-Law #1	202,850	264,479	264,250	286,671	304,157
County Court-at-Law #2	181,192	254,207	257,503	276,684	291,953
Attorney General Master	8,200	8,000	9,200	9,600	9,600
124th District Court	168,195	172,445	158,655	139,729	162,884
188th District Court	145,371	119,616	139,470	147,192	171,509
307th District Court	130,333	132,349	123,897	132,315	147,170
Juror Expenses	56,435	61,725	62,319	111,530	105,500
District Clerk	747,470	777,860	760,425	832,634	874,142
Justice of the Peace #1	222,619	214,993	205,241	239,827	263,549
Justice of the Peace #2	101,185	102,525	119,367	141,429	151,626
Justice of the Peace #3	177,031	177,473	192,925	196,002	203,168
Justice of the Peace #4	133,116	148,593	150,877	149,613	161,470
District Attorney	1,105,122	1,140,152	1,286,317	1,350,888	1,415,476
Bail Bond Board	666	2,149	1,970	2,061	6,529
Court Compliance	0	0	0	0	125,007
Constable #1	60,745	61,606	66,105	69,818	71,142
Constable #2	52,193	51,883	55,467	58,835	62,588
Constable #3	55,182	59,716	71,848	72,509	81,867
Constable #4	52,713	53,393	54,718	55,649	62,426
Sheriff - Corrections	6,386,385	6,698,847	7,519,072	8,452,097	9,019,676
CODE Unit	4,059	0	0	0	0
Contract Jail Operations	0	0	0	0	712,140
Criminal Justice Operations	0	0	0	156,283	345,460
Department of Public Safety	44,953	45,987	51,774	55,345	56,990
Texas Parks & Wildlife	757	0	0	534	900
Texas Alcohol-Beverage Com.	0	0	0	0	250
Juvenile Board	98,977	112,268	110,424	110,106	124,321
Gregg Industrial Park	71,669	7,273	29,304	27,246	0
Veterans Service	85,006	86,146	87,534	90,638	86,664
Emergency Management	597	1,515	3,320	2,800	4,000
Environmental Protection	32,638	16,483	5,477	4,592	23,000

Departmental Expenditures (continued)

Fiscal Years 2003-2007

	Actual Expenses FY03	Actual Expenses FY04	Actual Expenses FY05	Unaudited Expenses FY06	Budgeted Expenses FY07
911 Addressing	110,342	88,590	104,616	93,931	135,764
Health Department	1,274,829	1,543,480	1,420,040	1,181,054	1,441,655
Historical Commission	5,603	6,819	7,655	6,150	23,000
Contributions	581,450	494,166	501,400	500,559	573,000
Courthouse Building	1,256,798	1,193,194	1,264,344	1,424,046	1,382,581
North Jail Building	132,028	168,908	175,651	206,214	259,000
Service Center Building	75,886	24,215	23,102	30,401	37,500
Community Buildings Maint.	44,134	56,734	45,385	47,085	53,074
Comm. Bldg. - Whaley St.	54,952	26,579	32,830	30,544	35,871
Comm. Bldg. - Judson	4,908	1,744	4,163	6,342	5,450
Comm. Bldg. - Greggton	19,938	17,487	22,343	32,212	30,701
Comm. Bldg. - Garfield Hill	2,850	2,898	2,651	3,824	7,000
Comm. Bldg. - Gladewater Sr.	1,049	0	1,200	0	0
Gladewater Commerce Street Bldg.	8,872	13,152	9,319	11,198	11,600
Comm. Bldg. - Liberty City	15,840	14,214	26,443	14,391	15,655
Comm. Bldg. - Hugh Camp Park	12,199	13,271	7,914	15,092	22,000
Comm. Bldg. - Olivia Hilburn	8,327	6,762	6,197	8,905	10,600
Kilgore Office & Comm. Bldg.	56,476	62,260	57,042	61,073	76,376
Comm. Bldg. - Kilgore South	4,132	3,653	4,307	1,964	10,650
Comm. Bldg. - Elderville	11,358	10,454	11,694	13,671	23,105
Comm. Bldg. - Easton	13,111	12,602	6,882	5,364	17,000
West Harrison VFD Building	4,579	1,351	4,421	4,133	4,100
CSCD Annex	23,233	0	0	8,640	0
MAS Criminal Justice Center	21,748	23,096	21,911	59,735	25,000
Youth Detention Building	30,767	27,434	31,017	88,024	36,750
Debt Service	0	0	15,180	14,982	0
Total General Fund	20,762,758	21,685,390	22,512,744	24,233,628	27,411,086
<u>Road & Bridge Fund</u>					
Administration	356,751	365,546	351,755	379,628	400,154
General	2,520	302,687	501	301,529	304,635
Precinct #1	1,197,106	1,075,660	1,046,860	1,136,110	1,396,875
Precinct #2	38,671	43,496	62,691	69,599	127,538
Precinct #3	1,604,012	1,384,292	1,366,875	1,466,377	1,683,247
Precinct #4	743,911	736,405	726,469	883,928	1,026,871
Right of Way	2,108,746	32,476	25,000	120,467	42,000
Total Road & Bridge Fund	6,051,717	3,940,562	3,580,151	4,357,638	4,981,320

Departmental Expenditures (continued)

Fiscal Years 2003-2007

	Actual Expenses FY03	Actual Expenses FY04	Actual Expenses FY05	Unaudited Expenses FY06	Budgeted Expenses FY07
<u>All Other Funds</u>					
Elections Services Fund	10,019	14,149	8,274	7,306	26,000
Co Clerk Records Mgmt	110,877	114,508	104,857	129,137	197,934
Jail Lease Facility	84,232	76,516	39,975	69,840	60,000
Law Library Fund	64,686	61,594	57,584	60,733	66,691
Airport Maintenance Fund	916,902	1,007,712	1,199,418	1,305,679	1,683,200
County-Wide Records Mgmt	36,184	28,799	30,919	33,097	54,167
Building Security	134,857	135,807	130,425	111,645	93,591
Justice Court Technology Fund	0	10,985	8,923	3,497	10,000
District Clerk Civil Records Mgmt	0	0	0	0	250
District Clerk Criminal Records Mgmt	0	0	0	0	0
Justice of the Peace Security	0	0	0	350	3,000
Co Clerk Criminal Records Mgmt	0	0	0	0	1,500
Health Care Fund	40,000	40,000	20,000	20,000	80,000
Debt Service Funds	2,834,204	6,214,219	2,441,823	898,273	886,800
Permanent Improvements	0	0	0	0	200,000
Airport Improvements	1,442,374	657,038	892,523	3,368,436	4,058,157
Courthouse Improvement	69,588	0	0	0	0
Longview Whaley Community Bldg.	0	33,503	16,646	73,774	50,000
Industrial Airpark Improvements	0	0	24,681	231,055	101,174
124th Courtroom Renovation	0	0	1,904	207,313	0
Records Storage Building	0	0	0	359,096	107,600
Computer Upgrade Project	0	0	0	0	2,004,748
307th District Courtroom	0	0	0	0	128,000
Total All Funds	32,558,398	34,020,782	31,070,847	35,470,497	42,205,218

FY06 Budget to Actual Results Comparison*

As a budgeting policy, Gregg County is very conservative and cautious when estimating future revenues, while expenses are budgeted at the maximum amount considered to be needed or required. The benefit of this budgeting policy is that it ensures the county does not incur accounting fund shortfalls. If a shortfall occurs, the county must spend some of its cash reserves or borrow money. If revenues exceed expenses, the county may choose to increase its cash reserves, to pay cash for capital projects, or to pay off debt.

The following comparative schedules illustrate the expected financial results of the county's budgeting policy for the fiscal year ending September 30, 2006. All actual figures are un-audited.

Gregg County General Fund

	FY06 Budget	FY06 Actual Results	Variance Favorable (Unfavorable)	% of Budget
<u>Revenues</u>				
Property Taxes	12,590,448	12,371,354	(219,094)	
Sales & Other Taxes	9,265,000	12,769,332	3,504,332	
Licenses & Permits	70,500	72,434	1,934	
Intergovernmental	400,946	564,451	163,505	
Fees of Office	2,766,200	3,587,039	820,839	
Fines & Forfeitures	505,000	567,806	62,806	
Interest Income	120,000	524,759	404,759	
Rent & Commissions	214,057	237,511	23,454	
Miscellaneous	422,567	547,458	124,891	
Total Revenues	26,354,718	31,242,144	4,887,426	118.54%
Other Financing Sources	735,656	735,656	0	
<u>Expenditures</u>				
Salaries	11,500,304	11,369,548	130,756	
Fringes	4,622,247	4,410,953	211,294	
Operating Expenses	8,668,034	7,841,250	826,784	
Capital Acquisitions	558,548	596,895	(38,347)	
Debt Service	14,982	14,982	0	
Total Expenditures	25,364,115	24,233,628	1,130,487	95.54%
Other Financing Uses	512,013	499,179	12,834	

**All actual amounts were unaudited at the time of this publication.*

FY06 Budgeted to Actual Results Comparison(continued)*
Gregg County Road & Bridge Fund

	FY06 Budget	FY06 Actual Results	Variance Favorable (Unfavorable)	% of Budget
<u>Revenues</u>				
Property Taxes	1,083,853	1,141,673	57,820	
Sales & Other Taxes	1,300,000	1,385,712	85,712	
Licenses & Permits	1,075,000	1,196,323	121,323	
Intergovernmental	373,875	39,578	(334,297)	
Fees of Office	98,726	102,315	3,589	
Fines & Forfeitures	425,000	562,539	137,539	
Interest Income	10,000	88,317	78,317	
Miscellaneous	4,347	2,847	(1,500)	
Total Revenues	4,370,801	4,519,304	148,503	103.40%
Other Financing Sources	55,069	55,069	0	

<u>Expenditures</u>				
Salaries	1,794,709	1,709,689	85,020	
Fringes	796,023	698,830	97,193	
Operating Expenses	1,845,971	1,725,052	120,919	
Capital Acquisitions	221,594	224,067	(2,473)	
Total Expenditures	4,658,297	4,357,638	300,659	93.55%

Gregg County Debt Service Funds

	FY06 Budget	FY06 Actual Results	Variance Favorable (Unfavorable)	% of Budget
<u>Revenues</u>				
Property Taxes	886,189	956,813	70,624	
Interest Income	2,000	10,716	8,716	
Total Revenues	888,189	967,529	79,340	108.93%
Other Financing Sources	0	0	0	

<u>Expenditures</u>				
Principal Reduction	855,000	855,000	0	
Interest	42,950	42,950	0	
Administrative Fees	1,000	323	677	
Total Expenditures	898,950	898,273	677	99.92%
Other Financing Uses	0	0	0	

**All actual amounts were unaudited at the time of this publication.*

FY06 Budgeted to Actual Results Comparison(continued)*

Gregg County Special Revenue Funds

<u>Revenues</u>	FY06 Budget	FY06 Actual Results	Variance	% of Budget
			Favorable (Unfavorable)	
Elections Services	7,200	19,535	12,335	
Co. Clerk Records Mgmt.	146,500	161,382	14,882	
Jail Lease Facility	50,000	73,905	23,905	
Law Library	61,000	71,613	10,613	
Airport Maintenance	1,180,755	1,354,872	174,117	
County-Wide Records Mgmt.	48,500	67,292	18,792	
Security Fund	72,200	78,672	6,472	
Justice Court Technology	20,000	29,923	9,923	
District Clerk Civil Records Mgmt.	10,000	14,386	4,386	
Dist. Clerk Criminal Records Mgmt.	500	67	(433)	
Justice of the Peace Security	6,000	4,495	(1,505)	
Co. Clerk Criminal Records Mgmt.	8,750	2,130	(6,620)	
Health Care Fund	70,000	177,308	107,308	
Total Revenues	1,681,405	2,055,580	374,175	122.25%
Other Financing Sources	95,390	95,390	0	
<u>Expenditures</u>				
Elections Services	22,200	7,306	14,894	
Co. Clerk Records Mgmt.	195,080	129,137	65,943	
Jail Lease Facility	70,000	69,840	160	
Law Library	64,022	60,733	3,289	
Airport Maintenance	1,365,614	1,305,679	59,935	
County-Wide Records Mgmt.	37,246	33,097	4,149	
Security Fund	117,764	111,645	6,119	
Justice Court Technology	10,000	3,497	6,503	
District Clerk Civil Records Mgmt.	250	0	250	
Dist. Clerk Criminal Records Mgmt.	250	0	250	
Justice of the Peace Security	3,000	350	2,650	
Co. Clerk Criminal Records Mgmt.	4,375	0	4,375	
Health Care Fund	20,000	20,000	0	
Total Expenditures	1,909,801	1,741,284	168,517	91.18%
Other Financing Uses	128,000	128,000	0	

Gregg County Capital Projects Funds

<u>Revenues</u>	FY06 Budget	FY06 Actual Results	Variance	% of Budget
			Favorable (Unfavorable)	
Property Taxes	1,066,799	1,150,819	84,020	
Intergovernmental	2,081,911	3,130,111	1,048,200	
Interest Income	500	59,361	58,861	
Fees	64,000	67,325	3,325	
Total Revenues	3,213,210	4,407,616	1,194,406	137.17%
Other Financing Sources	689,207	684,316	(4,891)	
<u>Expenditures</u>				
Capital Outlay	4,240,076	4,239,674	402	
Total Expenditures	4,240,076	4,239,674	402	99.99%
Other Financing Uses	823,136	823,136	0	

*All actual amounts were unaudited at the time of this publication.



DEPARTMENTAL BUDGETS

This page was left blank intentionally.

Departmental Budgets Index

Overview..... 101

General Government & Support Services

Airport Maintenance Fund..... 206-209
County Auditor..... 117-118
County Clerk and Archive Restoration Departments 102-104
County Clerk Records Management and Criminal Records Management Funds 192
County Judge..... 111-113
County-Wide Records Management Fund..... 204-205
Elections Department..... 115-116
Elections Services Contract Fund 189
Extension Service 123-124
Human Resources 108
Information Services..... 121-122
Non-Departmental Expenses 109
Postal Services..... 114
Purchasing Department..... 107
Tax Assessor – Collector..... 119-120
Telecommunications..... 105

Judicial Services

County & District Court Activity Schedules 125-132
124th District Court 135
188th District Court 136
307th District Court 137
Attorney General Master 138
Bail Bond Board 154
County Court-at-Law #1 133
County Court-at-Law #2..... 134
Court of Appeals..... 138
Court Compliance 155
District Attorney 152-153
District Clerk 140-141
District Clerk Civil and Criminal Records Management Funds 211
Judicial Expenses (for jurors) 139
Justices of the Peace 142-151
Justice of the Peace Security Fund..... 210
Justice Court Technology Fund 210
Juvenile Board 169
Law Library Fund 203
Non-Departmental – Judicial Expenses 110

Law Enforcement & Corrections

Airport Public Safety 209
Building Security Fund..... 191
C.O.D.E.Unit 166
Constables..... 156-160
Contract Jail Operation 164
Criminal Justice Center..... 165
Department of Public Safety..... 167-168
Jail Lease Facility Fund 190
Parks & Wildlife 166
Sheriff's Office 161-165
Texas Alcoholic Beverage Commission 166

Departmental Budgets Index (continued)

Health & Welfare

911 Addressing / Emergency Management	173-174
Contributions	178
Environmental Protection	177
Health Care Fund.....	212
Health Department.....	175-176
Historical Commission	172
Industrial Airpark.....	170
Veterans Services	171

Public Buildings / Facilities

Community Building Maintenance	180
Courthouse Building & Maintenance Department.....	179
CSCD Annex	187
Easton Community Building.....	185
Elderville Community Building.....	185
Garfield Hill Community Building	182
Gladewater Commerce Street Building	182
Gladewater Senior Citizens Building.....	183
Greggton Community Building	182
Hugh Camp Memorial Park.....	183
North Jail Building	179
Judson Community Building	181
Kilgore Community Building	184
Kilgore South Street Building.....	185
Liberty City Community Building.....	183
Longview Whaley Street Building.....	187
Marvin A. Smith Criminal Justice Center.....	186
Olivia R. Hilburn Community Building.....	184
Service Center Building.....	180
West Harrison VFD Building	181
Youth Detention Center	186

Roads & Transportation

Road & Bridge – Administration.....	193
Road & Bridge – General	193
Road & Bridge – Right of Way	193
Road & Bridge – Precinct #1	195-196
Road & Bridge – Precinct #2.....	197-198
Road & Bridge – Precinct #3.....	199-200
Road & Bridge – Precinct #4.....	201-202

Departmental Budget Overview

The departmental budget section provides concise, summarized information concerning each department. Generally, departmental information is provided by the official responsible for the department and usually includes the official's duties, term of office and the purpose of the department. As noted on page 17, county officials have numerous responsibilities and duties that are granted explicitly by the Texas State Legislature. It is important to note that according to Texas statutes and state Attorney General's opinions, the commissioners' court authority is limited to budgetary authority over the elected officials and the manner in which they choose to manage their departments. Where workload and performance indicators are considered weak it is the goal of the County Judge, as the statutory budget officer, to seek cooperation in clearly defining goals and improvements in these areas.

All major departments include a departmental description, mission statement (when provided), a five-year comparison of categorical expenditures, number of full-time equivalent (FTE) positions for each year and output indicators (when provided). The data for the five-year expenditures was compiled from the county's audited general purpose financial statements and a recent version of the unaudited internal annual report. Unless otherwise noted, the source of the departmental output indicators was provided by the individual departments.

Departmental expenditures are recapped on pages 91-93 in the Financial Summaries section of this document. Expenditures by fund type, category and funds are shown on pages 66-69. Summaries of expenditure trends are shown on pages 76-79.

While the departments are conscientious regarding their commitment to efficiency, most department leaders are not prepared to tie their mission statements to performance measures. It is the goal of the county judge's office to continue in its efforts to improve this functional area. However, it is our contingency that all departmental measures are quantifiable in that they indicate workload measures for the department.

Judicial activity is provided from two sources. First, the Texas State Office of Court Administration (OCA) provides court activity online at their website www.courts.state.tx.us. The data provided by the OCA reflects information submitted by the district and county clerks and justice of the peace departments. Reports were ran using the county fiscal year October 1 through September 30. Second, internal county departments have researched and provided additional information to complete the picture concerning their workloads. This data is provided on the county's fiscal year of October 1 through September 30, unless otherwise noted.

The departmental budget index lists the departments by function types: general government, judicial services, law enforcement & corrections, juvenile services, health & welfare, public buildings/facilities, roads & transportation, debt service and capital projects. The pie charts shown on pages 89-90 allows five year comparisons between actual and unaudited expenditures and the adopted budget for FY07.

County Clerk

The county clerk is the official record keeper for the county courts, including the probate courts and the commissioners' court. The county clerk is also the official recorder for the county; all instruments filed of record are filed in the clerk's office. Other duties involve issuing marriage licenses and maintaining vital statistics. The county clerk has various financial responsibilities including collecting fees as specified by statute, filing monthly reports with the auditor on trust funds, and implementing procedures set out by the auditor for accounting and depositing money in the county's depository bank. The county clerk also has investment management and reporting duties normally assigned to a county treasurer. Gregg County does not have a county treasurer.

Mission Statement:

- To maintain a well-trained staff which will provide the public with efficient and friendly administrative services; and
- To receive, record, and maintain files of all documents received through this office in a cost efficient and reliable manner.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$484,769	\$431,616	\$494,328	\$512,985	\$539,228
Fringe Benefits	184,837	177,368	190,314	215,729	222,093
Operating Expenses	60,489	55,972	58,990	55,059	60,990
Capital Outlay	12,287	0	675	695	0
Total Expenses	\$742,382	\$664,956	\$744,309	\$784,469	\$822,311
Full-Time Positions	20	19	20	20	20

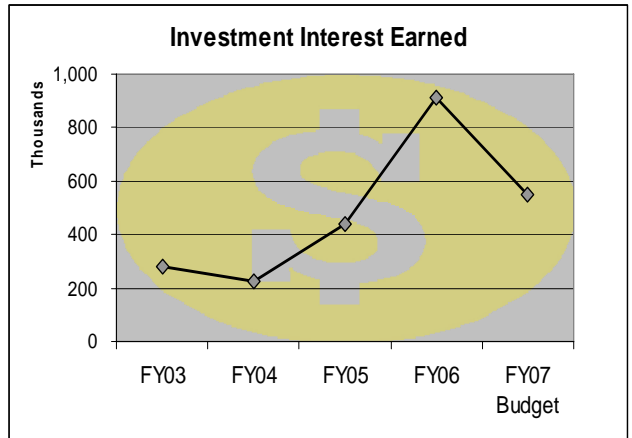
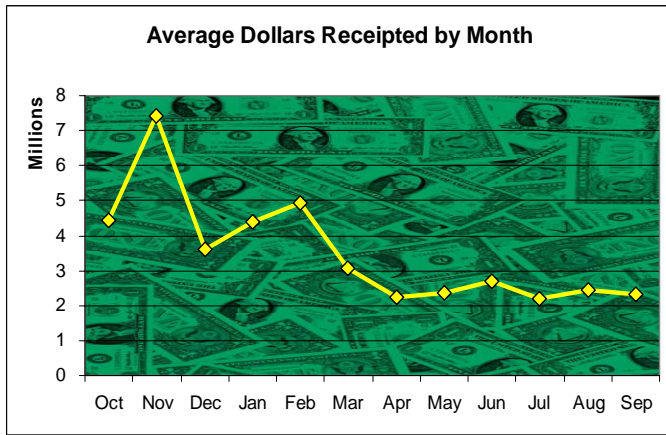
Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Output</u>					
Criminal Cases Filed	5,661	5,763	5,919	5,680	5,700
Civil Cases Filed	774	718	628	622	630
Probate Cases Filed (1)	453	415	436	366	400
Public Records Filed	31,916	29,528	28,775	28,607	28,800
Marriage Licenses	1,475	1,377	1,413	1,430	1,450
Birth/Death Records	20,650	21,780	21,543	22,295	23,000
Treasury Deposit Warrants Collections per Year	n/a	\$37,522,934	\$39,209,995	\$41,468,712	\$39,500,000
<u>Efficiency</u>					
Avg. Criminal Cases filed per week	109	111	114	109	110
Avg. Civil/Probate Cases filed per wk	15	14	12	12	12
Avg. Public Records filed per week	614	568	553	550	554
Avg. Marriage Licenses filed per week	28	26	27	28	28
Birth/Death Records filed per FTE	10,325	10,890	10,772	11,148	11,500
Birth/Death Records filed per day	83	87	86	89	92
<u>Effectiveness / Outcome</u>					
Staffing level – percent with 5 or more years of experience	40%	45%	47%	65%	65%
Treasury investment income	\$278,461	\$227,777	\$437,519	\$911,557	\$548,200

County Clerk (continued)

Department Notes

Performance Measures: Outputs show the growth trend activity produced in various department areas, while efficiency indicators show the activities divided into daily and employee workload. The department is achieving its goal of maintaining a well-trained staff as shown by the staffing levels of tenured employees.

The administrative treasury functions of the department are depicted by the graphs below. The graph on the left displays how the county's cash flow is consistent with tax season; receipts peak October thru January and again, in June, after second notices are mailed in May. The graph titled Investment Interest Earned reflects the effectiveness of the County's investment policies and the administrative abilities of the County's investment officer.



County Clerk Archive Restoration

The 78th Legislature provided a means for county clerks to restore the county's archival records through collection of an archival records fee. According to Local Government Code 118.025, the County Clerk must submit a plan annually to the Commissioners' Court at a public hearing. FY07 marks the third year of collections for archive restoration.

The following plan for FY2007 was approved by the Commissioners' Court as required by statute.

- ◆ Complete restoration of the Index to Birth Records No. 2 and No. 3. Estimated Cost: \$1,500.00
- ◆ Complete restoration and filming of 86 volumes of Register of Instruments Filed. Estimated Cost: \$106,965.00
- ◆ Book Re-Creation of 97 Marriage Books with approximately 600-650 pages per book and 9 index books. Estimated Cost: \$26,610.00
- ◆ Begin the project of scanning approximately 2094 deed books. Import these images into the existing image database, producing a microfilm backup from the scanned image. Estimated Cost: \$303,000.00
- ◆ Microfilm of miscellaneous permanent records. Estimated cost: \$5,150.00

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$0	\$0	\$0	\$0	\$0
Fringe Benefits	0	0	0	0	0
Operating Expenses	0	1,019	3,392	1,800	150,000
Capital Outlay	0	0	0	0	0
Total Expenses	\$0	\$1,019	\$3,392	\$1,800	\$150,000

Revenue budgeted and received:

	FY04	FY05.	FY06	FY07 Budget
Revenue Received	\$143,025	\$138,365	\$139,025	\$133,000
Expenditures	1,019	3,392	1,800	150,000
Balance at Year End	\$142,006	\$276,979	\$414,204	\$397,204

GOALS and ACCOMPLISHMENTS:

- To capture and archive designated documents prior to January 1, 1990 as efficiently as possible
- To restore records and suspend or reduce deterioration of public records
- To improve public access to these documents in a manner that reduces the risk of deterioration
- It is the intent of the County Clerk's office to make all deed records accessible on the internet – this mass undertaking will include scanning old records, indexing the records, and importing those records to the existing records and retrieval system.
- Revenue collected and not expended during the fiscal year will be carried forward to the next year; this measure will be necessary to acquire funding for larger projects.

By end of FY06 approximately 15% of the project was completed as follows:

*Register of Birth #1 with index
Register of Birth A with index
Register of Death with index
Water Rights Book
Death Record – Vol. A*

Total Estimated cost: \$2,590.00

Telecommunications

This department, supervised by the County Judge, consists of four part-time personnel who answer and direct incoming telephone calls and provide general assistance to callers.

Efforts are underway to establish tracking methods for incoming and outgoing calls, number of busy signals and other telecommunication traffic data.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$30,312	\$32,602	\$33,923	\$34,428	\$38,500
Fringe Benefits	3,500	3,630	3,821	5,510	6,576
Operating Expenses	232	0	0	0	200
Capital Outlay	0	0	0	0	0
Total Expenses	\$34,044	\$36,232	\$37,744	\$39,935	\$45,276
Full-Time Positions	0	0	0	0	0

Purchasing Department

A board of judges comprised of the district judges and the county judge appoints the county purchasing agent to operate and maintain the purchasing department. The Board orders and approves the budget for the purchasing department, which is funded by the Commissioners' Court.

The duties of the purchasing agent and staff include purchasing of all goods, services, materials and equipment, contracting for all repairs, supervision of purchases and sales made by competitive bid or proposal, inventory of all county property and the transfer of any surplus property for use elsewhere in the county. In addition, the department is responsible for upholding and enforcing the county budget.

Mission Statement:

The purchasing department seeks to minimize acquisition costs while meeting all budgetary and statutory requirements.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$84,238	\$95,824	\$97,693	\$98,358	\$101,940
Fringe Benefits	26,568	28,002	27,839	29,715	30,889
Operating Expenses	11,498	8,161	9,700	8,266	8,800
Capital Outlay	2,030	0	0	0	0
Total Expenses	\$124,334	\$131,987	\$135,232	\$136,339	\$141,629
Full-Time Positions	3	2.5	2.5	2.5	2

Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Output</u>					
Purchase Orders Processed	10,855	10,408	7,728	7,097	7,097
Requisitions Processed	*	*	7,726	7,106	7,106
Change Orders Processed	*	*	1,445	921	921
Inventory Transfers	*	*	*	284	284
Inventory Tagging	*	*	*	450	450
Quotations	5,000	*	67	62	62
Bids, Proposal, Qualifications, Quotes & Contracts Processed	26	*	21	65	65
<u>Efficiency</u>					
Hours to process, administer & file requisitions, purchase orders, change orders & cancellations	*	*	*	1,019	1,019
Hours to process & administer Fixed Assets transactions	*	*	*	902	902
Hours to process, administer & file inventory transfers, tagging and sales	*	*	*	745	745

Purchasing Department (continued)

Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Effectiveness / Outcomes</u>					
% of time to process, administer & file requisitions, purchase orders, change orders & cancellations	*	*	*	26%	26%
% of time to process & administer fixed asset transactions	*	*	*	23%	23%
% of time to process, administer & file inventory transfers, tagging and sales	*	*	*	19%	19%
% of time for the administration of bids, proposals, qualifications, quotations, & contracts are intangible	*	*	*	40%	40%
% of time for telephone work	*	*	*	10%	10%
% of time for vendor work	*	*	*	5%	5%

Department Notes

The purchasing department eliminated the part-time position in FY06.

Performance Measures: Purchase orders are electronically disbursed to departments instantly through e-mail, saving time and materials for the purchasing department. Additionally, use of state and municipal contracts has greatly reduced the quotation and bid process work.

Human Resources Department

The director of human resources acts as the administrator of the county's personnel policies and procedures and also monitors the county's compliance with state and federal employment laws and regulations. This department's activities includes administering the county's hiring and termination procedures, supervising the county's compensation and benefit programs, filing and monitoring workers' compensation claims and other liability claims, and assisting with A.D.A., safety, and loss control issues. The director is appointed by the commissioners' court.

Mission Statement:

The Gregg County Human Resources Department offers leadership and counsel to county department heads, elected officials, and employees to assure that the funds and efforts of the county which are intended for personnel management are utilized in the most effective manner possible. Our goal is to attract, retain, develop, and motivate high quality, talented people for service to this community.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$107,725	\$108,426	\$111,497	\$112,813	\$116,703
Fringe Benefits	34,673	36,991	35,651	38,591	39,791
Operating Expenses	14,099	12,697	12,987	12,755	13,958
Capital Outlay	2	0	0	999	0
Total Expenses	\$156,497	\$158,114	\$160,135	\$165,158	\$170,452
Full-Time Positions	3	3	3	3	3

Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Output</u>					
Job Postings	71	80	81	74	77
New Hires	90	149	105	185	132
Applicants	2,279	2,156	2,228	1,262	1,981
Reportable Accidents for Workers Compensation	15	43	66	48	43
Workers Comp. Paid	\$118,309	\$159,420	Unavailable	\$137,468	\$103,799
No. of safety meeting held	Unavailable	45	29	32	35
No. attending safety meetings	Unavailable	861	209	362	477

Department Notes

Performance Measures: Outputs show the trend activity produced by the department. Other types of performance measures will be shown as developed.

Non-Departmental Expenses

The Non-Departmental organization is utilized for county-wide expenses which cannot be identified with a specific department. The fringe benefits' category consist of salary and fringe benefits adjustments related to budgetary timing fluctuations in workman's compensation, unemployment compensation, and insurance premiums and sometimes payroll accruals and salary adjustments. Operating expenditures consist of legal, appraisal district, insurance consultant, and independent auditor services.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$0	\$0	\$0	\$0	\$0
Fringe Benefits	115,895	42,806	-30,321	0	83,981
Operating Expenses	1,618,114	2,129,913	1,930,477	1,887,377	2,372,125
Capital Outlay	0	0	28,604	0	0
Total Expenses	\$1,734,009	\$2,172,719	\$1,928,760	\$1,887,377	\$2,456,106

Department Notes

In FY05 the negative balance in the fringe benefits category reflects a workman's compensation refund adjustment. For accounting purposes, the auditor's office has shifted property and liability insurance and postage expense from the non-departmental organization to the individual departments directly incurring the expense. Postage machine expense, formerly charged in this department, has been moved to the newly created department 'Postage Machine Expense'.

The Gregg Appraisal District (GAD) is statutorily supported by all taxing units in the county. Since 2003, the County's allocation has increased by 46%, from \$168,001 to \$245,724. Allocations are calculated by dividing the GAD budgetary expense by all tax entities based on their tax base.

Contingencies of \$228,000 were budgeted in Non-Departmental organization to cover unknown factors that might arise throughout the fiscal year. These unknown factors include fluctuations in fuel and utility costs and other minor expenditures such as repairs and maintenance and conference expenses.

Non-Departmental – Judicial Expenses

The Non-Departmental - Judicial organization serves as a funding pool for judicial expenses including court-appointed attorneys, mental commitments, and some professional services expense. Expenses have been tracked by the originating court for several years and, with the passing of the indigent fair defense act (Senate Bill 7), it has become increasingly important to monitor and record these types of expenses. Attorney's fees and interpreter services that are collected through the Community Supervision Corrections Department are recorded as reimbursements to this department.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
<i>Court Appt Atty Fees</i>					\$705,000
<i>124th District Court</i>	\$160,439	\$239,561	\$144,820	\$174,577	
<i>188th District Court</i>	242,099	167,566	240,826	\$287,176	
<i>307th District Court</i>	174,437	120,757	67,937	\$88,489	
<i>Co Court at Law #1</i>	178,140	173,191	206,293	\$247,776	
<i>County Court</i>	13,550	15,400	16,400	\$16,190	
<i>JP #1</i>	310	0	0	0	
<i>Mental Commitments</i>	28,167	31,684	29,170	\$39,599	
<i>Co Court at Law #2</i>	31,775	75,144	47,026	\$50,519	
<i>Investigator, Expert Witness & Interpreters</i>	0	7,987	28,422	\$9,057	
<i>Interpreter Services</i>	0	0	0	0	48,000
<i>Insurance Premiums</i>	0	0	0	0	15,000
<i>Court Ordered Psychiatric Evaluations</i>	0	0	0	0	10,000
Total Operating Expenses	\$828,917	\$831,291	\$780,894	\$913,383	\$778,000
<i>Reimb of Atty Fees</i>	(115,243)	(138,595)	(168,846)	(145,124)	
<i>Reimb. Interpreter Svc.</i>	0	0	(16)	(1,203)	(28,000)
Total Less Reimbursements	\$713,674	\$692,696	\$612,033	\$767,786	\$750,000
% Collected through CSCD	16.1%	20.0%	27.6%	19.1%	

Indigent Defense Awards :

	\$37,855	\$57,084	\$56,471	\$64,091	\$50,000
% of State Indigent Defense Awards as compared to Total Operating Expenses:	4.5%	6.8%	7.2%	7.0%	6.4%

Department Notes

Court appointed attorneys charge higher fees for services performed in major felony cases and capital murder trials. In reviewing all cases paid over \$3,000, there were 14 cases paid over \$3,000 for major cases in FY03, for a total of \$78,553. In FY04, \$95,177 was paid for 10 major felony cases, with over half of this amount \$61,239 being paid for one case (\$61,239). In FY05, 13 cases were paid \$74,015 for major felony cases and in FY06 \$38,346 was paid for 7 major felony cases.

Funding for interpreter services, insurance premiums and court ordered psychiatric evaluations was included in the FY07 budget to better account for judicial expenses.

NOTE: For additional court activity information see pages 125-132 of this document.

County Judge

The county judge serves as the chief executive officer for the county, budget officer, and head of the Commissioners' Court. Judicial functions include mental commitments, juvenile hearings, some pleas, judicial orders and business licensing including TABC licensing. Administrative functions include serving as the county's principle source of information and assistance; preparing the county's budget; managing maintenance operations; serving as chairman of the juvenile board; and serving on the purchasing agent and bail bond boards. Additionally, the staff serves as liaison for the courthouse telephone system and oversees the telecommunication department. The county judge is elected to a four year term of office and is generally the individual that represents the county both ceremonially and contractually.

Mission Statement:

To provide leadership and assistance to the citizens of Gregg County and to the county offices; and to facilitate the efficient use of county resources in a manner beneficial to the health and well-being of the community while implementing countywide policies for planning, spending, and budget preparation.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$154,927	\$145,715	\$149,585	\$153,444	\$161,037
Fringe Benefits	42,541	42,450	41,112	46,018	47,642
Operating Expenses	11,227	7,915	7,153	6,780	17,375
Capital Outlay	5,088	0	0	0	0
Total Expenses	\$213,783	\$196,080	\$197,850	\$206,242	\$226,054
Full-Time Positions	4	3	3	3	3

GOALS and ACCOMPLISHMENTS:

- In FY03, the mental health commitment process was reviewed in an effort to coordinate involved parties.
 - *Meetings were held with justices of the peace, sheriff's mental health deputies, assistant district attorneys, the local public institution for screenings (Sabine Valley), hospitals, and private facilities. Procedures were established for evaluation, documentation and transportation of patients. Continued evaluation of the commitment process is a critical factor in providing assistance to constituents that are homicidal and/or suicidal.*
- During FY06, the department has prioritized establishing service, effort, and accomplishments (SEA) criteria for county departments.
 - *The FY07 budget includes more structured SEA criteria for several departments. Efforts to persuade departmental participation will continue in future years.*
- The Commissioners Court appoints the members of the Gregg County Historical Commission (GCHC) every two years. In FY06, the GCHC board had to reorganize due to the illness and subsequent death of the chairman. This office will assist GCHC during the transitional phase.
 - *Staff assisted with moving all historical records and property to a temporary office for inventory; recruited the records management officer to scan permanent records; secured a location in the county courthouse and had all records and property moved to the new GCHC office; advised the GCHC on activities surrounding book sales of the newly published book; assisted with amending and adoption of GCHC by-laws.*

County Judge (continued)

- This office coordinated efforts to lease courthouse office space to our Texas State Senator and our United States House of Representative.
 - *We will continue to work with all levels of local, state, and federal government and coordinate or participate in matters of concern to Gregg County.*
- Regional accomplishments / goals include:
 - *Continuing to work with the Northeast Texas Regional Mobility Authority that was created in conjunction with Smith County in 2005.*
 - *Continuing to work with regional economic development efforts.*
 - *Continuing to work with all local law enforcement/emergency agencies (both commissioned and non-profits) for homeland security.*
 - *Continuing to pursue a Veterans Cemetery for the East Texas Region.*

Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Outputs</u>					
Commissioners' Court Meetings	49	47	43	44	44
Mental Health Cases	65	89	86	98	100
Mental Health EDW's	n/a	n/a	45	89	100
TABC Applications	68	50	50	50	50
Juvenile Detention Hearings	141	176	212	255	250
No. of Budget Entries	1,427	2,006	1,586	512	500
<u>Efficiencies</u>					
Staff Hours in preparation of Commissioners' Court agenda	430	425	410	416	416
Staff Hours as historical commission liaison	0	0	70	208	104
<u>Effectiveness/Outcomes</u>					
% of Time spent on Mental Health Calls	25%	27%	27%	30%	30%
% of Time spent on Phone work	30%	20%	20%	20%	25%
% of Time spent on Budget	70%	80%	78%	70%	70%
% of Time spent on Historical Commission			3%	10%	5%

County Judge (continued)

Department Notes

Performance Measures: Although Gregg County only performs commitments for homicidal or suicidal situations and for mental retardation cases, mental health activity has increased two-fold since 2003. During 2005, the County Judge, Justices of the Peace and Sheriff's Office implemented a process for handling mental commitments in the form of an Emergency Detention Warrant (EDW). The EDW process allows public hospitals and similar facilities to quickly process patients with mental health issues and temporarily place them under psychiatric care, thus averting a homicidal or suicidal crisis. This temporary intervention often provides enough time for the patient to sufficiently regain control and return to normalcy. Otherwise, procedures are started for a longer commitment term. The mental health emergency detention warrant (EDW) data is for a period of about 4 months in 2005.

Budget entries were greatly reduced when the budget was adopted in categorical form, as opposed to line item form. The categorical enforcement allows operating line items to show a deficit, as long as the total operating budget is not exceeded.

In January of FY07, the commissioners court appoints the Gregg County Historical Commission members. Responsibility will be shifted to the new leadership and incoming members of the Gregg County Historical Commission.

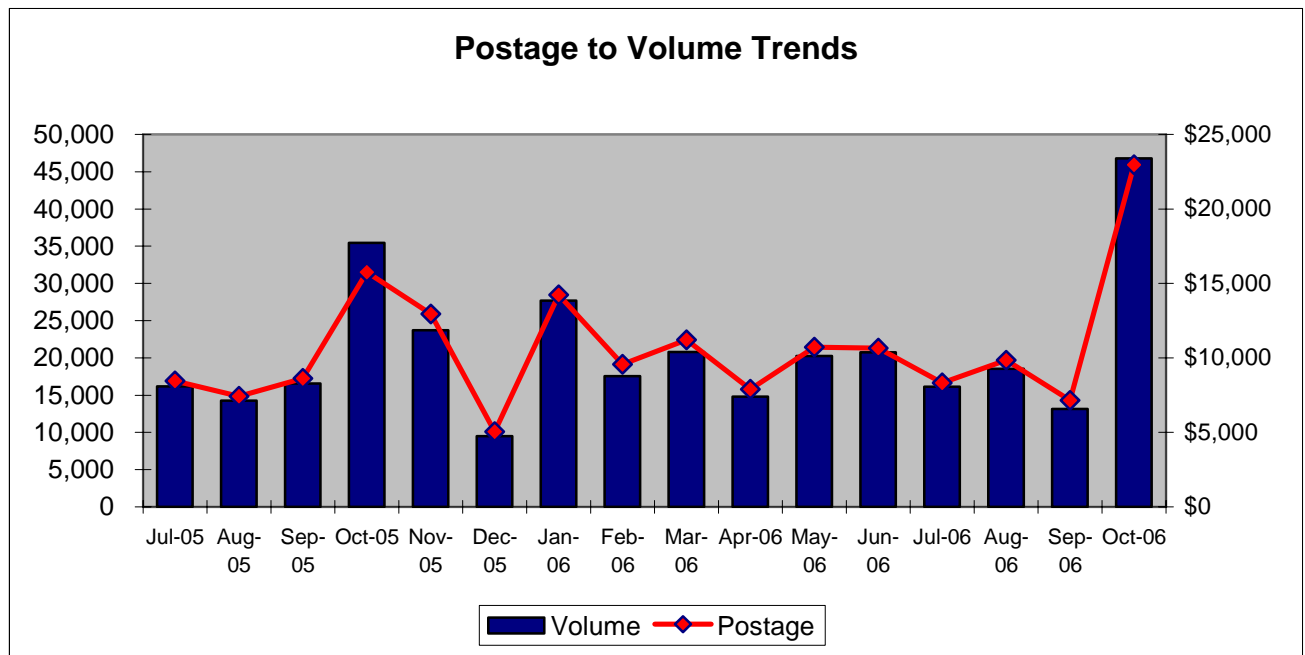
Postal Services

The Postal Services department was created in FY07 to better account for postage machine activities. Purchases to refill the postage meter are accounted for as receivables. Departmental transactions are recorded daily and charged to departments at the end of each month after reconciliation is performed. Operating expenses include, but are not limited to meter rental and postage machine maintenance.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$0	\$0	\$0	\$0	\$0
Fringe Benefits	0	0	0	0	0
Operating Expenses	0	0	0	0	39,610
Capital Outlay	0	0	0	0	0
Total Expenses	\$0	\$0	\$0	\$0	\$39,610

GOALS and ACCOMPLISHMENTS:

- During FY05, the maintenance print shop was notified that their postage meter would be removed from service early FY07. (By federal law postage meters are rented from one of three vendors.)
 - In July 2005, the 18 year old machine postage machine was replaced with a new postage machine purchased through the state contract.
- The new machine will allow evaluation of departmental workloads by parcel in addition to the total dollars spent by department.



Elections

The elections administrator is the county's chief election officer and voter registrar. Specific duties include: conducting all county, state, and federal elections; contracting with area cities and schools to conduct their elections in the county; and maintaining voter registration records. The elections administrator is appointed by the Gregg County Elections Commission.

Mission Statement:

- To ensure that all elections held in the county are conducted according to state law as set forth in the Texas Election Code;
- To keep voter registration records updated on a daily basis; and
- To encourage voter registration and participation by speaking at schools and organizations on the importance of participating in democracy by voting.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$142,622	\$161,906	\$133,578	\$121,290	\$152,600
Fringe Benefits	40,794	46,044	36,589	89,418	52,139
Operating Expenses	45,835	46,523	48,308	50,944	66,500
Capital Outlay	0	0	0	0	0
Total Expenses	\$229,251	\$254,473	\$218,475	\$261,652	\$271,239
Full-Time Positions	4	4	4	4	4

GOALS and ACCOMPLISHMENTS

- HR 3295, known as the 'Help America Vote Act' (HAVA) required state and counties meet federal election requirements by January 2006.
 - *In FY06, the County purchased and implemented new voting equipment that complies with HAVA regulations. The Texas Secretary of State awarded \$539,543 for the new equipment and the county grant match was \$96,225. All funding activity is recorded in a special grant budget.*
 - *To minimize public wariness concerning the new electronic election environment, the County posted a test version of the election equipment on their web page all year.*
 - *Gregg County has held two elections with the new election equipment and equipment operations were error-free in both elections (the exceptional error was human error).*
- Contract with other governmental entities for elections
 - *Monies received for conducting these elections is deposited into the Elections Services Fund, shown on page 189.*

Elections (continued)

Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Output</u>					
Registered Voters	73,683	75,954	73,544	70,349	72,000
Applications Processed	13,171	15,109	12,640	9,301	10,000
Voter Changes	8,301	7,595	7,925	4,023	5,000
Voter Election Rolls	15	25	18	18	20
Elections Held	4	8	3	6	8
Elections Supervised	16	18	14	12	12
<u>Efficiency</u>					
Revenue from elections held for other entities*	\$8,569	\$9,965	\$15,401	\$17,950	\$20,000
Average no. of election workers trained	*	*	*	86	60
Average no. of voter changes per day	33	30	31	24	28
<u>Effectiveness/Outcomes</u>					
% Voted in November Election	n/a	55.35%	n/a	31.15%	n/a

Department Notes

Part of the increase in fringe benefits is the result of changes in accounting for election workers' benefits. The \$66,500 in operating expenses includes \$25,000 software licensing fees for the new elections' equipment; removing the \$25,000 from the total results in an 18.5% decrease over FY06 expenses.

Performance Measures: Performance measures in the elections department often fluctuation with gubernatorial and presidential election years.

County Auditor

The county auditor serves as Gregg County's chief financial officer. Specific duties include financial accounting and reporting, accounts payable, internal auditing, and payroll services. The auditor is appointed to a two-year term by a board of judges from the 124th, 188th, and 307th district courts.

Mission Statement:

The mission of the auditor's office is to ensure that all financial operations of the county conform to Texas Statutes, principles of the Governmental Accounting Standards Board, and Gregg County policies.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$255,462	\$313,353	\$325,868	\$328,951	\$348,599
Fringe Benefits	85,307	108,203	104,284	112,833	119,185
Operating Expenses	18,823	19,082	19,813	18,056	21,100
Capital Outlay	2,946	0	0	2,742	20,500
Total Expenses	\$362,538	\$440,638	\$449,966	\$462,582	\$509,384
Full-Time Positions	9	9	9	9	9

GOALS and ACCOMPLISHMENTS:

- Maintaining efficient and professional conduct, while providing timely and accurate financial information to county officials and others..
 - *County financial reports remain unqualified and timing of annual presentation of financial reports to the Commissioners' Court has been reduced from nine to six months.*
- Seek continued improvement of the internal audit program
- Maintain highly efficient and capable staff whose statutory responsibility is to review and audit all other county departments
 - *Eight of the nine employees have been with the county over 5 years.*
- Implementation of new accounting procedures for the Child Welfare Board will begin in FY07

County Auditor (continued)

Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Outputs</u>					
Accts Payable Transactions	15,807	15,832	20,672	19,592	19,500
Payroll Checks Processed	17,264	14,196	16,184	14,764	14,500
Internal Audits	494	636	640	633	640
Grants Administered	27	28	32	25	25
Grant Reports Issued	144	177	160	113	120
<u>Efficiency</u>					
External auditor's opinion on Annual Financial Reports?	Unqualified	Unqualified	Unqualified	Not available	Not available
% of Monthly Financial reports presented timely	100%	100%	100%	100%	100%
% of Grant reports submitted timely	100%	100%	100%	100%	100%

Department Notes

Capital expenditures include one time purchase of workstation units.

Tax Assessor - Collector

The tax assessor-collector is a public official elected on a countywide basis to a four year term of office. This official's principal responsibility is to collect ad valorem and other property tax for Gregg County and for other taxing authorities pursuant to interlocal agreements. The tax assessor-collector calculates taxes on property, including taxes on agricultural land, timber land, and railroad rolling stock, and then tax bills are mailed to taxpayers. The tax assessor-collector is also responsible for motor vehicle registrations and the collection of related fees and taxes.

Mission Statement:

To provide the citizens of Gregg County with efficient, courteous, and friendly service while maximizing tax revenue collections utilizing all legal means at our disposal.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$790,892	\$792,504	\$831,842	\$834,208	\$876,953
Fringe Benefits	290,672	323,973	302,811	340,326	345,560
Operating Expenses	159,156	161,815	176,165	179,557	187,100
Capital Outlay	0	0	1,715	0	0
Total Expenses	\$1,240,720	\$1,278,292	\$1,312,533	\$1,354,090	\$1,409,613
Full-Time Positions	32	31	30	30	30

GOALS and ACCOMPLISHMENTS:

- Evaluation of workload levels and the need for public assistance at various office locations.
 - *In 2000, the tax office opened an office at the Kilgore substation to accommodate the citizens of that area.*
 - *The tax office has reduced positions through attrition.*
- Offer tax collection services to other taxing entities within Gregg County in order to reduce the cost of service for the taxpayer.
 - *Of the 18 taxing entities in Gregg County, the tax office provides collections service for 14 entities.*

Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Outputs</u>					
Motor Vehicle Registrations	119,500	119,500	119,488	125,254	125,300
Motor Vehicle Titles Issued	n/a	42,803	43,395	44,968	45,000
Tax certificates issued (1)	n/a	4,892	5,046	5,291	5,300
Alcohol licenses issued (1)	n/a	361	359	337	335
Items sent to delinquent tax atty (2)	n/a	\$1,242,175	\$3,070,326	\$3,594,155	\$3,700,000
Tax statements mailed (1)	n/a	215,826	354,836	539,203	540,000
Second notices mailed (1)	n/a	43,399	33,802	43,594	45,000

Tax Assessor – Collector (continued)

Performance Measures (continued):	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Outputs (continued)</u>					
Tax receipts processed (1)	n/a	552,061	982,446	817,321	850,000
Entities with tax service agreements	n/a	14	14	15	15
Parcels on tax service agreements	n/a	180,024	262,611	277,283	277,300
<u>Efficiency</u>					
Property Taxes Collected	97%	97%	97%	98%	98%
% of County Taxing Units contracted for tax collection service	57%	77%	77%	77%	79%
% of Employees attending certification courses	16%	16%	26%	30%	30%
<u>Effectiveness / Outcomes</u>					
Employees certified as registered tax collectors (RTC)	3	4	4	5	7
Employees certified as registered tax assessors/collectors (RTA)	1	3	3	2	2

- (1) Data provided is based on County fiscal year
(2) Data provided as of July 1st.
(3) Data provided is based on State of Texas fiscal year.

Department Notes

Performance Measures: Outputs indicate major workload increases between 2004 and 2005 for the following: items sent to delinquent tax attorneys, second notices mailed, tax receipts processed, parcels on tax service agreements. These increases are largely due to the addition of City of Kilgore, Kilgore ISD, Kilgore College in April of 2004 and Sabine ISD in July 2004.

Information Services

The information services department provides planning, testing, implementation, and ongoing support services related to hardware and software for all county departments. The director is appointed by the commissioners' court.

Mission Statement:

To provide county employees with state-of-the-art hardware and software - and skilled support for the hardware and software - in order to increase the efficiency of county services.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$289,666	\$290,057	\$298,073	\$298,416	\$312,359
Fringe Benefits	83,048	91,489	89,199	95,780	100,091
Operating Expenses	509,948	414,526	437,268	422,517	441,076
Capital Outlay	77,723	123,979	114,946	149,173	98,600
Total Expenses	\$960,385	\$920,051	\$939,486	\$965,886	\$952,126
Full-Time Positions	7	7	7	7	7

GOALS and *ACCOMPLISHMENTS*:

ACCOMPLISHMENTS FOR FY06

- County Clerk Hart system upgrade to A2
 - Replaced old server hardware, printers, scanners and monitors
 - Acquired new label printers
 - Provided technical support to the county clerk and Hart during the upgrade
- Equipment replacements
 - 20 old PCs that could not be upgraded
 - Old printers in property tax collection at the courthouse
 - Older elections administration flatbed scanner
 - Old Surfcontrol server hardware
 - Old printer server hardware
 - Old web server hardware
- Installed Cisco Pix Firewall to increase network security and ensure protection against intrusion
- Deployed network gear, computers, printers, and monitors at Marvin A. Smith Criminal Justice Center and added this location to the network
- Deployed new email server hardware separate from the web server
- Migrated elections voter registration application and software to the State's TVRS system
- Replaced 2 computers and added a third computer in Dispatch

GOALS FOR FY07

- Upgrade judicial software system and server hardware to next generation
- Upgrade tax collection software system and server hardware to next generation
- Install network drops, computers, monitors, printers, inmate tracking scanners on the 3rd floor of the North jail when the contract with MTC ends
- Provide network connectivity to the new Records Management building at the airport
- Replace old PCs that fail and are no longer under warranty

Information Services (continued)

- Replace old printers and old inmate tracking scanners as they fail
- Redeploy former Elections server as a file server
- Establish TLETS/NCIC, judicial system access, Dispatch status update capability in Sheriff squad cars
- With the assistance of DPS and our software vendors, upgrade TLETS to TCP/IP
- Provided capability for video arraignments
- Replace aged indigent health care system software with web-based application
- Deploy wireless access points throughout the courthouse
- Migrate elections administration from the State's TVRS system to the State's new TEAM system
- Outsource disposal of computer equipment to reduce costs, increase efficiency and ensure EPA standards are met

Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Outputs</u>					
Software Assistance calls	1,100	1,085	1,316	1,211	*
Hardware Assistance calls	400	289	290	391	*
Other Assistance calls	645	*	*	*	*
Printer calls	*	283	262	340	*
E-mail calls	*	158	124	155	*
Employee Configuration.	*	106	149	145	*
Network calls	*	89	69	80	*
Failed Login calls	*	79	246	236	*
Website calls	*	70	65	72	*
Other calls	*	52	48	78	*
Internet calls	*	39	53	64	*
IS Project calls	*	32	34	35	*
Loaner Equipment calls	*	6	13	21	*
Thank you calls	*	4	17	5	*
Total calls for assistance	2,145	2,294	2,686	2,833	*

*Projections not provided

Department Notes

Overall department expenditures were reduced in FY07 due to changes in accounting procedures. Procurement of hardware equipment and leased equipment are charged to the Information Services department, while lease purchase amounts are accounted for in the Debt Service-Capital Lease department. Software upgrades for the judicial system and tax office are accounted for in Fund 472 Computer Upgrade Project, a capital project fund (see pages 43 and 44).

The FY07 budget includes the reduction of the oracle technician upon employee retirement and the subsequent salary adjustments to remaining employees, who will share the remaining duties. The capital outlay category expenditures fluctuate according to replacement factors mentioned earlier.

Performance Measures: FY04 was the first full year of reporting with the new service and support system which tracks assistance calls. Non-quantitative efficiency measures include the departments continued evaluation of staff position cost versus outsourcing.

Extension Service

The County Extension Office operates under the direction of the Texas Cooperative Extension located at Texas A&M University. The office utilizes concepts of agriculture diversification for increased profitability, improvement of health and provides youth opportunities through 4-H by assisting farmers, families, businesses, governments, and other organizations. Gregg County provides office space, expenses, salary and allowance to supplement state payroll for extension office personnel.

Mission Statement:

To provide quality, relevant outreach and continuing education programs and services to the people of Texas.

Many programs are oriented toward issues involving agriculture, family & consumer sciences and community development. It is the objective of this office to reach every individual and increase public awareness of the resources available through this office that will improve their quality of life.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$87,240	\$87,931	\$91,852	\$89,650	\$102,595
Fringe Benefits	35,140	39,822	39,330	41,077	49,437
Operating Expenses	14,757	13,985	12,696	14,603	17,500
Capital Outlay	2,150	0	2,235	1,350	0
Total Expenses	\$139,287	\$141,738	\$146,113	\$146,681	\$169,532
Full-Time Positions	6	5.5	5.5	5.5	5.5

GOALS and ACCOMPLISHMENTS:

- Successful direction of core programs directed by the 66 member Extension Program Council, providing education programs in agriculture/natural resources, family and consumer sciences, 4-H/youth and economic development.
 - *Cost of maintaining Oracle certification is greater than outsourcing the support; position reduction will take place upon retirement of current employee and services will be outsourced.*

Future Plans for the Gregg County Community Futures Forum

The Futures Forum process gives residents of Gregg County the opportunity to identify critical issues that affect them, their families, and their communities. Many local and area agencies and organizations want input from local residents to better focus their activities and resources. Working together, such groups can plan individual, joint or coordinated actions to effectively address a county's or community's critical needs.

In February, 2004, the extension service held a County Forum whose purpose was to solicit and prioritize citizen's opinions about the most important needs and concerns in Gregg County. The priority needs identified by this forum included family values, healthcare, the economy, water conservation, education for non-agriculture residents, tourism and emergency preparedness – bioterrorism. The Futures Forum meets every five years as a part of the Long Range Planning Process.

Extension Service (continued)

Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Outputs</u>					
Office Contacts	846	1,091	1,455	2,826	2,500
Site Contacts	3,765	1,707	3,334	3,246	3,400
Phone Calls	2,171	2,680	3,406	5,579	5,000
News Release	71	104	83	98	100
Mass Educational Mailings	5,167	2,663	3,844	5,319	5,000
<u>Efficiency</u>					
% Change in office contacts	-50%	28%	33%	94%	-
% Change in site contacts	19.7%	-54%	95%	-2%	-
% Change in phone calls	-46%	23%	27%	64%	-
% Change in mass educational mailing	-21%	-48%	44%	38%	-
<u>Effectiveness/Outcome</u>					
Seminars & Workshops Attendance	7,353	5,166	8,099	8,962	9,000
Clientele reached by volunteer	2,816	4,257	5,465	3,386	5,000
Volunteers Trained	396	315	210	268	275

Department Notes

In FY03 one of the family and consumer science (FCS) agents retired and upon evaluation, the position was filled with a part-time 4-H assistant. From FY06 to FY07, the 20% increase in fringe benefits is due to a change in retirement requirements for part-time workers and agents.

County & District Court Activity Schedules

The following schedules depict Gregg County’s combined court activity at district and county levels. The data is available on the Office of Court Administration (OCA) website: www.courts.state.tx.us and, unless otherwise noted, reports were processed according to the County’s fiscal year, October 1, through September 30. Justice of the Peace activity is reported individually by precinct in the departmental section of this document.

In 2001, the 77th Legislature attached a rider to the General Appropriations act to provide for district court performance measures. The intent of the Legislature was for the OCA to report data that measures district courts’ activities by county in the following areas:

- ◆ **Clearance rates** – this data, gathered on criminal, civil and juvenile cases, measures how effectively a court is disposing the cases added to its docket,
- ◆ **Age of disposed cases** – allows the court to measure how quickly it is disposing of cases (included on following pages),
- ◆ **Backlog index** – this measures the pending caseload against the court’s capacity to dispose of the caseload during the given time period.

Formulas used to make these calculations are found in the above mentioned OCA website. Gregg County data, along with the State comparative data, is listed below.

	FY04 Gregg County	FY04 Statewide Data	FY05 Gregg County	FY05 Statewide Data	FY06 Gregg County	FY06 Statewide Data
Civil Cases						
Clearance Rate	101.7%	96.1%	84.1%	89.0%	97.4%	84.4%
Backlog Index	1.1	1.2	1.0	1.2	1.2	1.2
Criminal Cases						
Clearance Rate	97.0%	95.2%	69.6%	98.3%	83.4%	94.5%
Backlog Index	0.8	0.9	1.0	0.9	1.1	0.9
Juvenile Cases						
Clearance Rate	193.0%	94.9%	93.0%	96.4%	102.0%	94.6%

In 2001, the 77th Legislature also passed Senate Bill 7, known as the indigent defense act, requiring additional reporting by counties in an effort to improve legal services for indigent criminal defendants. This state mandate has significantly increased the county’s cost of indigent defense as state coffers remain empty to relieve the counties financial burden for their mandates. Information concerning the Task Force on Indigent Defense can be found on their website at <http://tfid.tamu.edu>. Gregg County’s FY01 baseline expenditures for qualifying state indigent defense assistance was \$569,051. The state’s corresponding financial assistance for FY02 was \$37,855; FY03 was \$57,084, FY04 was \$56,471, and \$64,091. Court appointed attorney expenditures by court are found on page 110, under Non-Departmental - Judicial Expenses.

Performance measures regarding court activity continue to gain greater importance at both state and county levels of government. Gregg County is reviewing reporting methods that will reflect activity for each individual court.

Court Activity Summary

	DISTRICT LEVEL						COUNTY LEVEL					
	FY01	FY02	FY03	FY04	FY05	FY06	FY01	FY02	FY03	FY04	FY05	FY06
CIVIL CASES												
Pending 10/1	4,545	4,616	4,705	4,512	4,537	5,337	412	398	471	432	471	476
Docket Adj.	(151)	(102)	(64)	(72)	(39)	(56)	106	0	(3)	(2)	0	(1)
Cases Added	4,323	4,001	4,365	4,327	5,253	4,646	701	839	746	747	690	656
Cases Disposed	4,101	3,810	4,494	4,230	4,414	4,523	821	766	782	706	685	652
Pending 9/30	4,616	4,705	4,512	4,537	5,337	5,404	398	471	432	471	476	479
CRIMINAL CASES												
Pending 10/1	1,199	1,227	877	1,037	1,170	1,613	6,924	7,564	7,280	6,092	5,481	5,721
Docket Adj.	1	(337)	0	0	0	0	0	0	(2)	(310)	(1)	(1)
Cases Added	1,231	1,209	1,435	1,392	1,587	1,749	7,285	6,951	6,504	6,665	6,216	6,349
Cases Disposed	1,204	1,222	1,275	1,259	1,144	1,458	6,645	7,235	7,690	6,966	5,975	6,666
Pending 9/30	1,227	877	1,037	1,170	1,613	1,904	7,564	7,280	6,092	5,481	5,721	5,403
JUVENILE CASES												
Pending 10/1	0	148	138	43	32	41	0	0	0	0	0	0
Docket Adj.	176	(10)	0	0	0	0						
Cases Added	152	152	139	117	156	196						
Cases Disposed	180	152	234	128	147	200						
Pending 9/30	148	138	43	32	41	37	0	0	0	0	0	0
TOTAL CASES												
Pending 10/1	5,844	5,991	5,720	5,592	5,739	6,991	7,397	7,962	7,751	6,524	5,952	6,197
Docket Adj.	26	(449)	(64)	(72)	(39)	(56)	106	0	(5)	(312)	(1)	(2)
Cases Added	5,706	5,362	5,939	5,836	6,996	6,591	7,986	7,790	7,250	7,412	6,906	7,005
Cases Disposed	5,485	5,184	6,003	5,617	5,705	6,181	7,466	8,001	8,472	7,672	6,660	7,318
Pending 9/30	6,091	5,720	5,592	5,739	6,991	7,345	8,023	7,751	6,524	5,952	6,197	5,882
District level includes activity in the 124th, 188th, and 307th District Courts, and County Courts-at-Law #1 and #2.												
County level included activity in the County Court and County Courts-at-Law #1 and #2.												

District Level Civil Docket Summary

	Injury or Damage Involving Motor Vehicle	Injury or Damage Other Than Motor Vehicle	Workers' Compensation	Tax Cases	Condem- nation	Accounts, Contracts, & Notes	Recip- rocals URESAs	Divorce	All Other Family Matters	Other Civil Cases	Total Cases
Pending 9/30/2000	382	74	3	1,082	4	497	53	743	801	906	4,545
Docket Adjustment							(2)	(4)	(143)	(2)	(151)
Cases Added	192	17	1	639	2	276	9	876	1,725	586	4,323
Cases Disposed	177	14	0	538	6	308	10	918	1,616	514	4,101
Pending 9/30/2001	397	77	4	1,183	0	465	50	697	767	976	4,616
Docket Adjustment	(19)	(7)	0	(36)	0	(11)	(1)	9	28	(65)	(102)
Cases Added	207	33	1	535	2	282	2	772	1,608	559	4,001
Cases Disposed	192	25	1	534	2	266	9	797	1,462	522	3,810
Pending 9/30/2002	393	78	4	1,148	0	470	42	681	941	948	4,705
Docket Adjustment	(4)	(2)	0	(10)	4	(13)	0	(2)	(3)	(34)	(64)
Cases Added	187	28	0	578	5	352	4	836	1,631	744	4,365
Cases Disposed	250	49	2	557	8	384	2	790	1,731	721	4,494
Pending 9/30/2003	326	55	2	1,159	1	425	44	725	838	937	4,512
Docket Adjustment	(1)	0	0	(6)	0	(4)	0	(5)	(41)	(15)	(72)
Cases Added	152	14	0	534	5	394	0	781	1,787	660	4,327
Cases Disposed	194	19	1	528	4	357	1	812	1,629	685	4,230
Pending 9/30/2004	283	50	1	1,159	2	458	43	689	955	897	4,537
Docket Adjustment	0	0	0	0	1	(2)	0	(3)	(34)	(1)	(39)
Cases Added	159	20	0	663	1	407	37	854	2,597	515	5,253
Cases Disposed	130	25	1	527	4	342	12	731	2,130	512	4,414
Pending 9/30/2005	312	45	0	1,295	0	521	68	809	1,388	899	5,337
Docket Adjustment	0	0	0	0	0	(2)	0	(11)	(38)	(5)	(56)
Cases Added	138	15	0	601	1	617	42	812	1,929	491	4,646
Cases Disposed	124	14	0	610	1	452	25	834	2,030	433	4,523
Pending 9/30/2006	326	46	0	1,286	0	684	85	776	1,249	952	5,404

AGE OF CASES DISPOSED

Fiscal Years	Total Cases	3 Months or Less	Over	Over	Over	Over 18 Months
			3 to 6 Months	6 to 12 Months	12 to 18 Months	
2000-2001	4,101	36%	23%	19%	9%	13%
2001-2002	3,810	35%	23%	20%	8%	14%
2002-2003	4,494	33%	22%	22%	9%	14%
2003-2004	4,230	36%	24%	20%	10%	10%
2004-2005	4,414	42%	24%	20%	6%	8%
2005-2006	4,523	37%	25%	22%	8%	8%

District Level Criminal Docket Summary

	Capital Murder	Murder or Vol Man-Slaughter	Assault or Attempt Murder	Sexual Assault of an Adult	Indecency or Sexual Assault of Child	Robbery	Burglary	Theft	Auto Theft	Arson	Drug Sale or Manuf.	Drug Possession	Felony D.W.I.	Other Felony	All Misdemeanors	Total Cases
Pending 9/30/2000	11	14	51	19	18	29	114	288	15	6	94	260	73	205	2	1,199
Docket Adjustment		0	0	0	0	0	0	0	0	0	0	1	0	(1)	1	1
Cases Added	4	7	72	16	41	51	131	229	29	5	81	159	118	286	2	1,231
Cases Disposed	5	10	61	11	24	51	117	211	23	5	74	208	130	271	3	1,204
Pending 9/30/2001	10	11	62	24	35	29	128	306	21	6	101	212	61	219	2	1,227
Docket Adjustment	(2)	14	(13)	(12)	(1)	(10)	(65)	(97)	16	(1)	(59)	(36)	(10)	(62)	1	(337)
Cases Added	2	71	59	8	41	68	139	116	18	3	99	209	101	274	1	1,209
Cases Disposed	3	83	64	9	38	58	142	117	24	5	101	209	94	271	4	1,222
Pending 9/30/2002	7	13	44	11	37	29	60	208	31	3	40	176	58	160	0	877
Docket Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cases Added	10	12	98	12	36	69	109	219	26	5	67	296	112	360	4	1,435
Cases Disposed	9	18	70	13	39	67	93	203	34	4	70	255	104	292	4	1,275
Pending 9/30/2003	8	7	72	10	34	31	76	224	23	4	37	217	66	228	0	1,037
Docket Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cases Added	2	7	104	10	38	48	118	220	24	1	87	261	124	347	1	1,392
Cases Disposed	3	6	74	10	37	60	116	210	22	1	80	241	103	295	1	1,259
Pending 9/30/2004	7	8	102	10	35	19	78	234	25	4	44	237	87	280	0	1,170
Docket Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cases Added	5	8	126	15	41	49	127	175	31	4	201	348	107	349	1	1,587
Cases Disposed	1	8	82	8	23	32	79	124	26	2	125	283	82	268	1	1,144
Pending 9/30/2005	11	8	146	17	53	36	126	285	30	6	120	302	112	361	0	1,613
Docket Adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cases Added	2	13	126	8	53	59	153	191	41	1	124	479	131	365	3	1,749
Cases Disposed	5	7	91	11	37	45	118	170	42	2	119	387	107	315	2	1,458
Pending 9/30/2006	8	14	181	14	69	50	161	306	29	5	125	394	136	411	1	1,904
AGE OF CASES DISPOSED																
	Total Cases	60 Days or Less	61 Days to 90 Days	91 Days to 120 Days	Over 120 Days											
2000-2001	1,204	43%	16%	10%	31%											
2001-2002	1,222	41%	16%	14%	29%											
2002-2003	1,275	36%	19%	13%	32%											
2003-2004	1,259	25%	13%	14%	48%											
2004-2005	1,144	40%	13%	10%	37%											
2005-2006	1,458	43%	13%	10%	34%											

District Level – Other Activity

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-2006
JURY ACTIVITY						
Civil Cases						
Jury Fee Paid/Oath	289	294	389	256	209	208
Panel Examined	18	16	40	31	23	10
Sworn Evidence Presented	17	16	40	31	21	10
Final Judgement:						
By Jury	14	16	39	31	21	10
Directed Verdict	0	0	0	0	0	0
Criminal Cases						
Panel Examined	33	21	41	46	19	18
Sworn Evidence Presented	31	21	40	46	19	18
Conviction:						
Guilty Plea	10	25	44	59	27	28
Not Guilty Plea	14	4	2	0	7	10
Acquittal:						
Jury Verdict	2	2	3	7	5	5
Directed Verdict	0	0	0	0	0	0
DEATH / LIFE SENTENCES IMPOSED						
Death Sentences Imposed	0	0	0	0	0	0
Life Sentences Imposed	3	6	10	6	3	7
Lesser Offense Convictions	42	40	20	17	17	35
OTHER COURT PROCEEDINGS						
Post Conviction Writs of Habeas Corpus	0	0	48	32	33	33
Other Writs of Habeas Corpus	24	15	24	24	16	26
Contempt, Extradition, & Other Proceeding	0	0	0	0	0	0
Bond Forfeiture Proceedings	53	46	33	56	40	32
JUVENILE ACTIVITY						
	Child in Need of Supervision		Delinquency		Total Cases	
Pending 8/31/2000	0		0		0	
Docket Adjustment	31		145		176	
Cases Added	0		152		152	
Cases Disposed	0		180		180	
Pending 8/31/2001	31		117		148	
Docket Adjustment	0		(10)		(10)	
Cases Added	2		150		152	
Cases Disposed	0		152		152	
Pending 8/31/2002	33		105		138	
Docket Adjustment	0		0		0	
Cases Added	0		139		139	
Cases Disposed	33		201		234	
Pending 8/31/2003	0		43		43	
Docket Adjustment	0		0		0	
Cases Added	0		117		117	
Cases Disposed	0		128		128	
Pending 8/31/2004	0		32		32	
Docket Adjustment	0		0		0	
Cases Added	0		156		156	
Cases Disposed	0		147		147	
Pending 8/31/2005	0		41		41	
Docket Adjustment	0		0		0	
Cases Added	0		196		196	
Cases Disposed	0		200		200	
Pending 8/31/2006	0		37		37	

County Level Civil Docket Summary

	Injury or Damage Involving Motor Vehicle	Injury or Damage Other Than Motor Vehicle	Tax Cases	Suits on Debt	Divorce	All Other Family Matters	Other Civil Cases	Total Cases
Pending 9/30/2000	18	13	1	40	0	0	340	412
Docket Adj.*	1	1	0	2	0	0	102	106
Cases Added	3	5	0	33	0	0	660	701
Cases Disposed	13	11	0	48	0	0	749	821
Pending 9/30/2001	9	8	1	27	0	0	353	398
Docket Adjustment	0	0	0	0	0	0	0	0
Cases Added	9	12	0	30	0	0	788	839
Cases Disposed	6	8	0	31	0	0	721	766
Pending 9/30/2002	12	12	1	26	0	0	420	471
Docket Adjustment	0	0	0	0	0	0	(3)	(3)
Cases Added	2	12	0	18	0	0	711	743
Cases Disposed	7	13	0	17	0	0	745	782
Pending 9/30/2003	7	11	1	27	0	0	383	429
Docket Adjustment	0	0	0	0	0	0	(2)	(2)
Cases Added	1	0	0	20	0	0	726	747
Cases Disposed	1	1	0	16	0	0	688	706
Pending 9/30/2004	7	10	1	31	0	0	419	468
Docket Adjustment	0	0	0	0	0	0	0	0
Cases Added	0	2	0	14	0	0	674	690
Cases Disposed	0	0	0	14	0	0	671	685
Pending 9/30/2005	7	12	1	31	0	0	422	473
Docket Adjustment	0	0	0	0	0	0	(1)	(1)
Cases Added	2	5	0	25	0	0	624	656
Cases Disposed	0	5	0	22	0	0	625	652
Pending 9/30/2006	9	12	1	34	0	0	420	476
AGE OF CASES DISPOSED								
	Total Cases	3 months or Less	Over 3 to 6 Months	Over 6 to 12 Months	Over 12 to 18 Months	Over 18 Months		
2000-2001	821	41%	29%	17%	4%	9%		
2001-2002	766	52%	33%	11%	1%	3%		
2002-2003	782	40%	40%	17%	2%	1%		
2003-2004	706	50%	33%	13%	12%	3%		
2004-2005	685	55%	29%	14%	1%	1%		
2005-2006	652	59%	25%	12%	2%	2%		

County Level Criminal Docket Summary

	DWI or DUID	Theft or Worthless Check	Drug Offenses	Assault	Traffic	Other Criminal Cases	Total Cases
Pending 9/30/2000	810	3,913	354	648	301	898	6,924
Docket Adjustment	0	0	0	0	0	0	0
Cases Added	754	3,352	586	1,005	434	1,154	7,285
Cases Disposed	758	2,975	536	873	417	1,086	6,645
Pending 9/30/2001	806	4,290	404	780	318	966	7,564
Docket Adjustment	0	0	0	0	0	0	0
Cases Added	751	2,971	646	969	365	1,249	6,951
Cases Disposed	765	3,237	621	963	398	1,251	7,235
Pending 9/30/2002	792	4,024	429	786	285	964	7,280
Docket Adjustment	0	(1)	0	0	0	(1)	(2)
Cases Added	888	2,361	637	1,020	351	1,247	6,504
Cases Disposed	1,022	3,070	678	1,141	396	1,383	7,690
Pending 9/30/2003	658	3,314	388	665	240	827	6,092
Docket Adjustment	(300)	(230)	(56)	(109)	(70)	455	(310)
Cases Added	858	2,427	771	889	356	1,364	6,665
Cases Disposed	901	2,744	719	893	346	1,363	6,966
Pending 9/30/2004	315	2,767	384	552	180	1,283	5,481
Docket Adjustment	0	0	0	0	(1)	0	(1)
Cases Added	817	1,963	839	846	252	1,499	6,216
Cases Disposed	759	1,948	801	795	287	1,385	5,975
Pending 9/30/2005	373	2,782	422	603	144	1,397	5,721
Docket Adjustment	0	(1)	0	0	1	(1)	(1)
Cases Added	1,002	1,920	973	796	123	1,535	6,349
Cases Disposed	897	2,225	928	823	170	1,623	6,666
Pending 9/30/2005	478	2,476	467	576	98	1,308	5,403
AGE OF CASES DISPOSED							
	Total Cases	60 Days or Less	61 Days to 90 Days	91 Days to 120 Days	Over 120 Days		
2000-2001	6,645	15%	17%	13%	55%		
2001-2002	7,235	16%	15%	11%	58%		
2002-2003	7,690	21%	14%	11%	54%		
2003-2004	6,966	25%	13%	10%	52%		
2004-2005	5,975	23%	14%	12%	51%		
2005-2006	6,666	20%	12%	12%	56%		

County Level – Other Activity

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
JURY ACTIVITY						
<u>Civil Cases</u>						
Final Judgement by Jury	2	0	1	0	0	0
<u>Criminal Cases</u>						
Conviction Guilty Plea	2	5	6	6	6	2
Conviction Not Guilty Plea	1	1	0	0	0	0
Acquittal Jury Verdict	0	0	5	3	11	8
Acquittal Directed Verdict	0	0	0	0	0	0
PROBATE & MENTAL HEALTH						
<u>Probate</u>						
Cases Filed	453	422	394	416	443	372
Hearings Held	487	447	454	426	537	434
<u>Mental Health</u>						
Cases Filed	38	61	67	89	81	94
Hearings Held	38	58	67	75	68	89
Release Prior to Final Hearing	n/a	n/a	1	4	9	6
Disposition at Final Hearing:						
Released	n/a	n/a	0	0	1	0
Order: Inpatient/Outpatient	n/a	4	62	85	70	88

County Court at Law #1

The judge of the County Court at Law #1 is a public official elected on a countywide basis to a four year term of office. The judge is authorized by law to decide the following types of cases: criminal misdemeanors and felony (except capital murder), juvenile, civil suits, condemnation suits, and probate and guardianship matters. Criminal felony jurisdiction began on January 1, 2003. The judge may conduct jury trials when necessary. The judge also serves on the board of judges presiding over the Community Supervision Corrections and Juvenile departments.

Mission Statement:

To serve the public interest by administering justice fairly and impartially;
 To faithfully apply the laws of the state of Texas and the United States; and
 To observe and follow the highest standards of judicial ethical conduct, both in appearance and fact.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$149,645	\$201,116	\$204,278	\$212,470	\$222,501
Fringe Benefits	39,435	54,775	52,285	57,391	61,671
Operating Expenses	13,770	8,588	7,687	15,711	19,985
Capital Outlay	0	0	0	1,099	0
Total Expenses	\$202,850	\$264,479	\$264,250	\$286,671	\$304,157
Full-Time Positions	3	3.5	3.5	3.5	3.5

Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Outputs</u>					
New Criminal Cases Filed	6,302	6,377	6,423	6,213	6,400
Criminal Cases Disposed	7,202	6,776	6,198	6,479	6,600
New Civil Cases Filed	568	460	464	381	400
Civil Cases Disposed	709	361	350	298	350
Juvenile Cases	138	185	148	320	300
<u>Efficiency</u>					
Criminal Cases disposed as % of cases added	114%	106%	96%	104%	103%
Civil Cases disposed as % of cases added	124%	78%	75%	78%	88%
<u>Effectiveness/Outcomes</u>					
Average cases heard per week	167	152	140	148	151

Source: Juvenile probation department provided juvenile statistics. All other data based on reports from the judicial system, The Software Group, Inc. Other activity is combined with district and county schedules found on pages 125-132.

Department Notes

The County Court at Law #1 judge received a statutory salary increase during FY06. Operating expenditures includes \$4,800 for drug testing, which began in FY06.

County Court at Law #2

The judge of the County Court at Law # 2 is a public official elected on a countywide basis to a four year term of office. The judge is authorized by law to decide the following types of cases: criminal misdemeanors and felonies (with the exception of capital murder cases), juvenile cases, civil suits, condemnation suits, and probate and guardianship matters. The judge may conduct jury trials when necessary. The judge also serves on the board of judges presiding over the Community Supervision Corrections and Juvenile departments.

Mission Statement:

To serve the public interest by administering justice fairly and impartially;
 To faithfully apply the laws of the state of Texas and the United States; and
 To observe and follow the highest standards of judicial ethical conduct, both in appearance and fact.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$129,219	\$186,334	\$188,710	\$197,728	\$206,604
Fringe Benefits	34,189	51,788	49,704	55,152	58,899
Operating Expenses	15,405	14,873	19,089	14,922	26,450
Capital Outlay	2,379	1,212	0	8,882	0
Total Expenses	\$181,192	\$254,207	\$257,503	\$276,684	\$291,953
Full-Time Positions	3.5	3.5	3.5	3.5	3.5

Performance Measures:	2003* Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Outputs</u>					
New Criminal Cases Filed	314	42	6	3	5
Criminal Cases Disposed	404	70	5	3	5
New Civil Cases Filed	1,930	2,028	2,132	1,983	2,000
Civil Cases Disposed	1,113	1,659	1,700	1,812	1,800
Jury Trials	n/a	n/a	n/a	34	35
<u>Efficiency</u>					
Criminal Cases disposed as % of cases added	129%	166%	83%	100%	100%
Civil Cases disposed as % of cases added	58%	82%	80%	91%	90%
<u>Effectiveness /Outcomes</u>					
Average cases heard per week	32	36	36	38	38

Source: Juvenile probation department provided juvenile statistics. All other data based on reports from the judicial system, The Software Group, Inc. Other activity is combined with district and county schedules found on pages 125-132.

Department Notes

The County Court at Law #2 judge received a statutory salary increase during FY06. The County Court at Law #2 operated on a nine (9) month fiscal year from January 1 to September 20, 2003. Operating expenditures increased 77% due to the initial set up of the court and additional funding for court reporter statement of facts.

Performance Measures: Performance measures in FY03 and FY04 reflect 124% and 151% case disposition as a percent of criminal cases added. This is due to transfers from other courts. Civil case filings and dispositions continue to increase.

124th District Court

The judge of this state district court is a public official elected on a countywide basis to a four year term of office. This court has general jurisdiction. The judge is authorized to conduct trials, with or without a jury, related to civil lawsuits and felony criminal prosecutions, although the judge may decide a wide array of legal matters. The judge also serves as a member on various boards that oversee the following departments: Purchasing, Auditor's office, Community Supervision and Corrections, and Juvenile Probation/Detention.

Mission Statement:

To provide fair trials in all cases to all parties involved in as efficient and cost effective manner as possible.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries *	\$82,593	\$66,741	\$70,604	\$71,736	\$75,481
Fringe Benefits*	23,040	23,771	23,245	25,211	26,203
Operating Expenses	62,562	81,933	64,806	38,082	61,200
Capital Outlay	0	0	0	4,700	0
Total Expenses	\$168,195	\$172,445	\$158,655	\$139,729	\$162,884
Full-Time Positions	2	2	2	2	2

Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Outputs</u>					
Criminal Cases Filed	688	633	586	638	650
Criminal Cases Disposed	510	566	469	537	510
Civil Cases Filed	271	242	265	307	290
Civil Cases Disposed	340	233	219	238	220
<u>Efficiency</u>					
Criminal Cases disposed as % of added	74%	89%	80%	84%	79%
Civil Cases disposed as % of added	125%	96%	83%	78%	76%
<u>Effectiveness/Outcomes</u>					
Average cases per week	18	17	14	16	15

Source: Juvenile probation department provided juvenile statistics. All other data based on reports from the judicial system, The Software Group, Inc. Other activity is combined with district and county schedules found on pages 125-132.

Department Notes

Salary and fringe benefits figures listed above do not include the district judge, who is an employee of the State of Texas. The juvenile board departmental budget includes the supplemental pay and fringe benefits paid to the district judge for service on this board.

In FY03 the court reporter retired and the new court reporter was hired for a lower salary, thus the decrease in salaries. Operating expenses increased to \$81,933 in FY04 due to capital murder trial expenses. Capital outlay expenditures in FY06 include the purchase of new office furniture for the court clerk, reporter and bailiff. The courtroom renovation project was funded through a capital project fund in FY06.

Performance Measures: Criminal and civil cases filed and disposed have decreased since 2003, as have case disposed as a % of cases added.

188th District Court

The judge of this state district court is a public official elected on a countywide basis to a four year term of office. This court has general jurisdiction. The judge is authorized by law to conduct trials, with or without a jury, related to civil lawsuits and felony criminal prosecutions, although the judge may decide a wide array of legal matters. The judge also serves as a member on various boards that oversee the following departments: Purchasing, Auditor's office, Community Supervision and Corrections, and Juvenile Probation/Detention.

Mission Statement:

To provide citizens accused of criminal conduct and the state of Texas a fair trial; and
To provide all parties to civil litigation a fair and efficient legal forum to resolve their differences.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries*	\$77,719	\$68,382	\$71,387	\$74,658	\$85,258
Fringe Benefits*	23,801	22,779	23,481	25,668	27,866
Operating Expenses	43,851	28,455	44,602	46,865	58,385
Capital Outlay	0	0	0	0	0
Total Expenses	\$145,371	\$119,616	\$139,470	\$147,192	\$171,509
Full-Time Positions	2	2	2	2	2

Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Outputs</u>					
Criminal Cases Filed	743	762	996	1,128	1,000
Criminal Cases Disposed	708	769	999	1,068	1,000
Civil Cases Filed	281	251	272	320	300
Civil Cases Disposed	547	368	274	264	275
No. of jurors impaneled					
Juvenile Detention hearings	0	0	0	2	0
<u>Efficiency</u>					
Criminal Cases disposed as % of added	95%	101%	100%	95%	100%
Civil Cases disposed as % of added	194%	147%	101%	83%	92%
<u>Effectiveness/Outcomes</u>					
Average cases per week	26	24	27	28	27

Source: Juvenile probation department provided juvenile statistics. All other data based on reports from the judicial system, The Software Group, Inc. Other activity is combined with district and county schedules found on pages 125-132.

Department Notes

Salary and benefits figures listed above do not include the district judge, who is an employee of the State of Texas. The juvenile board departmental budget includes the supplemental pay and fringe benefits paid to the district judge for service on this board.

Performance Measures: Criminal cases filed and disposed of show an increasing trend, while civil cases filed and disposed of show a decreasing trend.

307th District Court

The judge of this state district court is a public official elected on a countywide basis to a four year term of office. This court has general jurisdiction. The judge is authorized to decide cases, and conduct jury trials if necessary, dealing with such family law matters as divorce, protective orders, adoption, child support and child custody issues, and child abuse and neglect cases. The judge also serves as a member on various boards that oversee the following departments: Purchasing, Auditor's office, Community Supervision and Corrections, and Juvenile Probation/Detention.

Mission Statement:

To determine, render a decision, and dispose of any and all cases arising under Titles I, II, III, and IV of the Texas Family Code.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$85,207	\$84,926	\$87,421	\$88,057	\$91,555
Fringe Benefits	25,106	26,777	25,826	28,032	28,980
Operating Expenses	20,020	16,420	9,647	16,226	25,435
Capital Outlay	0	4,226	1,003	0	1,200
Total Expenses	\$130,333	\$132,349	\$123,897	\$132,315	\$147,170
Full-Time Positions	2	2	2	2	2

Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Outputs</u>					
New Cases Filed	2,459	2,897	3,400	2,515	2,750
Cases Disposed	2,569	2,536	3,232	2,702	2,800
Juvenile Detention hearings	0	0	0	1	0
<u>Efficiency</u>					
Cased Dispositions as % of cased added	104%	88%	95%	107%	102%
<u>Effectiveness/Outcomes</u>					
Average cases per week	54	53	67	56	58

Source: Juvenile probation department provided juvenile statistics. All other data based on reports from the judicial system, The Software Group, Inc. Other activity is combined with district and county schedules found on pages 125-132.

Department Notes

Salary figures listed above do not include the district judge, who is an employee of the State of Texas. The juvenile board departmental budget includes the supplemental pay and fringe benefits paid to the district judge for service on this board.

Performance Measures: Cases filed and disposed of show an increasing trend.

Court of Appeals

Gregg County provides a portion of the salaries of the judges who serve on this region's court of appeals as required by state law.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$10,023	\$10,815	\$10,815	\$10,657	\$13,008
Fringe Benefits	763	834	830	806	2,150
Operating Expenses	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Total Expenses	\$10,786	\$11,649	\$11,645	\$11,463	\$15,158

Attorney General Master

The Attorney General Master is part of the federal child support enforcement program. This master hears child support cases filed by the Texas Attorney General. All cases are eligible for appeal to the 307th District Court. Operating expenses consist of contract expense for the court reporter.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$8,200	\$8,000	\$9,200	\$9,600	\$9,600
Capital Outlay	0	0	0	0	0
Total Expenses	\$8,200	\$8,000	\$9,200	\$9,600	\$9,600

Judicial Expenses

The judicial expenses for all courts, such as juror pay and other expenses related to sequestered juries. The 79th Legislature increased the pay for jurors by setting a minimum of \$40 per day starting on the second day of jury service. The District Clerk's Office administers juror pay for all courts and maintains the juror selection process.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$56,435	\$61,725	\$62,319	\$111,530	\$105,500
Total Expenses	\$56,435	\$61,725	\$62,139	\$111,530	\$105,500

Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Outputs</u>					
Civil juries impaneled	16	48	14	12	14
Civil jurors summoned	2,560	7,680	8,163	10,098	10,500
Criminal juries impaneled	33	59	51	50	52
Criminal jurors summoned	7,260	12,980	19,307	21,148	21,500
<u>Effectiveness/Outcomes</u>					
% Increase in Juror expenses	20.8%	9.4%	0.6%	79%	-5%

Department Notes

The budget for judicial expenses has increased 87% from FY03 to FY07. From FY05 to FY06 juror pay was expected to increase 58% and \$95,000 was budgeted in FY06. Actual FY06 expense showed an increase of 78.9% requiring budget transfers of 17% to cover expenses. State reimbursement revenue for FY06 was estimated at \$35,000, while actual revenue was \$30,056, 14% short. The FY07 budget includes \$95,000 for expenses and \$50,000 for revenue.

Performance Measures: When County Court at Law #2 began operations in January 2003, juror expenses increased 20.8% from FY02. In FY04 expenses increased again reflecting the added 3 months of operation in CCL#2. In FY06 the new state mandates for juror pay increased costs by 79%. The FY07 deficit of 5% reflects stabilization of expenses after the first year of operating under the state mandate.

District Clerk

The district clerk’s office maintains the records of the three district courts and two county courts-at-law and supervises the central jury system which serves all of the courts. The district clerk also manages the child support system (\$1.1 million in child support payments processed annually) and collects probation fees and child support service fees. Moreover, the district clerk handles the records related to all criminal cases, including indictments, judgments, and transfers to the Texas Department of Corrections. The district clerk is a public official elected on a countywide basis to a four year term.

Mission Statement:

The Gregg County District Clerk’s Office strives to provide the citizens of Gregg County with the best integrated document recording and records management system in the state of Texas.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$489,383	\$505,048	\$505,185	\$549,262	\$571,125
Fringe Benefits	187,011	210,973	197,197	228,344	234,117
Operating Expenses	71,076	61,839	58,043	55,030	68,900
Capital Outlay	0	0	0	0	0
Total Expenses	\$747,470	\$777,860	\$760,425	\$832,635	\$874,142
Full-Time Positions	21	21	21.5	21.5	21.5

GOALS and ACCOMPLISHMENTS:

- Integration of technology in all divisions
 - *Implementation of a ‘paperless’ courtroom*
 - *Electronic filing of legal documents*
 - *Public access to computerized records.*
- Organization of the new records management facility
 - *Move records from the older records facility to the designated area in the new facility*
 - *Maintain electronic access at records storage facility to enhance ‘paperless’ goals.*

District Clerk (continued)

Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Outputs</u>					
Civil Cases Filed	5,123	4,441	4,840	4,509	4,500
Criminal Cases Filed	1,438	1,382	1,445	1,501	1,500
Jury Notices (see page 139 for additional juror data)	20,575	19,668	27,470	31,246	32,000
Child Support Transactions	31,957	11,267	8,073	5,496	5,500
<u>Efficiency</u>					
Avg. # of civil cases file weekly	98.5	85	93	86.7	86.5
Avg. # of child support transactions per week	615	217	155	106	106

Department Notes

Performance Measures: The number of child support transactions began their decline when the State Attorney General's Office began a statewide collection process during 2001. Jury notices have increased due to activity increase in the five courts.

Justices of the Peace

The primary responsibility of the Justice of the Peace is to preside over the justice court and the small claims court. This court has original jurisdiction in criminal cases of offenses where the fine does not exceed \$500 and civil claims where the amount in controversy does not exceed \$5,000. Other responsibilities include fine collections; issuance of peace bonds; arrest and search warrants; conducting hearings and inquests; and performing marriage ceremonies. Justices of the Peace are elected to four year terms of office by the citizens of their respective precincts.

Justices of the Peace Summary

Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
Total Cases Filed	13,488	14,570	14,868	15,679	16,799
Total Cases Disposed	13,291	12,802	12,351	13,192	13,878
Total Cases Appealed	28	14	29	32	35
Examining Trials	22	14	21	21	21
Inquests	281	269	254	279	279
Collections reported to State	\$1,074,305	\$1,299,771	\$1,369,795	\$1,450,873	\$1,485,000

Notes on Justice of the Peace Output Indicators:

- ◆ Data is available online at the Office of Court Administration (OCA) website: www.courts.state.tx.us
- ◆ All juvenile data was provided by the Gregg County Juvenile Department and is based on the county fiscal year of October 1 to September 30 each year.
- ◆ All other data is provided by the individual JP courts.
- ◆ Failure to Attend refers to cases involving juvenile truancy and includes parents contributing to the truancy.

Justices of the Peace (continued)

Significant Changes for Justices of the Peace

Autopsy Expenses: Gregg County is fortunate to have officials who are willing to pool resources, such as our justices of the peace, who developed a rotation schedule for inquests calls in order to alleviate the workload for precincts most susceptible to hospital and traffic fatality calls. Prior to FY05 there were accounting inequities regarding autopsy expenses. In the current accounting system, when a judge orders an autopsy that precinct budget is expensed for the autopsy, regardless of what precinct the fatality occurred in. Additionally, autopsy expense has increased by 153% in the last 4 years, going from \$790 to as much as \$2,000 per autopsy. Transportation charges to and from the Dallas Institute of Forensic Sciences and the Southeast Texas Forensic Center, in Tyler, have also increased due to the rising cost of fuel.

Travel Allowance: Due to rising fuel costs, the FY07 includes a \$2,000 travel allowance for each of the Justices of the Peace. Justices of the Peace are called to respond to fatalities in all four precincts and the allowance is designed to offset the expense of the justice using their own vehicle to travel to the site. Providing an allowance is expected to save personnel and fuel costs for the sheriff's and/or constable's budget (formerly officers were sent to transport the JP to and from the site).

Emergency Detention Warrants – During 2005, the County Judge, Justices of the Peace and Sheriff's Office implemented a process for handling mental commitments in the form of an Emergency Detention Warrant (EDW). The EDW process allows public hospitals to quickly process patients with mental health issues and temporarily place them in a facility, thus averting a homicidal or suicidal crisis. Intervention at a temporary facility often provides enough time for the patient to sufficiently regain control and return to normalcy. Otherwise, procedures are started for a longer commitment term. The mental health emergency detention warrant (EDW) data is for a period of about 4 months in 2005.

Justice of the Peace - Precinct #1

Justice of the Peace, Precinct #1, is a public official who administers justice in criminal Class C misdemeanor cases and civil cases not exceeding \$5,000, handles the magistrate's "jail call," issues felony warrants, issues emergency protective orders, appoints attorneys for felony defendants, and acts as county coroner. The J.P. informs and educates citizens about legal processes by maintaining a well-trained staff and developing and distributing informational materials.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$114,719	\$106,204	\$112,819	\$133,908	\$141,446
Fringe Benefits	40,069	40,350	40,032	52,590	56,517
Operating Expenses	67,831	68,439	52,390	53,329	65,586
Capital Outlay	0	0	0	0	0
Total Expenses	\$222,619	\$214,993	\$205,241	\$239,827	\$263,549
Full-Time Positions	4	4	4	5	5

GOALS and ACCOMPLISHMENTS:

- The state and county are facing new challenges as the population continues to diversify with more Hispanic influence.
 - *In response to this need a new position was added in FY06 for a bilingual clerk.*

Justice of the Peace - Precinct #1 (continued)

Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Outputs</u>					
CASES FILED					
Traffic	2,304	2,352	2,114	2,067	2,213
Non-Traffic	1,257	1,013	830	1,176	1,258
Small Claims Suits	150	108	294	137	147
Forcible Entry and Det.	144	222	245	279	299
Other Civil Suits	484	391	406	482	517
Total Cases Filed	4,339	4,086	3,889	4,141	4,434
CASES DISPOSED					
Traffic	2,362	1,956	1,810	1,901	2,035
Non-Traffic	1,077	862	592	816	875
Small Claims Suits	120	100	114	123	131
Forcible Entry and Det.	124	193	217	237	253
Other Civil Suits	539	431	442	529	566
Total Cases Disposed	4,222	3,542	3,175	3,606	3,860
Total Cases Appealed	5	8	4	5	5
Magistrate's Warnings Admin.	4,762	4,811	5,247	5,615	6,000
Emergency Protective Orders	n/a	n/a	207	226	242
Felony Warrants	526	364	439	452	484
Safety Responsibility Hearings	49	29	25	26	26
Examining Trials	22	14	21	21	21
Inquests	143	121	94	112	119
Emergency Detention Warrants	n/a	n/a	n/a	183	210
Fail to Attend	n/a	n/a	n/a	318	700
Juvenile Warnings	n/a	n/a	n/a	n/a	5
Juvenile Detention Hearings	n/a	n/a	n/a	5	0
<u>Efficiency</u>					
Dispositions as % of cases filed	97%	87%	82%	87%	87%
Avg. # of receipts issued per month	266	244	206	211	210
<u>Effectiveness/Outcomes</u>					
Collections reported to state	\$358,822	\$380,601	\$315,647	\$332,908	\$335,000
Percent change in cases filed	n/a	-5.8%	-4.8%	+6.4%	-

Department Notes

Performance Measures: Magistrate's warnings administered continue to increase, as do emergency protective orders.

Justice of the Peace - Precinct #2

Mission Statement:

To serve the citizens of Gregg County by providing courteous, efficient administrative services;
To perform the legal duties of this office in a professional manner; and
To maintain high standards of integrity when performing public services.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$70,319	\$71,472	\$75,279	\$77,474	\$82,465
Fringe Benefits	22,155	23,885	22,956	25,806	27,061
Operating Expenses	8,711	7,168	21,132	34,841	42,100
Capital Outlay	0	0	0	3,308	0
Total Expenses	\$101,185	\$102,525	\$119,367	\$141,429	\$151,626
Full-Time Positions	2.5	2.5	2.5	2.5	2.5

GOALS and ACCOMPLISHMENTS:

- Continue work with truancy officer and juvenile department concerning failure to appear and parent contributing (formerly called truancy) issues.

Justice of the Peace - Precinct #2 (continued)

Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Outputs</u>					
CASES FILED					
Traffic	869	1,525	1,193	903	1,300
Non-Traffic	182	237	165	219	250
Small Claims Suits	114	115	107	89	100
Forcible Entry and Det.	178	205	262	234	245
Other Civil Suits	78	99	87	99	105
Total Cases Filed	1,421	2,181	1,814	1,544	2,000
CASES DISPOSED					
Traffic	828	1,265	1,177	795	1,000
Non-Traffic	164	118	103	129	135
Small Claims Suits	106	96	74	94	90
Forcible Entry and Det.	166	194	248	232	243
Other Civil Suits	70	69	60	70	95
Total Cases Disposed	1,334	1,742	1,663	1,320	1,563
Total Cases Appealed	7	0	2	14	10
Magistrate's Warnings Admin.	270	431	361	514	300
Warrants Issued	249	190	379	287	450
Juvenile Detention Hearings	44	18	25	46	50
Safety Responsibility Hearings	0	0	1	0	0
Examining Trials	0	0	0	0	0
Inquests	47	52	58	64	60
<u>Efficiency</u>					
Dispositions as % of cases filed	93%	80%	92%	85%	78%
Avg. # of receipts issued per month	96	132	127	106	110
<u>Effectiveness/Outcomes</u>					
Collections reported to state	\$ 92,449	\$150,906	\$164,678	\$137,088	\$140,000
Percent change in cases filed	n/a	+53%	-16%	-15%	

Department Notes

Operating expenses increased due to accounting changes for autopsy expense and the new travel allowance for the justice of the peace.

Performance Measures: The number of inquests has increased as the justice of the peace continues to participate in the call rotation schedule.

Justice of the Peace - Precinct #3

The Justice of the Peace, Precinct #3, conducts civil cases with \$5,000 or less in dispute; decides criminal Class C misdemeanor cases; issues felony warrants, emergency protective orders, death certificates, and magistrate's warnings; performs inquests; and presides over driver's license suspension hearings. Since Precinct #3 contains the largest land area among the precincts, the J.P. maintains an office in Gladewater and Kilgore. The J. P. also conducts truancy hearings for four (4) school districts and holds juvenile detention hearings for the Gregg County Juvenile Services Department.

Mission Statement:

To administer justice fairly and impartially with regard to all legal matters within the J.P.'s jurisdiction, and to serve the citizens of Gregg County honestly and efficiently.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$98,261	\$100,681	\$109,578	\$111,970	\$117,484
Fringe Benefits	37,050	41,115	40,267	44,839	45,959
Operating Expenses	41,720	35,677	43,080	37,678	39,725
Capital Outlay	0	0	0	1,515	0
Total Expenses	\$177,031	\$177,473	\$192,925	\$196,002	\$203,168
Full-Time Positions	4	4	4.25	4.25	4.25

GOALS and ACCOMPLISHMENTS:

- This justice of the peace precinct contains more major, non-municipal thoroughfares than precincts 1, 2, and 4. Therefore, the department works closely with the highway patrol, sheriff and constable's offices on more traffic violations than any other precinct. Traffic workloads increased 62% from FY03 to FY06 as opposed to 23% growth in all other case filings.
 - *In response to the workload increase, the department began sharing an additional part-time clerk with the constable in precinct #3.*

Justice of the Peace - Precinct #3 (continued)

Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Outputs</u>					
CASES FILED					
Traffic	3,908	4,880	5,403	6,335	6,500
Non-Traffic	812	938	995	1,074	1,150
Small Claims Suits	61	52	73	63	65
Forcible Entry and Det.	186	200	211	220	220
Other Civil Suits	227	104	119	234	235
Total Cases Filed	5,194	6,174	6,801	7,926	8,170
CASES DISPOSED					
Traffic	3,960	4,164	4,424	4,967	5,000
Non-Traffic	656	840	812	1,031	1,070
Small Claims Suits	36	56	64	69	65
Forcible Entry and Det.	178	189	197	222	220
Other Civil Suits	266	92	121	171	200
Total Cases Disposed	5,096	5,341	5,618	6,460	6,555
Total Cases Appealed	11	5	16	5	10
Magistrate's Warnings Admin.	475	574	394	611	650
Warrants Issued	1,419	1,122	1,521	1,898	1,900
Juvenile Hearings	217	219	143	150	150
Juvenile Detention Hearings		147	152	103	75
Fail to Attend (Truancy) Cases	206	259	313	637	650
Safety Responsibility Hearings	0	0	0	0	0
Examining Trials	0	0	0	0	0
Emergency Detention Warrants	0	0	0	36	40
Inquests	61	60	63	66	60
<u>Efficiency</u>					
Dispositions as % of cases filed	98%	86%	83%	82%	81%
Avg. # of receipts issued per month	293	321	375	454	500
<u>Effectiveness/Outcomes</u>					
Collections reported to state	\$384,352	\$550,254	\$672,038	\$774,546	\$800,000
Percent change in cases filed	n/a	+18.8%	+10%	+16.5%	+3%

Department Notes

Operating expenses decreased due to accounting changes for autopsy expense.

Performance Measures: The number of traffic cases filed has more than doubled from FY03 to FY06, while the disposition of traffic cases as a percent of traffic cases filed has decreased from 101% in FY03 to 78% in FY06. With Interstate 20 being the major corridor between Dallas, Texas and Shreveport, Louisiana, a higher percent of traffic citations involve commercial and/or out of state vehicles, which could delay case disposition. (Nine and a half miles of I-20 are located in Precinct #3.)

Justice of the Peace - Precinct #4

Mission Statement:

To carry out the legal and administrative duties of this public office fairly, honestly, competently, and efficiently.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$81,720	\$84,468	\$81,985	\$83,625	\$88,542
Fringe Benefits	29,642	30,592	30,110	33,036	34,573
Operating Expenses	19,519	33,533	38,782	32,952	38,355
Capital Outlay	2,235	0	0	0	0
Total Expenses	\$133,116	\$148,593	\$150,877	\$149,613	\$161,470
Full-Time Positions	3	3	3	3	3

GOALS and ACCOMPLISHMENTS:

- This department experienced turnover in the administrative staff and constable's office during the last few years, which added stress to existing staff and created a need for additional training for new staff.
 - *Replaced staff members are trained on the job in order to insure workload efficiency.*

Justice of the Peace - Precinct #4 (continued)

Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Outputs</u>					
CASES FILED					
Traffic	2,089	1,688	1,783	1,429	1,500
Non-Traffic	146	101	193	208	230
Small Claims Suits	55	81	54	55	60
Forcible Entry and Det.	200	229	307	350	375
Other Civil Suits	44	30	27	26	30
Total Cases Filed	2,534	2,129	2,364	2,068	2,195
CASES DISPOSED					
Traffic	2,230	1,753	1,440	1,263	1,300
Non-Traffic	131	120	134	172	180
Small Claims Suits	47	69	48	46	50
Forcible Entry and Det.	195	214	259	305	350
Other Civil Suits	36	21	14	20	20
Total Cases Disposed	2,639	2,177	1,895	1,806	1,900
Total Cases Appealed	5	1	7	8	10
Magistrate's Warnings Admin.	134	357	328	429	450
Warrants Issued	604	391	448	422	440
Juvenile Hearings	66	15	28	19	20
Failure to Attend (truancy cases)	0	27	37	220	240
Inquests	30	36	39	40	40
<u>Efficiency</u>					
Dispositions as % of cases filed	104%	102%	80%	87%	87%
Avg. # of receipts issued per month	181	151	155	138	150
<u>Effectiveness/Outcomes</u>					
Collections reported to state	\$238,682	\$218,010	\$217,432	\$206,331	\$210,000
Percent change in cases filed	n/a	+15.9%	+11%	-12.5%	+6%

Department Notes

Operating expenses increased due to accounting changes for autopsy expense and the new travel allowance for the justice of the peace.

Performance Measures: Traffic cases filed have decreased by 31.6% from FY03 to FY06, while other cases filed increased 43.5%.

District Attorney

The district attorney is a public official elected on a countywide basis to a four year term who acts as an attorney for the state of Texas, although not exclusively. The district attorney may represent various state agencies when the attorney general does not do so. In addition, the district attorney may assist the Texas Attorney General's Office in enforcing the rules and official regulations of state agencies. In some counties, the D.A.'s activities are focused on the prosecution of felony criminal offenses; in others, the D.A. may be responsible for litigating civil suits concerning the state, as well as misdemeanor criminal offenses. The district attorney may also provide county and state officials with legal advice upon request.

Mission Statement:

To prosecute persons who violate the laws of the State of Texas;
 To provide legal advice and representation to county officials when requested; and
 To train and maintain a legal staff exhibiting high standards of ethical conduct.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$804,659	\$809,147	\$939,074	\$971,219	\$1,013,734
Fringe Benefits	260,457	286,088	299,003	321,056	341,917
Operating Expenses	40,006	44,917	48,240	58,613	59,825
Capital Outlay	0	0	0	0	0
Total Expenses	\$1,105,122	\$1,140,152	\$1,286,317	\$1,350,888	\$1,415,476
Full-Time Positions	23	24	26	25	25

GOALS and ACCOMPLISHMENTS:

- This department has experienced turnover in the assistant district attorney positions, primarily due to monetary issues. (Salaries for equivalent staff positions in neighboring counties range from 5 to 25% more.)
 - *Department has sought all available grant funding to increase these critical positions.*
 - *Department evaluates positions each time an employee leaves and restructures in order to retain knowledgeable and efficient attorneys. (e.g. during FY06 reduced positions)*

Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Outputs</u>					
Felony Cases (1)					
--Cases Received	2,014	2,437	2,622	2,995	3,000
--Cases Filed	1,144	1,089	1,323	1,749	1,750
--Dispositions	1,000	1,025	928	1,458	1,610
--Jury Trials	48	67	48	43	46
Misdemeanor Cases (1)					
--Cases Received	6,838	6,840	6,828	7,233	7,250
--Cases Filed	5,745	5,963	5,682	6,349	6,350
--Dispositions	6,651	5,951	5,574	6,666	6,350
--Jury Trials	11	9	15	10	10

District Attorney (continued)

Performance Measures (continued):	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Hot Check Division:</u>					
No. of checks received from merchants	11,790	12,431	11,003	9,112	11,000
No. of receipts issued	n/a	5,537	8,003	7,775	7,500
Amt returned to merchants	\$702,608	\$755,178	\$860,005	\$873,007	\$850,000
<u>Efficiency</u>					
Felony cases filed as a % of cases received	57%	45%	50%	58%	58%
Felony cases disposed as a % of cases filed	87%	94%	70%	83%	97%
Misdemeanor cases filed as a % of cases received	84%	87%	83%	88%	88%
Misdemeanor cases disposed as a % of cases filed	115%	99.7%	98.1%	105%	100%

(1) Based on Gregg County's fiscal year October 1 thru September 30 from activity reports submitted to the Office of Court Administration.

Department Notes

Performance Measures: Misdemeanor cases are more likely to be filed and disposition is higher than felony cases. All performance measures include motions based on revocation of probation.

Bail Bond Board

The Bail Bond Board was created in FY03. The board regulates bail bond business in Gregg County in accordance with the Revised Texas Statutes. Responsibilities are to conduct hearings and investigations and make determinations respecting the issuance, refusal, suspension or revocation of licenses to bondsmen. Additional duties include filing reports and furnishing information to the Texas Judicial Council. The Bail Bond Board is represented by the District Attorney, 188th District Judge, District Clerk, County Judge, County Court-at-Law #2, Justice of the Peace Precinct #1, County Clerk and treasury clerk, Sheriff and chief deputy, a bail bondsmen and a local attorney.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salary	585	\$ 1,693	\$ 1,396	\$ 1,109	\$ 3,500
Fringe Benefits	0	0	0	819	579
Operating Expenses	81	456	574	133	2,450
Capital Outlay	0	0	0	0	0
Total Expenses	666	\$2,149	\$1,970	\$2,061	\$6,529

Court Compliance

The Court Compliance Division was created in FY07 to comply with state mandates concerning collection of court costs, fees, and fines imposed in criminal cases. SB1863 requires the county to establish a collections program by April, 2007.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salary	0	0	0	0	\$ 66,000
Fringe Benefits	0	0	0	0	24,061
Operating Expenses	0	0	0	0	25,246
Capital Outlay	0	0	0	0	9,700
Total Expenses	0	0	0	0	\$125,007

GOALS and ACCOMPLISHMENTS:

- To establish the following in compliance with the Office of Court Administration:
 - Procedures for office operations, and collections
 - Coordination of collections efforts from the Community Supervision Corrections Department
 - Coordination with Information Services department concerning hardware and software

Constables

Constables are public officials elected to four year terms of office by the citizens of their respective precincts. By law, the constable shall execute and return as provided by law, each civil process, warrant, and precept directed to a constable and delivered by a lawful officer. Also, the constable is expressly authorized by statute to perform an act or service, including the service of civil or criminal process, citation, notice warrant, subpoena, or writ, and may perform the act or service anywhere in the county in which the constable's precinct is located. In addition, the constable must be a certified peace officer of the state of Texas.

Significant Changes for Constables

Insurance premiums: All insurance premiums were expensed in Non-Departmental prior to FY2004. In 2004, property and liability insurance premiums were distributed to the associated department in order to provide a better picture of departmental expenses. Precinct #2 and Precinct #3 premiums are higher because they include premiums for county issued vehicles.

Travel Allowance: Due to rising fuel costs, the FY07 includes a \$2,400 travel allowance for constables in precinct's #1 and #4. Constables in precinct #2 and #3 utilize county issued vehicles and are appropriated funds for vehicle and fuel expense.

Constable - Precinct #1

Mission Statement:

To serve the civil process from Gregg County courts in a timely and professional manner and other official duties as per occurrence and assignment.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$43,554	\$43,618	\$44,900	\$45,771	\$49,545
Fringe Benefits	15,899	16,933	15,405	17,295	18,587
Operating Expenses	1,292	1,055	5,800	6,752	3,010
Capital Outlay	0	0	0	0	0
Total Expenses	\$60,745	\$61,606	\$66,108	\$69,818	\$71,142
Full-Time Positions	1.25	1.25	1.25	1.25	1.25

Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Outputs</u>					
Civil Process Received	n/a	400	527	411	500
Civil Process Served	n/a	390	465	374	480
Civil Process Returned	n/a	n/a	62	37	20
Evictions	n/a	n/a	267	233	275
Writs of Execution/ Possession	n/a	n/a	53	36	50
Traffic Citations	n/a	n/a	n/a	n/a	n/a
Arrests	n/a	n/a	3	6	8
<u>Effectiveness/Outcomes</u>					
Civil process executed as % of received	n/a	97.5%	88%	91%	96%

Department Notes

FY05 and FY06 show increases due to set up costs for the new constable. This constable utilized his personal vehicle for all activities and FY06 included reimbursement of travel expenses. FY07 includes a travel allowance of \$2,400 in the salary category.

Performance Measures: Output indicators were provided by Constable Precinct #1 based on the calendar year. In 2004 a new constable was elected to office. Statistics for prior years were not available.

Constable - Precinct #2

Mission Statement: To serve the civil process for the county's courts and to perform other official duties as prescribed by law.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$37,000	\$37,000	\$38,110	\$38,872	\$40,038
Fringe Benefits	13,550	14,326	13,792	14,499	15,329
Operating Expenses	1,023	557	3,565	5,464	7,221
Capital Outlay	620	0	0	0	0
Total Expenses	\$52,193	\$51,883	\$55,467	\$58,835	\$62,588
Full-Time Positions	1	1	1	1	1

Performance Measures	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Outputs</u>					
Civil Process Received	531	572	772	1,360	1,400
Civil Process Executed	509	562	629	*	1,260
Civil Process Returned	22	10	157	*	140
Evictions	*	215	206	*	200
Writs of Execution/Possession	*	*	*	*	*
Traffic citations	67	106	49	48	50
Arrests	*	20	13	3	5
<u>Efficiency</u>					
Civil process executed as a % of received	95%	98%	81%	*	90%
* Information not available					

Department Notes

This constable was issued a county vehicle in FY05 which increased operating expenses for vehicle insurance, repairs and fuel.

Performance Measures: Output indicators were provided by Constable Precinct #2 based on the calendar year. **This constable helps reduce personnel cost and workload for the County by serving papers for the Sheriff's civil division. Fifty-nine percent (59%) of the civil process served in 2005 was for the sheriff's office and, in 2006, this increased to sixty-nine percent (69%).**

Constable - Precinct #3

Mission Statement:

The mission of the constable of precinct three is to meet the requirements of the laws of the state of Texas and the needs of the community that he serves.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$37,000	\$37,000	\$44,896	\$45,449	\$49,673
Fringe Benefits	13,549	14,326	14,976	15,682	16,999
Operating Expenses	4,633	8,390	11,976	11,378	13,995
Capital Outlay	0	0	0	0	1,200
Total Expenses	\$55,182	\$59,716	\$71,848	\$72,509	\$81,867
Full-Time Positions	1	1	1	1.25	1.25

Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
Civil Process Received	400	564	687	694	758
Civil Process Executed	424	527	622	674	733
Civil Process Returned	26	37	65	20	25
Evictions	*	151	218	235	250
Writs of Execution/ Possession	25	29	47	44	56
Traffic Citations	318	399	4	5	10
Arrests	*	16	6	2	4

Department Notes

This constable was provided a county vehicle purchased with grant funds and grant funds paid for the upkeep of the vehicle until FY04.

Performance Measures: Output indicators were provided by Constable Precinct #3 based on the calendar year.

Constable - Precinct #4

Mission Statement:

To serve the voters of Precinct #4 to the best of my ability and improve the professionalism and standards of this office.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$37,000	\$37,000	\$38,110	\$36,708	\$42,438
Fringe Benefits	13,199	13,938	13,431	12,871	15,738
Operating Expenses	2,514	2,455	3,175	6,070	4,250
Capital Outlay	0	0	0	0	0
Total Expenses	\$52,713	\$53,393	\$54,716	\$55,649	\$62,426
Full-Time Positions	1	1	1	1	1

Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Outputs</u>					
Civil Process Received	319	360	408	451	475
Civil Process Served	300	350	397	432	475
Civil Process Returned	19	10	11	19	0
Evictions	200	229	307	350	402
Writs of Execution/Possession	31	21	24	41	40
Traffic Citations	0	0	0	0	0
Arrests	0	0	0	0	0
<u>Effectiveness / Outcomes</u>					
Civil process executed as a % of received	94%	97%	97%	96%	100%

Department Notes

The FY07 budget includes \$2,400 for travel allowance for the constable.

Performance Measures: Output indicators were provided by Constable Precinct #4 based on the calendar year.

Sheriff's Office

The sheriff is the county's chief law enforcement officer and has legal jurisdiction throughout the entire county. The voters of Gregg County elect the sheriff to a four year term of office. The principal responsibilities of the sheriff are to provide for the citizens safety by maintaining and supervising professionally trained deputies in the performances of patrol, criminal investigation, warrants and civil process, and crime prevention duties; to prepare and operate within the restraints of an annual budget with due consideration to the enforcement needs and in the best interest of the Gregg County tax payers; to safely maintain custody of the inmates incarcerated in the county jail facilities; to provide security throughout the courthouse and all convening courts; and to coordinate effective law enforcement communications with all local, state and federal law enforcement agencies.

Mission Statement:

The mission of the Gregg County Sheriff's Office is to be ever vigilant in the protection of the citizens and their property, while upholding the U.S. Constitution and fairly enforcing all local, state, and federal laws. Entrusted with the responsibility to serve and promote safety for our citizens, this office will work cooperatively with the community to provide quality service through efficient, professional, and ethical law enforcement.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$3,904,760	\$4,146,704	\$4,450,030	\$4,910,146	\$5,356,318
Fringe Benefits	1,545,691	1,736,441	1,776,930	2,035,246	2,326,548
Operating Expenses	752,383	741,737	1,056,992	1,220,657	1,227,310
Capital Outlay	183,551	73,965	180,120	286,048	109,500
Total Expenses	\$6,386,385	\$6,698,847	\$7,519,072	\$8,452,097	\$9,019,676
Full-Time Positions*	138	146	159	166.5	177

* Note: This schedule does not include personnel funded by grants.

GOALS and ACCOMPLISHMENTS:

Maximize use of county jail bed space:

- *Continue to provide necessary bed space for Gregg County offenders.*
- *Convert leased jail beds from private contractor to county operated lease to maintain or increase revenue.*
- *Secured inmate housing contracts with U.S. Marshal Service and Smith County, Texas.*
- *Continue negotiations with other counties for additional inmate housing contracts.*

Communication Interoperability:

- *Complete upgrade of radio communication system including dispatch center, vehicles and individual hand held radios.*
- *Acquired and installed technology in the Sheriff's dispatch center, the Mobile Command Center and Emergency Operations Center to ensure communication between agencies.*
- *Installed equipment and software to implement a mobile network system which includes access to RMS and TLETS.*

Sheriff's Office (continued)

GOALS and ACCOMPLISHMENTS (continued):

Continue to Maintain Jail Certification:

- *Addition of 33 jailers over a 4 year span to meet inmate to jailer ratio.*
- *Entry level jail positions received additional salary adjustment.*
- *In 2006 the Marvin A. Smith Regional Juvenile Center was re-established as the Marvin A. Smith Criminal Justice Center and modified to house minimum security inmates. This facility added 40 inmate beds to the jail system.*

Provide security at Courthouse and all annex facilities:

- *Each of the three entrances to the Courthouse is equipped with a security checkpoint.*
- *This checkpoint includes an armed Sheriff's Deputy, X-Ray Screening Machine and a Magnetometer.*
- *Each of the six Courts is assigned a bailiff to provide safety and security during courtroom proceedings.*
- *An armed deputy is assigned to Community Service Corrections Division to provide enhanced security.*

Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Outputs</u>					
Jail Book-ins	11,375	11,071	11,449	10,909	11,300
Warrants Executed	6,170	4,615	5,065	5,543	5,500
Peace Officers / Emergency Detention Warrants	314	304	226	321	350
Civil Process Served	7,221	7,798	8,775	4,795 ⁽¹⁾	5,000 ⁽¹⁾
Report Requiring C.I.D. Follow-up	1,736	2,300	2,282	2,312	2,360
Mental Transports	385	388	315	420	450
Avg. inmate meals per week	*	*	*	19,950	19,950
<u>Efficiency</u>					
Civil Process served per FTE	*	*	*	*	1,060
Jailer to inmate ratio	*	*	*	*	1:48
Avg. cost per inmate meals	*	*	*	*	\$ 0.67

(1) Reporting method altered.

* Data not available for prior years.

Sheriff's Office (continued)

Effectiveness/Outcomes:

County dollars saved through use of inmate labor:

- Inmate labor utilized for county projects in addition to jail services results in an estimated savings of over \$100,000.00 annually.
- Since 2001, inmates have maintained the courthouse lawn which resulted in a cost savings of \$30,000.00 annually.
- Other projects are included, but not limited to, general maintenance, remodeling, painting, landscaping, litter clean-up and vehicle maintenance.

Community assistance provided/special events:

- Provide inmate labor to other political subdivisions located within the county.
- Provide inmate labor for non-profit organizations located within the county to assist with community needs and special events.
- Provide Sheriff's Deputies for traffic control, crowd control and security at special events.

Department Notes

Due to Texas Jail Commission mandates the number of Sheriff's Office positions has increased 28% over the last 5 years. Capital expenditures include patrol and fleet cars which are replaced based on the unit's condition.

Items of significance include the change in accounting for liability and property insurance premiums, which account for 23% of the FY07 operating budget. Fuel cost increase 58% from FY03 to FY07. The cost of grocery/food service reduced from 56% to 35% of operations when the food service contract was discontinued and all responsibilities were handled in house.

Performance Measures: Performance measures show a steady increase in most activities of the sheriff's office. One major challenge is continuing to find ways to cut costs without losing quality. Gregg County is fortunate to have a Sheriff's office that continues analyzing all processes to provide valuable and cost efficient services to all citizens.

Contract Jail Operation

This new department was created to account for Contract Jail Operations of the Sheriff's Office. The current lease with Management Training Corporation (MTC) will end in February, 2007. Contracts are in place to lease the additional bed space to the United States Marshal Service and Smith County Sheriff's Office for the remainder of the year. Expenditures include 26 new positions, operating costs and a new van for transporting inmates. The FY07 budget is based on seven months (March to September).

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	0	\$0	\$0	\$0	\$422,605
Fringe Benefits	0	0	0	0	199,535
Operating Expenses	0	0	0	0	63,000
Capital Outlay	0	0	0	0	27,000
Total Expenses	\$0	\$0	\$0	\$0	\$712,140

GOALS and ACCOMPLISHMENTS:

Maximize use of county jail bed space:

- Continue to provide necessary bed space for Gregg County offenders.
- Convert leased jail beds from private contractor to county operated lease to maintain or increase revenue.
- Secured inmate housing contracts with U.S. Marshal Service and Smith County, Texas.
- Continue negotiations with other counties for additional inmate housing contracts.

Criminal Justice Operation

The Marvin A. Smith Corrections Facility began operations in June, 2006 and the FY07 budget is based on a full year of operations. The MAS center houses minimum risk offenders which adds 40 additional jail beds to Gregg County. Budget includes 8 positions.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$0	\$0	\$0	\$77,942	\$180,192
Fringe Benefits	0	0	0	25,725	88,868
Operating Expenses	0	0	0	52,616	76,400
Capital Outlay	0	0	0	0	0
Total Expenses	\$0	\$0	\$0	\$156,283	\$345,460

GOALS and ACCOMPLISHMENTS:

Maximize use of county jail bed space:

- Continue to provide necessary bed space for Gregg County offenders.
- Convert leased jail beds from private contractor to county operated lease to maintain or increase revenue.
- Secured inmate housing contracts with U.S. Marshal Service and Smith County, Texas.
- Continue negotiations with other counties for additional inmate housing contracts.

C.O.D.E. Unit

Gregg County pays the salary expenses as part of its commitment to law enforcement and public safety. This department operates under the sheriff's department and was phased out in 2003.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$3,584	\$0	\$0	\$0	\$0
Fringe Benefits	475	0	0	0	0
Operating Expenses	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Total Expenses	\$4,059	\$0	\$0	\$0	\$0

Parks & Wildlife

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$757	\$0	\$0	\$534	\$900
Capital Outlay	0	0	0	0	0
Total Expenses	\$757	\$0	\$0	\$534	\$900

Texas Alcoholic Beverage Commission

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$0	\$0	\$0	\$0	\$250
Capital Outlay	0	0	0	0	0
Total Expenses	\$0	\$0	\$0	\$0	\$250

Department of Public Safety

The Department of Public Safety maintains public safety in the State of Texas and Gregg County through various traffic and criminal law enforcement programs. The County provides radars, cellular phones, law enforcement communication services, clerical support, office supplies and equipment to the Department. The DPS Highway Patrol office in Gregg County is allotted eleven Trooper positions and one Sergeant position. Gregg County funds one full-time secretarial position and one part-time secretarial position.

Mission Statement:

Department objectives include the following:

- ◆ Aggressive traffic law enforcement with a focus on hazardous violations including speed, seatbelt and DWI related offenses.
- ◆ Reduce fatal accidents in the county by maintaining a high visibility of marked units and aggressively enforcing traffic laws.
- ◆ Increased DWI enforcement focusing on problematic areas with high accident rates in the county.
- ◆ Continuation of background investigations on Gregg county applicants requesting a concealed handgun license.
- ◆ Increased criminal enforcement developed from traffic enforcement with a focus on the criminal apprehension of fugitives and narcotics couriers. This focus includes seizure of illegal currency from narcotics couriers traveling through Gregg county on IH20.
- ◆ Continue to assist the county when possible with back-up requests for county or local city officers when necessary.
- ◆ Investigate accidents in the rural areas of the county and assist local jurisdictions in the event of a serious accident when requested.
- ◆ Maintain efficiency with the budgetary allotments issued to the Department by Gregg county.
- ◆ Continued positive relationships with other public safety agencies within Gregg County to provide for the safety of the citizens and motoring public of Gregg County.

Department of Public Safety (continued)

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$30,653	\$30,692	\$36,015	\$37,601	\$38,127
Fringe Benefits	9,824	10,599	10,992	12,662	13,013
Operating Expenses	4,476	4,696	4,767	5,082	5,850
Capital Outlay	0	0	0	0	0
Total Expenses	\$44,953	\$45,987	\$51,774	\$55,345	\$56,990
Full-Time Positions	1.5	1.5	1.5	1.5	1.5

Department Indicators:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
DWI Arrests	174	185	269	271	270
Criminal Misdemeanor Arrests	585	661	667	339	375
Criminal Felony Arrests	125	121	140	94	100
Total Criminal Arrests	710	782	807	433	475
Total Accidents Investigated	700	798	861	797	800
Motorist Assists/Agency Assists	566	587	643	645	650
Total Vehicles Stopped for Traffic Violations	10,609	11,644	14,224	16,811	15,000

Department Notes

Performance Measures: Output indicators were provided by DPS for calendar years 2003, 2004 and 2005.

Juvenile Board

The juvenile board serves as the governing board supervising the juvenile department with budgetary control and responsibility. Members include the 124th district judge, 188th district judge, 307th district judge, both county court-at-law judges and the county judge, who serves as the presiding officer by statute. The board members are determined by state law and the board is not subject to the authority of the commissioners' court.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$69,117	\$78,255	\$78,255	\$78,255	\$89,491
Fringe Benefits	29,860	34,013	32,169	31,851	34,830
Operating Expenses	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Total Expenses	\$98,977	\$112,268	\$110,424	\$110,106	\$124,321
Full-Time Positions	3	3	3	3	3

NOTE: The judges for the county and county courts-at-law are counted as full-time county employees within their department. The full-time positions represented here are the three district judges, whose salaries are paid through the state, but they have insurance benefits through the county. For FY03, the County Court at Law #2 judge was paid on a nine (9) month fiscal year from January 1 to September 30, 2003. FY04 and future years includes 12 months for the CCL #2 judge.

Department Notes

All salary and fringe benefit increases in FY07 are due to state mandates regarding judicial pay.

Industrial Airpark

To stimulate economic development, the county seeks to attract new businesses to its building sites at the industrial airpark, located at the East Texas Regional Airport (formerly known as the Gregg County Airport). The Industrial Airpark also operates as a foreign trade zone, which offers various tax reductions, storage and marketing benefits to businesses located within the foreign trade zone.

This department moved to the airport fund in FY07.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$71,669	\$6,003	\$28,489	\$25,855	\$0
Capital Outlay	0	1,270	815	1,391	0
Total Expenses	\$71,669	\$7,273	\$29,304	\$27,246	\$0

Veterans Services

The veterans' service officer provides the county's military veterans and their legal dependents information and assistance to prepare, submit and present any claim pertaining to federal, state or county veterans' benefits programs to which the veteran or veteran's dependent(s) may be entitled to under law.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$58,304	\$58,341	\$60,192	\$62,633	\$62,961
Fringe Benefits	15,809	16,540	16,098	15,595	11,313
Operating Expenses	10,893	11,265	11,244	10,915	12,390
Capital Outlay	0	0	0	1,495	0
Total Expenses	\$85,006	\$86,146	\$87,533	\$90,637	\$86,664
Full-Time Positions	2	2	2	2	2

Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Outputs</u>					
Interviews conducted	2,914	3,057	2,800	2,656	2,255
Calls handled	8,742	9,171	8,400	7,968	6,765
Claim and Support Statements Issued	unknown	unknown	unknown	758	800
<u>Efficiency</u>					
Avg. # of interviews per day	11.7	12.3	11.2	10.7	9.1
Avg. # of calls taken per day	35.1	36.8	33.7	32.0	27.2
Claim /Support Statements Issued per interview	unknown	unknown	unknown	3.0	3.0
<u>Effectiveness/Outcomes</u>					
Veteran Population (1)	10,463	10,060	9,948	9,743	9,522
Compensation and Pension(1)	\$14,528,166	\$15,381,420	\$15,124,000	*	
Readjustment and Vocational Rehab(1)	\$884,526	\$1,156,570	\$904,000	*	
Insurance and Indemnities(1)	\$673,770	\$675,139	\$625,000	*	
Total Benefits Awarded (1)	\$16,086,462	\$17,213,129	\$16,653,000	*	

Note(1): Federal data as listed on the U.S. Department of Veterans' Affairs website: www.va.gov

* Texas Veterans Commission data will not be available until April/May of 2007

Department Notes

During FY06 the county hired a second veteran with existing insurance to replace a retiring civilian with county benefits. This resulted in a reduction of \$6,000 in fringe benefits from FY06 to FY07.

Historical Commission

The Gregg County Historical Commission (GCHC) was initially created in 1962 by the commissioners' court and it functions as an arm of county government. The GCHC's members are appointed for two-year terms of office in January of odd numbered years. The purpose of the Historical Commission is historic preservation concerning Gregg County's heritage. The Historical Commission also serves as the county's liaison to the Texas State Historical Commission and the Texas State Historical Association. Members serve on a voluntary basis.

Other functions of the Gregg County Historical Commission include:

- Monitoring the county's 110 historic markers and sites for damages and other maintenance needs
- Maintaining a list of books pertaining to Gregg County, Texas, and local history written by local authors and serving as a repository for said books
- Sponsoring Junior Historian chapters at local schools
- Providing assistance to 22 heritage organizations within the county
- Monitoring and supporting the county's museums:
 - Longview Museum of Fine Arts
 - Gladewater's Historical Museum
 - Gregg County Historical Museum
 - East Texas Oil Museum
 - LeTourneau Museum
 - Kilgore Rangerettes Showcase
- Providing support and assistance for archeological finds
- Monitoring the Gregg County Courthouse campus and its historic pecan trees
- Providing the Official Flag of Gregg County for county-owned buildings
- Attending conferences pertaining to historical preservation
- Assisting TxDOT and FHA with inspections

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$5,603	\$6,818	\$6,735	\$6,150	\$23,000
Capital Outlay	0	0	0	0	0
Total Expenses	\$5,603	\$6,818	\$6,735	\$6,150	\$23,000

GOALS and ACCOMPLISHMENTS:

- Structural reorganization of the Gregg County Historical Commission
 - *County property, historical data and artifacts was moved to a new location in the courthouse law library.*
 - *Inventory was performed on files and property.*
 - *The historical book was completed and published. Sales are expected to begin upon its arrival in FY07.*
 - *By-laws were reviewed and amended.*
 - *New members were recommended for appointment..*

911 Addressing / Emergency Management

The 911 Addressing / Emergency Management department is a division of the Gregg County Sheriff's Office. The **911 Addressing** duties include converting rural route and box numbered addresses to standardized physical addressing and for maintaining County maps. These maps are an ongoing project that reflects all addresses on both public and private roadways, as well as the addition and deletion of structures therein.

The purpose of **Emergency Management** is to establish a command hierarchy and plan of operation that is responded to by emergency services, whereupon any catastrophic event or disaster, natural or man-made, occurs within the County.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
9-1-1 Addressing					
Salaries	\$53,999	\$54,524	\$66,903	\$62,442	\$75,175
Fringe Benefits	21,540	23,175	22,689	24,973	27,694
Operating Expenses	18,003	9,350	15,024	6,516	32,895
Capital Outlay	16,800	1,541	0	0	0
<i>Sub-Total Expenses</i>	<i>\$110,342</i>	<i>\$88,590</i>	<i>\$104,616</i>	<i>\$93,932</i>	<i>\$135,764</i>
Civil Defense/ Emergency Mgmt.					
Operating Expenses	\$597	\$1,515	\$3,320	\$2,800	\$4,000
<i>Sub-Total Expenses</i>	<i>\$597</i>	<i>\$1,515</i>	<i>\$3,320</i>	<i>\$2,800</i>	<i>\$4,000</i>
Total Expenses	\$110,939	\$90,105	\$107,936	\$96,732	\$139,764
Full-Time Positions	2	2	2	2.5	2.5

GOALS and ACCOMPLISHMENTS:

- Standardize physical addressing within the jurisdiction of the county and maintaining County maps.
 - *Physical addresses have been assigned county-wide and the current status of the addressing is maintenance of adds and changes.*
- In 2005, hurricanes Katrina and Rita damaged the Louisiana and Texas coastal areas creating the need for assistance to homeless victims of the storms. Gregg County emergency management personnel coordinated efforts with local governments and entities in response to the victims' needs.
 - *The 9-1-1 Addressing/Emergency Coordinator provided 1,984 hours in assistance and monitored 12 facilities.*

911 Addressing / Emergency Management (continued)

Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Outputs</u>					
Average number of address changes per year	n/a	3,000 to 4,000	700 to 800	220 to 250	200 to 250
Hours/time spent on research with post office, GAD, etc.	n/a	8-10 hrs / wk	2-4 hrs / wk	2 -4 hrs/wk	2-4 hrs/wk
No. of emergency responses					
<u>Efficiency</u>					
Percent of employees' time spent	n/a				
---on 9-1-1 Addressing		100%	50%	50%	50%
---on EMC/LEPC work			25%	25%	25%
---on dispatch			25%	25%	25%
Average no. of hours per emergency response	n/a	80 to 100	150 to 225	80 to 100	80 to 100
<u>Effectiveness/Outcomes</u>					
Percent of project mail-out complete	n/a	100%	100%	100%	100%

Department Notes

Salaries have increased due to added emergency management responsibilities. The FY07 budget includes \$20,000 in professional services in anticipation of new mapping for 9-1-1 addressing work.

Performance Measures: Notice the decline in 9-1-1 Addressing duties (such as address changes and hours worked) does not change the completion status of the .project mail-outs, which are now at maintenance levels.

Health Department

The mission of Gregg County health department is to protect and promote the health of Gregg County residents by providing quality preventive medical intervention services and supporting community initiatives. The health department provides:

- (1) A central immunization program for preventable disease treatment;
- (2) Coordination of venereal disease treatment in cooperation with the HIV programs;
- (3) Improvement of health for the impoverished of the community, coordinating the out and inpatient management of required medical services;
- (4) Resources for the health community and general population by coordination of health issues with the Texas Department of Health;
- (5) Medical services to the county jail; and
- (6) Protection and reduction of adverse effects due to environmental contamination.

Since the tragedy at the World Trade Center, September 11, 2001, the federal government has provided funding for bio-terrorism preparedness through the Texas Department of Health. The Gregg County Health Department coordinates the grant and monitors the additional staff needed to facilitate the grant known as 'Public Health Preparedness and Response for Bio-terrorism'. This grant is budgeted separately from this document due to inconsistency of grant periods and fluctuating funding levels.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$279,468	\$279,851	\$267,932	\$240,672	\$285,876
Fringe Benefits	95,965	97,566	90,655	89,959	105,089
Operating Expenses	899,396	1,166,063	1,061,453	827,456	1,050,690
Capital Outlay	0	0	0	22,967	0
Total Expenses	\$1,274,829	\$1,543,480	\$1,420,040	\$1,181,054	\$1,441,655
Full-Time Positions	10	9.5	9.5	9.5	9

GOALS and ACCOMPLISHMENTS:

- Continue to seek sources of funding for public health and public health preparedness programs to benefit the citizens of Gregg County and surrounding areas. All grants are accounted for in funds that are separate from this document.
 - *Bio-terrorism grants received from 2003 to 2007 for a total amount of \$845,647.*
 - *Dual diagnosis for mental health and substance abuse (SAMHSA) grants received from 2002 to 2005 for a total amount of \$1,289,464.*
 - *Pandemic Preparedness grants received from 2006 to 2007 for a total amount of \$104,538.*
- Restructure of county poverty guidelines to match federal guidelines.
 - *Restructuring in FY05 allowed a more concentrated focus on providing services for the citizens of Gregg County.*

Health Department (continued)

Performance Measures	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
<u>Outputs</u>					
<u>Health Clinic</u>					
Patients Seen/charts reviewed by Physician	1,603/*	1,140/*	1,196/*	1,115/ 2,112	
Patients Seen by Nurse	1,790	1,352	1,236	1,633	
Prescriptions Filled	11,897	10,620	4,357	6,420	
Immunizations	11,149	11,298	11,157	12,637	
Welfare Applicants	3,076	8,699	1,977	1,348	
STD/HIV Patients	1,298	2,773	992	1,355	
<u>Health Inspector</u>					
Onsite Sewage Facility (OSSF) Applications/Insp.	145	165	150	141	
OSSF Complaint Investigated	58	120	98	88	
OSSF Violations Issued	26	19	19	30	
OSSF Court Cases Filed	76	10	25	1	
Animal Control Calls	*	*	*	88	
Illegal Dumping Court Cases filed	*	*	*	13	
Fire investigations and inspections	*	*	*	19	
<u>Efficiency</u>					
Avg. # of prescriptions per patient	*	*	*	5.6	
Avg. # of prisoners seen/charts reviewed per week	*	*	*	25 / 30	
Avg. # of clients receiving immunizations	*	*	*	6,341	
Avg. # of immunization records requested	*	*	*	500	
<u>Effectiveness/Outcomes</u>					
Percent change in direct medical expenses	-6%	+38%	-11%	-29%	+39%
Percent change in operating expenses	-3%	+29%	-14%	-16%	+27%

Department Notes

Performance Measures: The percent of change in direct medical expenses versus total operating expenses reflect similar fluctuating trends. Decreases to expenses can indicate that less serious conditions were treated, or that less patients were seen. Likewise increased expenses can indicate more patients were treated, or patients had more serious medical diagnosis.

Environmental Protection

In case of an environmental emergency such as a spill of toxic chemicals, the county has funds available to assist the clean up effort.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$32,638	\$16,483	\$5,477	\$4,592	\$23,000
Capital Outlay	0	0	0	0	0
Total Expenses	\$32,638	\$16,483	\$5,477	\$4,592	\$23,000

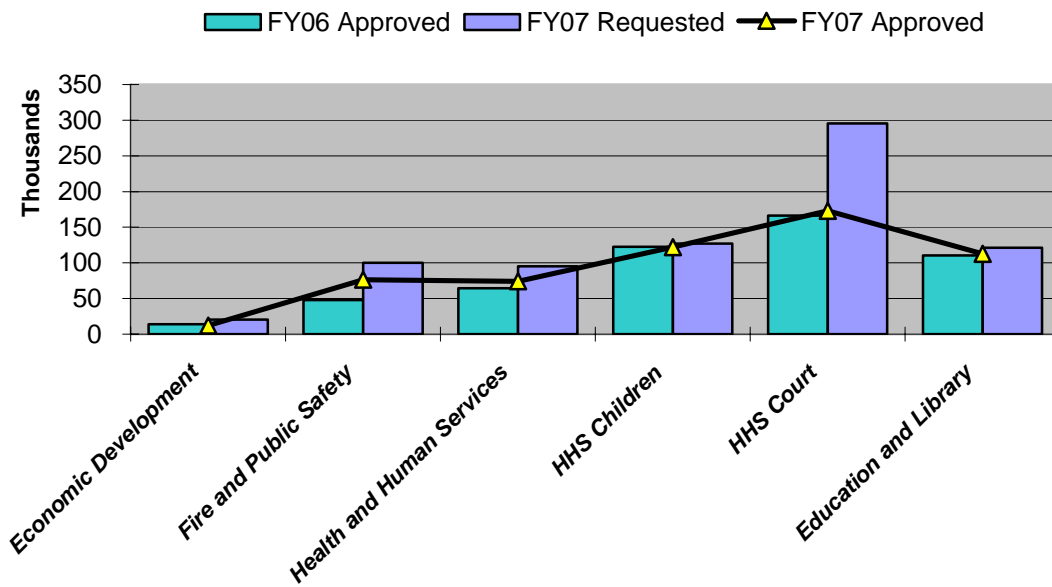
Contributions

Gregg County assists a wide variety of organizations which offer services and programs to the public. These organizations enter into written agreements which specify how the county's contributions will be spent. Expense reports are required to provide adequate documentation. During the FY04 budget process, these contributions were reviewed and contribution amounts were reduced by 14 to 17%.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$581,450	\$494,166	\$501,400	\$500,559	\$573,000
Total Expenses	\$581,450	\$494,166	\$501,400	\$500,559	\$573,000

Department Notes

Overall departmental expenses have decreased by 1% from FY03 to FY07. Requests for funding totaled \$755,542 and only \$570,500 was awarded in FY07. Changes to funding levels include slight decreases for economic development and health and human services and a minor increase in education / library categories. Due to recent drought conditions the fire and public safety funding was increased in FY07.



Fire & Public Safety:
 VFD's at Clarksville-Warren City, East Mountain, Elderville/Lakeport, Easton, West Harrison, Judson Metro, and Sabine; and Civil air patrol, and Kilgore Rescue Unit

HHS Children Related:
 Boys & Girls Club, Camp Fire USA, Child Welfare Board, Martin Charities, Longview Child Development

Education and Library:
 Libraries at Gladewater, Kilgore, White Oak, Longview, Historical Museum, East Texas Literacy Council

Economic Development:
 Chambers of Commerce at Gladewater, Kilgore, and Liberty City and Longview Partnership

Health and Human Services:
 ARC, Greater Longview United Way, Humane Society, Kilgore Crisis Center, Upshur/Gregg Soil Conservation District, Women's Center, ETCOG Council on Aging

HHS Court Related:
 East Texas Council on Alcoholism and Drugs, East Texas CASA, Longview Teen Court, Parenting Resource Center, Sabine Valley MHMR

Courthouse Building & Maintenance Department

The county superintendent works with the commissioners on road and bridge projects; he serves as the flood plain administrator; and he has supervisory authority over all county maintenance operations including all maintenance personnel. The maintenance staff cleans the various county buildings, makes plumbing and electrical repairs, maintains the heating and air conditioning systems, and performs other tasks as needed.

The county courthouse building, located in downtown Longview, consists of the original building and two annexes. The original building was built in 1932, the east wing was built in 1958 and the west wing was built in 1982. Offices located in the courthouse include county judge, county clerk, district clerk, district attorney, the 124th, 188th, and 307th district courts, two county courts at law, justice of the peace precinct #1, constable precinct #1, county auditor, human resources, elections, the central tax office, the law library, historical commission, maintenance, information services, purchasing, and the sheriff's department and jail.

Mission Statement:

To keep all county buildings and their component systems clean and in good repair in order to maximize their useful lives and minimize repair and replacement costs.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$424,733	\$417,472	\$442,553	\$454,658	\$465,593
Fringe Benefits	189,446	202,864	194,680	208,538	229,763
Operating Expenses	597,591	569,033	601,082	686,143	685,725
Capital Outlay	45,028	3,825	26,029	74,707	1,500
Total Expenses	\$1,256,798	\$1,193,194	\$1,264,344	\$1,424,046	\$1,382,581
Full-Time Positions	18	19	19	19	18

North Jail Building

The North jail building, located within one block of the courthouse, was built in 1993 and houses a portion of the inmate population. The Community Supervision Corrections Department (a state office) is located at one end of the facility. Operational expenses relate to the facility, such as janitorial supplies, repairs and maintenance, and utilities expense, with utilities accounting for 68 to 77 % of the costs.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$132,028	\$168,908	\$175,651	\$206,214	\$259,000
Capital Outlay	0	0	0	0	0
Total Expenses	\$132,028	\$168,908	\$175,651	\$206,214	\$259,000

Expenditures associated include utilities, repairs and maintenance and supplies. Increases are due to the rising cost of utilities. It is important to note that utility and other costs at this facility directly result from inmate fluctuations as well.

Service Center Building

The health department and county extension office, the local game warden, and a small auditorium are located at this facility. The auditorium is predominately used for activities of the county extension service.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$26,191	\$24,215	\$23,102	\$30,401	\$37,500
Capital Outlay	49,695	0	0	0	0
Total Expenses	\$75,886	\$24,215	\$23,102	\$30,401	\$37,500

Increases are due to the rising cost of utilities. Capital expenditures in FY03 included replacement of the air conditioning and control system.

Community Building Maintenance

The county owns 10 community buildings, a senior citizens building, a fire station, a park, and several satellite offices located throughout the various precincts. Each commissioner oversees the facilities within their precinct, which are described in the following departments. The community building maintenance department includes one full-time person that provides maintenance service to the commissioners at the various sites. The employee works directly under the maintenance superintendent.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$27,201	\$27,339	\$28,056	\$28,488	\$29,700
Fringe Benefits	12,132	12,940	12,151	12,858	13,974
Operating Expenses	4,801	4,855	5,178	5,739	9,400
Capital Outlay	0	11,600	0	0	0
Total Expenses	\$44,134	\$56,734	\$45,385	\$47,085	\$53,074
Full-Time Positions	1	1	1	1	1

Longview Whaley Street Community Building

The Longview Whaley Street Community Building is owned by the county, but contractually operated by the Longview Federated Clubs, Inc. The facility is used for community events such as theatre, meetings, forums, etc. The building was originally built in 1939 and is considered historical.

The expenses listed below reflect the expense obligation/contribution of the county only. The county funds a part-time maintenance man, some utilities, and has paid for major repairs in recent years. The precinct #1 commissioner is responsible for oversight of this facility.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$17,490	\$14,280	\$14,248	\$11,981	\$16,049
Fringe Benefits	3,676	2,298	8,968	9,187	10,322
Operating Expenses	10,217	7,744	9,614	9,376	9,500
Capital Outlay	23,569	2,257	0	0	0
Total Expenses	\$54,952	\$29,579	\$32,830	\$30,544	\$35,871
Full-Time Positions	1	.5	.5	.5	.5

In FY2004, all capital project work for the Longview Community Center was moved to a capital project fund. See page 43-44 for more information.

Judson Community Building

The Judson community building is located in precinct #1 and that commissioner oversees the events and rentals at this facility. The facility was built in 1951 and is used for civic activities.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$4,908	\$1,744	\$4,163	\$6,342	\$5,450
Capital Outlay	0	0	0	0	0
Total Expenses	\$4,908	\$1,744	\$4,163	\$6,342	\$5,450

West Harrison Volunteer Fire Department Building

This fire station building is located at commissioner precinct #1's facility and was built in 2001.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$1,058	\$1,351	\$4,421	\$4,133	\$4,100
Capital Outlay	3,521	0	0	0	0
Total Expenses	\$4,579	\$1,351	\$4,421	\$4,133	\$4,100

Capital outlay expense in FY03 consists of central heat and air unit, remote controlled overhead door, and construction of a bathroom.

Greggton Community Building

The Greggton community building accommodates the precinct #2 offices for commissioner, justice of the peace and constable, as well as a satellite branch of the tax office. The building was built in 1938 and a basement was added in 1952. The community room is managed by the precinct #2 commissioner's office.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$2,923	\$2,834	\$2,881	\$3,495	\$5,733
Fringe Benefits	662	665	606	850	1,468
Operating Expenses	13,153	13,988	18,856	27,867	23,500
Capital Outlay	3,200	0	0	0	0
Total Expenses	\$19,938	\$17,487	\$22,343	\$32,212	\$30,701
Full-Time Positions	.5	.5	.5	.5	.5

Increases are due to the rising cost of utilities.

Garfield Hill Community Building

The commissioner of precinct #3 oversees the activities of the Garfield Hill community building. This building was built in 1951 and is located in Gladewater. It is used for various civic activities.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$2,850	\$2,898	\$2,651	\$3,824	\$7,000
Capital Outlay	0	0	0	0	0
Total Expenses	\$2,850	\$2,898	\$2,651	\$3,824	\$7,000

Increases are due to the rising cost of utilities.

Gladewater Senior Citizens Building

This facility was built in the early 1940's. It is located in precinct #3 and was recently leased to the Gladewater Historical Foundation to use as a museum.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$1,049	\$0	\$1,200	\$0	\$0
Capital Outlay	0	0	0	0	0
Total Expenses	\$1,049	\$0	\$1,200	\$0	\$0

Gladewater Commerce Street Building

The county purchased the land and built this building in 1991 to be used for the offices of justice of the peace precinct #3, constable precinct #3, and a satellite branch of the tax office. The precinct #3 commissioner oversees the maintenance of the facility.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$8,872	\$8,025	\$9,319	\$11,198	\$11,600
Capital Outlay	0	5,127	0	0	0
Total Expenses	\$8,872	\$13,152	\$9,319	\$11,198	\$11,600

Increases are due to the rising cost of utilities. In FY04, a new telephone system was installed. The former telephone system was installed in 1991 and was a used system at that time.

Liberty City Community Building

The Liberty City community building was built in 1938 and is regularly used for civic activities, including elections. The commissioner of precinct #3 manages and oversees this facility.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$10,918	\$14,214	\$26,443	\$13,446	\$15,655
Capital Outlay	4,922	0	0	945	0
Total Expenses	\$15,840	\$14,214	\$26,443	\$14,391	\$15,655

In FY02 and FY03, capital outlay included a new air conditioning unit, refinishing wood floors and park equipment.

Hugh Camp Memorial Park

The Hugh Camp Memorial Park is located in Liberty City, and managed by commissioner precinct #3. This facility originally served as the operations center for precinct #3 road and bridge department.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$12,199	\$8,633	\$7,914	\$15,092	\$17,000
Capital Outlay	0	4,638	0	0	5,000
Total Expenses	\$12,199	\$13,271	\$7,914	\$15,092	\$22,000

Increases are due to the rising costs of utilities. In FY04 and FY07, capital outlay includes new playground equipment.

Olivia R. Hilburn Community Building

The precinct #3 commissioner oversees the Olivia R. Hilburn community building which is located in the Liberty City area.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$5,806	\$5,882	\$6,197	\$8,905	\$10,600
Capital Outlay	2,521	880	0	0	0
Total Expenses	\$8,327	\$6,762	\$6,197	\$8,905	\$10,600

Increases are due to the rising costs of utilities. In FY02 capital outlay included new ductwork and an air/heat system. All other capital outlay consists of playground and park equipment.

Kilgore Community Building

This building, built in 1951, is located in downtown Kilgore and is under the oversight of the precinct #3 commissioner. There is one full-time employee that manages the community center portion of the building. The building includes office space for a satellite office of the justice of the peace precinct #3 and juvenile office.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$21,541	\$21,622	\$22,180	\$23,719	\$24,420
Fringe Benefits	10,616	11,399	10,631	11,716	16,226
Operating Expenses	24,319	29,239	21,856	25,638	35,730
Capital Outlay	0	0	2,375	0	0
Total Expenses	\$56,476	\$62,260	\$57,042	\$61,073	\$76,376
Full-Time Positions	1	1	1	1	1

Increases are due to the rising costs of utilities. In FY05 capital outlay included a new ice machine.

Kilgore South Street Building

The commissioner precinct #4 oversees this community center, which is located on South Street in Kilgore. The facility is used for civic activities.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$4,132	\$2,563	\$4,307	\$1,964	\$10,650
Capital Outlay	0	1,090	0	0	0
Total Expenses	\$4,132	\$3,653	\$4,307	\$1,964	\$10,650

Increases are due to the rising costs of utilities. FY02 capital outlay expenses included replacing flooring and FY04 included replacing floor burnisher.

Elderville Community Building

Elderville community building is managed by the commissioner precinct #4. The facility was built in 1952 and is used for civic activities.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$6,199	\$10,454	\$11,694	\$13,671	\$23,105
Capital Outlay	5,159	0	0	0	0
Total Expenses	\$11,358	\$10,454	\$11,694	\$13,671	\$23,105

Increases are due to the rising costs of utilities. FY03 capital outlay expense included decking, playground equipment, and replacing the roof. FY06 operating expensed included re-pavement of the parking lot.

Easton Community Building

Easton community building is managed by the precinct #4 commissioner. The facility was built in 1953 and is used for civic activities.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$5,547	\$10,602	\$6,882	\$5,364	\$15,000
Capital Outlay	7,564	2,000	0	0	2,000
Total Expenses	\$13,111	\$12,602	\$6,882	\$5,364	\$17,000

Increases are due to the rising costs of utilities. In FY02 capital outlay expense included replacing the refrigerator; FY03 included a new heating system, roof and playground equipment. In FY04, a new gas range was installed.

Marvin A. Smith Criminal Justice Center

The Marvin A Smith Regional Juvenile Center was dedicated in July of 1999. This 40-bed state of the art facility was made possible through the generosity of the family of the late Marvin A. Smith, whose son, Mickey D. Smith served as County Judge and Chairman of the Gregg County Juvenile Board from January 1995 through December 2002. The Smith family donated 35 acres of land for the project, which not only spaciouly accommodates the near 15,000 square foot facility, but will also allow for expansion in the future. The facility was built and is operated with the use of State grant funds. The county paid portion of the facility’s annual utilities is reflected below.

In 2005, the Juvenile Board voted to close the juvenile center due to loss of grant funding and turned the facility over to the County to be used by the Sheriff’s department as a minimum security jail facility. In FY06, \$33,086 was budgeted for renovations that converted the facility from juvenile justice to jail standards.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$21,748	\$23,096	\$21,911	\$57,559	\$25,000
Capital Outlay	0	0	0	2,176	0
Total Expenses	\$21,748	\$23,096	\$21,911	\$59,735	\$25,000

Increases are due to the rising costs of utilities. Utilities are the only operating expense budgeted in this department.

Youth Detention Center

The Youth Detention Center is located in downtown Longview and serves as a detention facility for juvenile offenders as well as offices the Juvenile Probation Department. The budget below represents the county portion of the facility’s operating expenses. Other operational expenses are funded by the State of Texas. The original structure was built in 1978 and additional funding of \$32,703 was included in the FY06 budget for much needed capital repairs.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$30,767	\$27,434	\$31,017	\$55,321	\$36,750
Capital Outlay	0	0	0	32,703	0
Total Expenses	\$30,767	\$27,434	\$31,017	\$88,024	\$36,750

Increases are due to the rising costs of utilities. Utilities are the only operating expense budgeted in this department.

CSCD Annex

The Community Supervision Corrections Division operates a community service division as a part of their probationers' sentence. This department regularly assists the various county precincts and offices by performing the following tasks: move and rearrange office furniture; set up and clean up after various civic events; clean up litter at county and state roads and facilities; other specialized services such as carpentry, painting, welding, for governmental purposes only. CSCD is a state office funded with state allocations and, as its operations are separate from the county, it is not included in the County's budget.

In 2003 the building where the community service division operated was condemned due to mold. Because of the tremendous assistance that this department provides to Gregg County, the Commissioners' Court decided to fund the materials to add on to the now defunct Precinct #2 Road and Bridge building, which was built in 1958. This annex was built by community service labor and the CSCD community service staff are located there. In FY06 the county funded a new roof for this building.

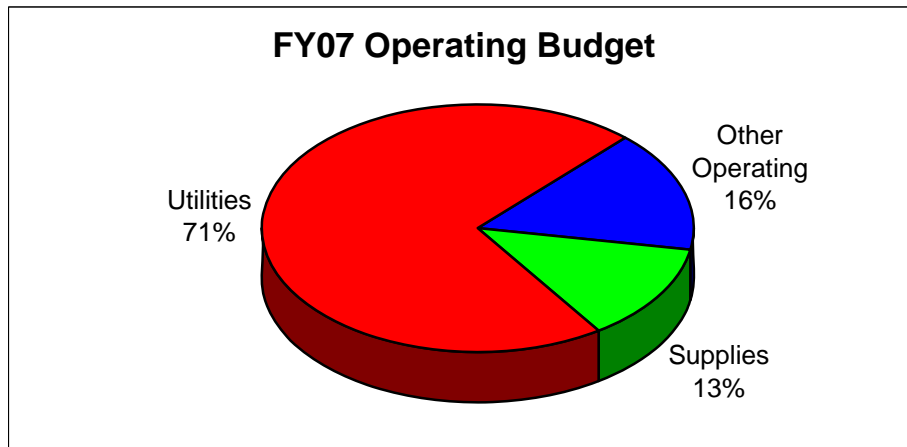
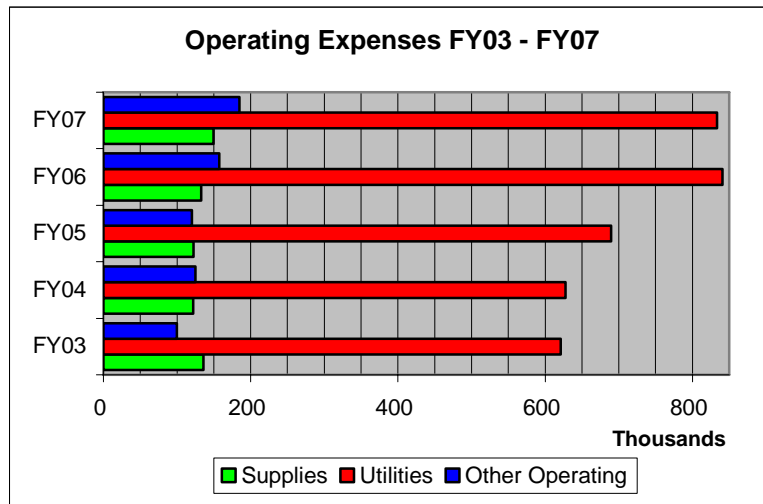
	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Capital Outlay	\$23,233	\$0	\$0	\$8,640	\$0
Total Expenses	\$23,233	\$0	\$0	\$8,640	\$0

TOTAL EXPENSE FOR ALL PUBLIC FACILITIES

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$493,888	\$483,547	\$509,918	\$522,341	\$541,495
Fringes	216,532	230,166	227,036	243,187	271,753
Operations	924,353	934,878	993,458	1,196,837	1,242,265
Capital Outlay	168,412	31,417	28,404	110,531	8,500
Total Expenses	\$1,803,185	\$1,680,008	\$1,758,816	\$2,072,858	\$2,064,013

Public Facilities Analysis

Utility expenses typically represent 70 to 75% of all operating costs of public facilities. Supplies include cleaning supplies, paper goods, and minor tools and equipment (items under\$500). Other operating expenses are insurance premiums, professional services, communications, conferences, uniforms and repairs and maintenance. Capital outlay includes non-capitalized items that exceeds \$500, such as floor burnishers, vehicles, and lawn equipment.



Election Services Contract Fund

The Elections Administrator oversees this fund which is used to pay for election expenses. The monies are received from various schools and cities who request the elections department to hold a special election. According to state statutes, these funds can be used for election purposes only.

For FY07 the elections administrator estimates there will be 6 election service contracts.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$1,036	\$1,097	\$1,434	\$0	\$4,000
Fringe Benefits	0	0	0	53	0
Operating Expenses	7,849	13,052	6,840	7,253	17,000
Capital Outlay	1,134	0	0	0	5,000
Total Expenses	\$10,019	\$14,149	\$8,274	\$7,306	\$26,000

Fund Analysis

	FY03	FY04	FY05	FY06 Unaudited	FY07 Estimate
Beginning Balance	\$33,128	\$32,045	\$28,117	\$31,484	\$43,713
Total Revenue	8,936	10,221	11,641	19,535	5,200
Total Expenditures	-10,019	-14,149	-8,275	-7,306	-26,000
Other Financing Sources over Other Financing Uses	0	0	0	0	0
Ending Fund Balance	\$32,045	\$28,117	\$31,484	\$43,713	\$22,913

The Elections Services Fund reserves increased 32% from the FY03 beginning fund balance of \$33,128 to the FY06 unaudited ending balance of \$43,713. Budgeted expenditures were increased in FY07 in anticipation of additional expenses associated with the new elections equipment acquired in FY06. Other expenditures for the Elections department are located on page 115-116.

Jail Lease Facility Fund

The Jail Lease Facility fund operates under the direction of the County Sheriff and used for law enforcement / detention operations located at the North Jail facility. Revenue is generated from the inmate phone system.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$69,699	\$61,901	\$39,975	\$50,331	\$60,000
Capital Outlay	14,533	14,615	0	20,281	0
Total Expenses	\$84,232	\$76,516	\$39,975	\$70,612	\$60,000

Fund Analysis

	FY03	FY04	FY05	FY06	FY07
Beginning Balance	\$99,629	\$47,611	\$117,752	\$143,295	\$147,360
Total Revenue	32,214	72,470	65,518	73,905	50,000
Total Expenditures	-84,232	-76,516	-39,975	-69,841	-60,000
Other Financing Sources over Other Financing Uses	0	74,187	0	0	0
Ending Fund Balance	\$47,611	\$117,752	\$143,295	\$147,360	\$137,360

The Jail Lease Facility fund reserves increased 48% from the FY03 beginning fund balance of \$99,629 to the FY06 unaudited ending balance of \$147,360. Appropriations are based on anticipated expenditures *as well as* the available fund balance each year.

In FY04 the Jail Improvement capital project fund was closed and all remaining funds were transferred to this fund. Capital outlay expenses include kitchen flooring and equipment purchase for the kitchen, control room and laundry room.

Building Security Fund

The sheriff's office supervises the security personnel who are stationed at the security checkpoints at each of the entrances to the courthouse. All persons entering the courthouse are subject to a security search. Revenue for the building security fund is collected in the Justice of the Peace and County and District courts upon conviction of an offense.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$58,985	\$59,556	\$60,115	\$77,350	\$62,879
Fringe Benefits	23,634	25,302	23,566	30,880	27,012
Operating Expenses	52,238	50,949	42,645	3,414	3,700
Capital Outlay	0	0	4,099	0	0
Total Expenses	\$134,857	\$135,807	\$130,425	\$111,644	\$93,591
Full-Time Positions	2	2	2	3*	2

*NOTE: An additional deputy position was added for the Community Corrections Supervision Department during FY06. The State was expected to reimburse the county for this position. The state denied reimbursement and the position was moved into the sheriff's office budget in General Fund.

Fund Analysis

	FY03	FY04	FY05	FY06	FY07
Beginning Balance	\$9,869	\$15,364	\$12,730	\$25,841	\$34,219
Total Revenue	78,811	75,174	77,536	78,672	73,500
Total Expenditures	-134,857	-135,807	-130,425	-111,645	-93,591
Other Financing Sources over Other Financing Uses	61,541	58,000	66,000	41,351	15,000
Ending Fund Balance	\$15,364	\$12,730	\$25,841	\$34,219	\$29,128

Expenses for the two deputy positions funded from the Building Security fund exceed revenue received; therefore, the General Fund subsidizes this fund. (All other security personnel positions are located in the sheriff's office in General Fund.) Fund balances directly result from General Fund subsidies and these reserves are carried forward each year. Operating expenses include minor equipment and repairs to equipment used by the deputies at each entrance of the courthouse.

County Clerk Records Management Fund

The county clerk supervises the organization and development of specific records management and preservation projects. This department acquired a new computerized automated imaging system so that decades of old paper records may be converted to an electronic medium for easier and faster access.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$44,868	\$45,396	\$46,825	\$47,474	\$49,808
Fringe Benefits	17,746	19,467	18,657	20,556	21,502
Operating Expenses	38,485	42,090	39,374	61,107	121,424
Capital Outlay	9,778	7,555	0	0	5,000
Total Expenses	\$110,877	\$114,508	\$104,857	\$129,137	\$197,934
Full-Time Positions	2	2	2	2	2

Fund Analysis

	FY03	FY04	FY05	FY06	FY07
Beginning Balance	\$124,333	\$177,535	\$217,630	\$267,094	\$299,339
Total Revenue	164,079	154,570	154,321	161,382	146,000
Total Expenditures	-110,877	-114,507	-104,857	-129,137	-197,934
Other Financing Sources over Other Financing Uses	0	32	0	0	0
Ending Fund Balance	\$177,535	\$217,630	\$267,094	\$299,339	\$247,405

Funds collected for records management are discretionary and must be used for records management purposes. Two full time clerks scan and index all documents and prepare them for microfilming. Expenditures in this fund also include upgrades to the County Clerk's software and hardware.

County Clerk's Criminal Records Management Fund

The 79th legislature created a fee to assist with expenses to appropriately maintain the criminal records in the county clerk's office. Collections began on cases filed as of January 1, 2006.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$0	\$0	\$0	\$0	\$1,500
Capital Outlay	0	0	0	0	0
Total Expenses	\$0	\$0	\$0	\$0	\$1,500

Road & Bridge Fund

The Road and Bridge fund is restricted for the purpose of building and maintaining county roads, bridges, signs, and right-of-ways. Monthly reports of all activity are submitted to the Commissioners' Court. By statute the county can enter into interlocal agreements with cities, schools, and emergency services districts, whereby the county provides employees and equipment for a project (examples: repaving school parking lots, working on city roads, etc.) and the entity provides the materials. Statutorily, this labor and equipment are not subject to reimbursement..

Additionally, road and bridge equipment, employees and materials are used for projects at the county parks, community centers, the airport and county office facilities. Transfers from general fund are segregated on the balance sheet to cover the cost of 'non-road' projects. Quarterly reports are presented to the Commissioners' Court and, upon their approval, these reserves are reduced to reflect non-road activities.

Fund Analysis

	FY03	FY04	FY05	FY06	FY07
Beginning Balance	\$405,264	\$319,782	\$976,263	\$1,568,734	\$1,785,643
Total Revenue	3,739,857	4,544,691	4,178,012	4,519,304	4,162,932
Total Expenditures	-6,051,717	-3,940,562	-3,580,151	-4,357,638	-4,981,321
Other Financing Sources over Other Financing Uses	2,226,378	52,352	-5,390	55,243	101,500
Ending Fund Balance	\$319,782	\$976,263	\$1,568,734	\$1,785,643	\$1,068,754

During the budget process the commissioners determine the significant road projects they plan to accomplish during the next fiscal year. Once annual expenditures are determined and revenue is estimated, tax rate distributions are estimated for the Road and Bridge Fund.

In FY03, \$2.1 million was paid to the Texas Department of Transportation for the county portion of right-of-way purchases on a state highway.

Road & Bridge Fund - Administration

The four county commissioners are public officials each of whom is elected to a four year term of office by the citizens of their respective precinct. The commissioners' terms of office are staggered in order to provide a certain level of continuity and experience to the commissioners' court. The commissioners provide the administrative leadership and overall supervision for all road and bridge construction and maintenance projects. Each commissioner supervises the road and bridge projects in their precinct; however, they often share equipment and materials when necessary and work together on larger projects.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$232,315	\$232,300	\$232,300	\$236,946	\$244,056
Fringe Benefits	67,836	70,688	65,877	69,590	75,545
Operating Expenses	56,600	62,558	53,578	73,092	80,553
Capital Outlay	0	0	0	0	0
Total Expenses	\$356,751	\$365,545	\$351,755	\$379,628	\$400,154
Full-Time Positions	4	4	4	4	4

Road & Bridge Fund – General

This department was created to account for road and bridge expenses that are not related to a specific road and bridge precinct. The larger expenses represent funding assistance as part of various interlocal agreements with cities for road projects that will ultimately benefit all citizens of Gregg County.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$2,520	\$302,687	\$501	\$301,529	\$304,635
Capital Outlay	0	0	0	0	0
Total Expenses	\$2,520	\$302,687	\$501	\$301,529	\$304,635

Road & Bridge Fund - Right of Way

This department accounts for right of way expenses that Gregg County is obligated to pay per State contract. Through prudent management the County has been able to fund right-of-way expenses by using reserves, in an effort to avoid long-term debt obligations. See page 48 for further information on state highway projects.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$2,108,746	\$32,476	\$25,000	\$101,000	\$42,000
Capital Outlay	0	0	0	19,467	0
Total Expenses	\$2,108,746	\$32,476	\$25,000	\$120,467	\$42,000

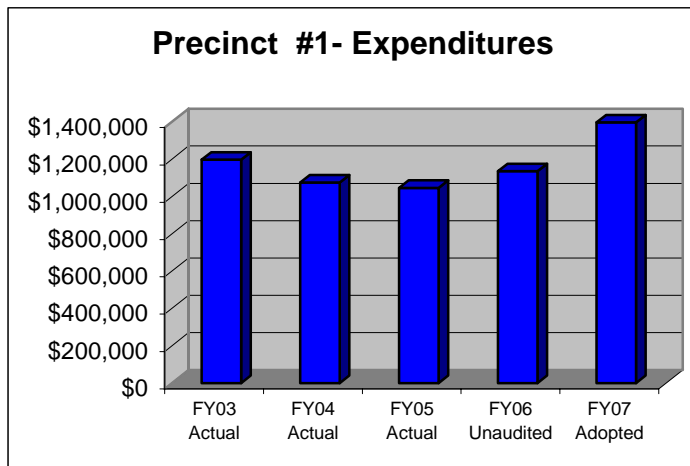
Road & Bridge Fund - Precinct #1

Mission Statement: To provide services and safe thoroughfares for the county’s taxpayers by properly utilizing the funds allocated in the annual budget.

Current activities include:

- ◆ Maintaining safe road surfaces and rights of way in the county’s second largest precinct with 77.07 miles of roads;
- ◆ Installing, repairing, and monitoring street identification, warning, and regulatory signs;
- ◆ Servicing vehicles and machinery to maximize the useful lives of the equipment;
- ◆ Responding to taxpayer requests for assistance in a timely manner;
- ◆ Supervising the maintenance and use of the Judson Community Building and the Longview Whaley Community Building; and
- ◆ Assisting other county entities upon request, including Longview ISD, Spring Hill ISD, City of Longview, Texas Department of Transportation, the county airport, and other county precincts.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$469,998	\$459,552	\$497,609	\$497,505	\$559,506
Fringe Benefits	206,921	204,564	211,525	211,964	249,928
Operating Expenses	454,836	357,463	327,943	341,521	487,441
Capital Outlay	65,351	54,081	9,783	85,120	100,000
Total Expenses	\$1,197,106	\$1,075,660	\$1,046,860	\$1,136,110	\$1,396,875
Full-Time Positions	16	14	14	15	14



All other operations remained relatively flat.

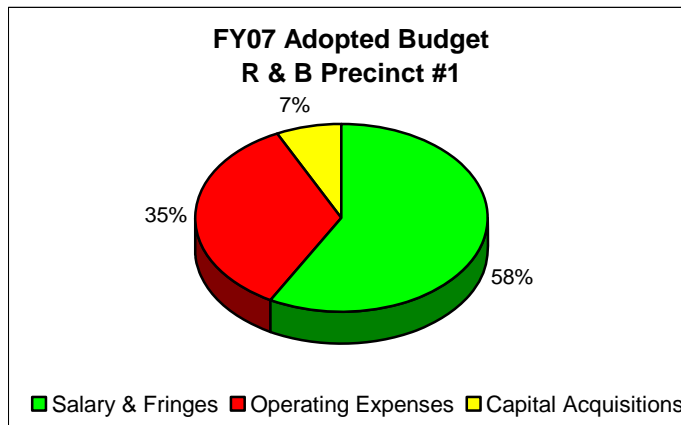
Department Notes

The FY07 capital outlay budget includes a motorgrader and reclaimer on the buy-back program.

One operator position was transferred to Precinct #3 at the end of FY06.

Precinct #1 increased their road project activities for FY07 and the cost of road materials increased along with the price of oil. Fuel and lubrication increased by 20.6% due to the fluctuating fuel costs.

Road & Bridge Fund - Precinct #1 (continued)



FY07 Project List for Precinct #1

Asphalt List	Miles	Feet	Width	Tons	Estimated Cost
Hollybrook	0.30	1584.00	22.0	232.32	\$ 9,943.30
Sam Page	1.00	5,280.00	22.0	774.40	\$ 33,144.32
Smelley	0.04	211.20	20.0	28.16	\$ 1,205.25
Hunter Rd.	1.90	10,032.00	22.0	1,471.36	\$ 62,974.21
English	0.79	4,171.20	22.0	611.78	\$ 26,184.01
Lonesome Pine (east end)	0.90	4,752.00	20.0	633.60	\$ 27,118.08
Skinner Lane	0.79	4,171.20	20.0	556.16	\$ 23,803.65
Peanut Circle	0.15	792.00	20.00	105.60	\$ 4,519.68
Total	5.87				\$ 188,892.49
Re-Oil List	Miles	Barrels	Gallons	\$/gallon	Estimated Cost
Huckaby	0.60	60.00	2,520.00	\$1.38	\$ 3,465.00
Bigwoods Rd. (Campbell to Mackey)	0.50	60.00	2,520.00	\$1.38	\$ 3,465.00
Burnam Rd.	0.50	60.00	2,520.00	\$1.38	\$ 3,465.00
Lloyd Circle	0.51	50.00	2,100.00	\$1.38	\$ 2,887.50
Loyd Court	0.41	50.00	2,100.00	\$1.38	\$ 2,887.50
Pony Dr.	0.20	40.00	1,680.00	\$1.38	\$ 2,310.00
Total	2.72				\$ 18,480.00
Patching & Driveways					\$ 49,088.51
Total Asphalt, Re-oil and Patching					\$ 256,461.00

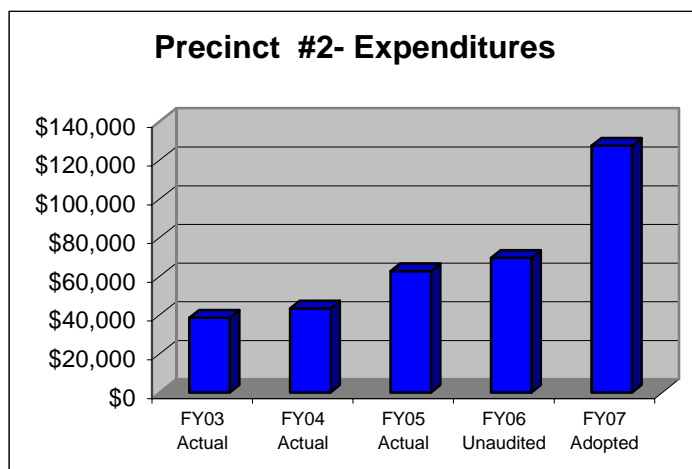
Road & Bridge Fund - Precinct #2

Mission Statement: The mission and activities of the Commissioner Precinct #2 include the following:

- Provide community services to constituents by conducting honest, legal, and efficient business regarding safe road & bridge surfaces and rights of way in order to make our community and precinct a better place;
- Responds in a timely manner to taxpayer requests;
- Provide good leadership and management of overall county operations;
- Coordinates maintenance on 21 county roads totaling approximately 12 miles;
- Coordinates assistance for street maintenance/repairs when requested by the city of Longview and assists public school districts upon request regarding parking lot repairs;
- Operate and manage the Greggton Community Building which houses the offices of the commissioner, justice of the peace, constable, Longview emergency management, tax assessor-collector's branch office, and the county's organized drug enforcement unit.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$24,624	\$26,324	\$26,545	\$28,614	\$30,149 ⁽¹⁾
Fringe Benefits	9,496	10,299	9,977	11,286	11,664
Operating Expenses	4,551	6,873	26,168	29,699	85,725
Capital Outlay	0	0	0	0	0
Total Expenses	\$38,671	\$43,496	\$62,691	\$69,599	\$127,538
Full-Time Positions	1	1	1	1	1

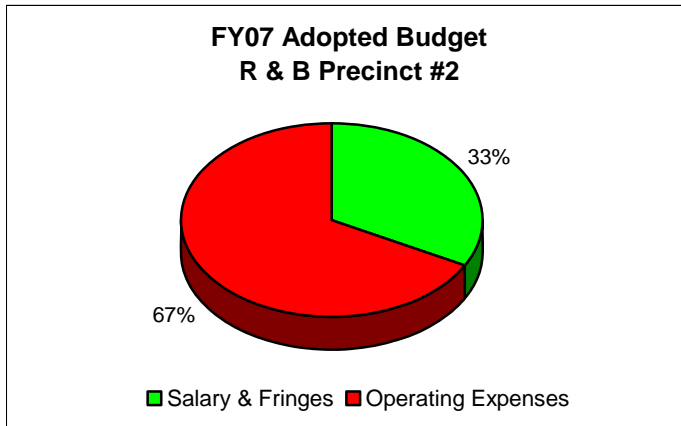
(1) Salaries include \$2,000 for temporary help.



Department Notes

Precinct #2 does not operate a road and bridge shop. To avoid unnecessary duplication of county resources, Precinct #4 performs the maintenance required on the roads as directed by the Precinct #2 Commissioner.

Operating increases are due to increased road and bridge activity. In FY03 and FY04 road material was not funded. Accounting practices changed and actual road materials expense in FY05 was \$26,168; in FY06 the unaudited amount was \$22,775 and the FY07 budget is for \$75,000.



FY07 Project List for Precinct #2*

Road	Type	Length	Width	Tonnage	Estimated Cost
Ambassador Road	Asphalt	7,467	50	822	\$ 35,182.00
Valentine	Asphalt	1,584	22	426	\$ 18,233.00
Swinging Bridge Road	Patching			30	\$ 1,284.00
Misc. Road Repair and Maintenance					\$20,301.00

Totals for Road and Bridge Precinct #2 for FY2006-07

Asphalt projects	\$ 54,699.00
Misc. road repair	\$ 20,301.00
Total	\$ 75,000.00

*Prepared by Precinct #4.

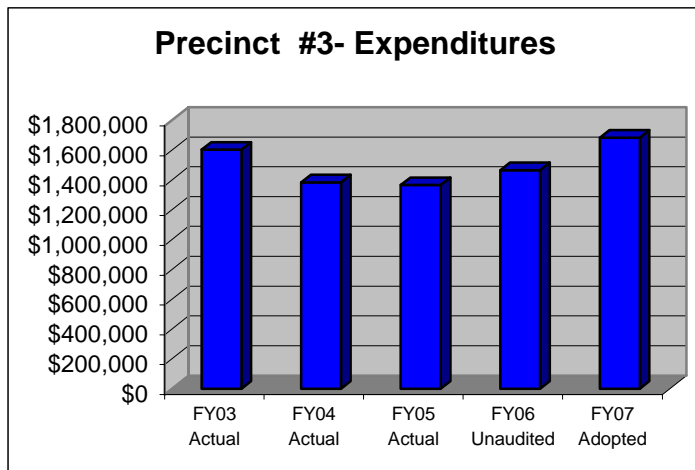
Road & Bridge Fund - Precinct #3

Mission Statement: The mission of the Commissioner Precinct #3 and his staff is to represent all of the citizens in the precinct, maintain the county's roads and bridges, and conduct county business in a legal, honest, and efficient manner.

Activities include:

- (1) Maintaining the roads and bridges in the county's largest precinct with 144.454 miles of roads (52% of the total county);
- (2) Managing the following county property: Liberty City Comm. Bldg., Kilgore Comm. Bldg., Olivia Hilburn Center, Gladewater Commerce St. Bldg., Hugh Camp Memorial Park; and the Garfield Hill Community Center.
- (3) Providing assistance to other county entities when requested, including: Kilgore, Gladewater, Warren City, Clarksville City, White Oak, Liberty City, and the Kilgore, Sabine, Gladewater, and White Oak independent school districts and Kilgore College.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salary & Fringes	\$569,424	\$521,173	\$515,1018	\$556,627	\$567,445
Operating Expenses	243,318	235,927	224,683	234,687	264,247
Operating Expenses	658,613	624,792	576,327	626,320	819,555
Capital Outlay	132,657	2,400	50,764	48,743	32,000
Total Expenses	\$1,604,012	\$1,384,292	\$1,366,875	\$1,466,377	\$1,683,247
Full-Time Positions	18	17	16	16	17



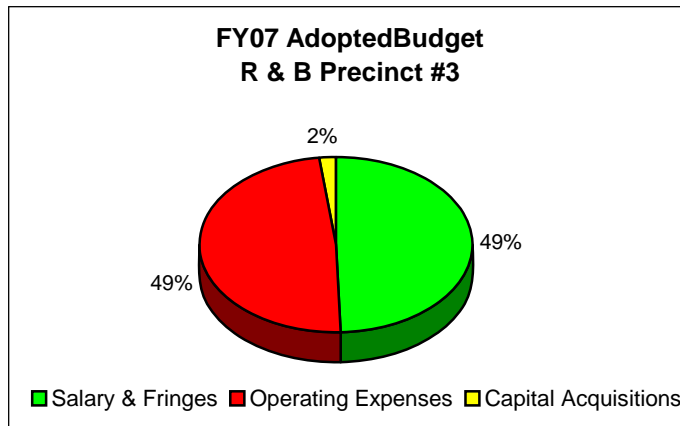
Department Notes

The number of positions were reduced from 18 in FY03, to 17 in FY04 and 16 in FY05. At the end of FY06 an operator position was transferred from Precinct #1 to Precinct #3. In spite of this activity, this precinct has contained expenses and the five year increase in salaries is minimal.

Precinct #3 has additional road project activities for FY07 and the cost of road materials increased significantly with the

rising cost of oil. Fuel and lubrication increased by 30.7% due to the fluctuating fuel costs. All other operations remained relatively flat.

Road & Bridge Fund - Precinct #3 (continued)



FY07 Project List for Precinct #3

Asphalt List	Type	Length	Width	Tonnage	Estimated Cost
CR2339 Landfill Rd.	Cold Mix	4409'	30'	1,800	\$ 77,040.00
	Type D			300	12,840.00
	Limestone				6,645.00
	Subtotal				\$ 96,525.00
CR3517 Fritz Swanson	Type D	4526'	21'	1,100	\$47,080.00
CR3745 Wady Lane	Cold Mix	3426'	20'	1,000	\$ 42,800.00
	Type D			300	12,840.00
	Limestone			400	8,860.00
	Subtotal				\$ 64,500.00
CR3477 E. Wilkins	Cold Mix	5950'	20'	1,500	\$ 64,200.00
	Type D			200	8,546.00
	Subtotal				\$ 72,760.00
CR3734 Ace King	Cold Mix	3382'	22'	1,100	\$ 47,080.00
	Type D			500	21,400.00
	Limestone			600	13,290.00
	Subtotal				\$ 81,770.00
CR3750 S. Ace King	Cold Mix	1576'	19'	500	\$ 21,400.00
	Type D			150	6,420.00
	Limestone			200	4,430.00
	Subtotal				\$ 32,350.00

Asphalt for Driveways & Patching	1,500 tons @ \$42.80/ton	\$ 64,200.00
Asphalt Total for Overlay	9.943 tons @ \$42.80/ton	\$ 361,660.00
Tack Oil		\$ 4,000.00
Total for Road Oil & Asphalt Account		\$ 429,860.00

Limestone for soft spots & culverts	800 tons @ \$22.15/ton	\$ 17,720.00
Limestone to prepare roads for overlay	2,100 tons @ \$22.15/ton	\$ 33,225.00
Sub-Total Limestone		\$ 50,945.00
Sackrete		\$ 10,000.00
Total for Gravel, Sand & Cement Account		\$60,945.00

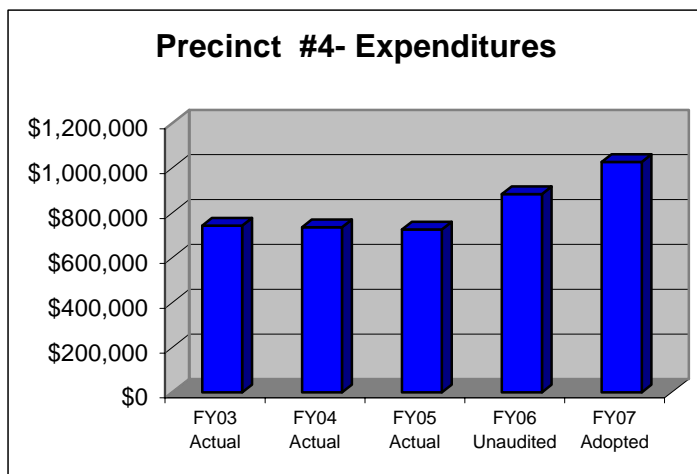
Road & Bridge Fund - Precinct #4

Mission Statement: The mission of the Commissioner Precinct #4 is to provide good leadership for overall precinct operations and to assure that the precinct's jobs are completed in a cost efficient and timely manner. Further, the commissioner will conduct all county business honestly, legally, and efficiently in order to make this community a better place.

Current activities include:

- Maintaining the roads, bridges, and rights of way in the third largest county precinct with 59.4 miles of road;
- Providing assistance to the citizens in Precinct #4 when needed;
- Providing assistance to Precincts #1, #2, and #3 when needed;
- Assisting the cities of Kilgore, Longview, Lakeport, and Easton when assistance is requested and when approved by the commissioners' court; and
- Providing labor and equipment to assist local public school districts with various jobs such as repairing or building parking lots and driveways.

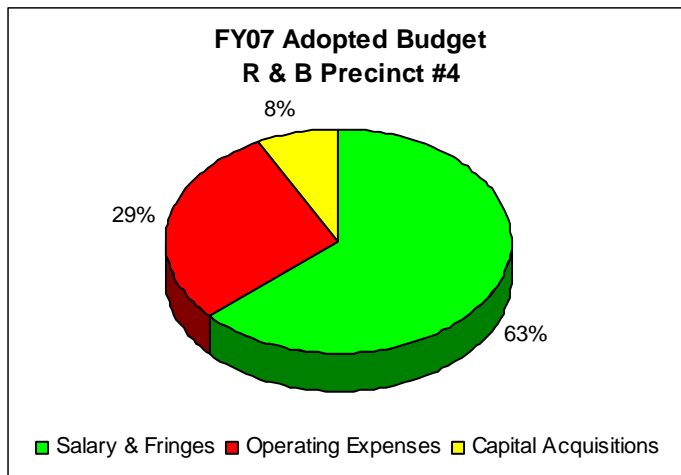
	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$375,249	\$368,383	\$386,489	\$389,996	\$445,273
Fringe Benefits	174,600	173,957	168,847	171,304	204,849
Operating Expenses	179,938	129,065	171,133	232,424	296,749
Capital Outlay	14,124	65,000	0	90,204	80,000
Total Expenses	\$743,911	\$736,405	\$726,469	\$883,928	\$1,026,871
Full-Time Positions	14	14	13	13	13



Department Notes

The road materials budget remained the same as in FY06. Fuel and lubrication increased by 31% due to the fluctuating fuel costs.

Road & Bridge Fund - Precinct #4 (continued)



FY07 Project List for Precinct #4

Road	Type	Length	Width	Tonnage	Estimated Cost
Pleasant Green	Asphalt	5,280	20	1,291	\$ 58,095.00
Old Easton	Asphalt	4,752	20	1,162	\$ 49,734.00
Misc. Road Repair and Maintenance					\$ 33,420.00

Totals for Road and Bridge Precinct #4 for FY2006-07

Asphalt projects	\$ 107,729.00
Misc. road repair	<u>\$ 33,420.00</u>
Total	\$ 141,249.00

Law Library Fund

The Law Library was established by the Commissioner's Court by statute to provide a service for the judges and litigants of Gregg County. State authorized fees and interest income are the sole funding source for this fund. Use of these fees is restricted for the provision and upkeep of the county's law library. Laws are available through contracts with entities that provide legal software; workstations are accessible to the attorneys and judges 24 hours per day. Public access is limited to the County's regular business hours.

A committee (appointed by the Commissioners Court) oversees the law library functions. Salaries and fringe benefits include a stipend for one assistant district attorney and one part-time librarian (.25 FTE). The law librarian position also includes records management duties (.5FTE) and provides secretarial assistance to the constable of precinct #1 (.25 FTE).

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$6,793	\$6,977	\$7,150	\$11,459	\$13,467
Fringe Benefits	2,531	2,766	2,658	2,877	3,959
Operating Expenses	50,653	48,723	47,776	46,397	47,265
Capital Outlay	4,709	3,128	0	0	2,000
Total Expenses	\$64,686	\$61,594	\$57,584	\$60,733	\$66,691
Full-Time Positions	.25	.25	.25	.25	.25

Fund Analysis

	FY03	FY04	FY05	FY06	FY07
Beginning Balance	\$127,661	\$129,768	\$129,688	\$140,696	\$151,576
Total Revenue	66,793	61,354	68,592	71,613	62,000
Total Expenditures	-64,686	-61,594	-57,584	-60,733	-66,691
Other Financing Sources over Other Financing Uses	0	160			
Ending Fund Balance	\$129,768	\$129,688	\$140,696	\$151,576	\$146,885

Expenses have remained relatively flat, with 3% growth from FY03 to FY07. Revenue has increased 7% from FY06 to FY07, a conservative estimate of \$62,000 is budgeted for FY07. Fund balance increased 18.7% from FY03 to FY06. Overall, the law library fund remains stable, with slow increases due to conservative management.

County - Wide Records Management & Preservation Fund

By statute, the Commissioners Court appoints the records management coordinator, who collects and organizes various county records and then delivers them to the county's records storage facility in accordance with the county's records management plan. State authorized fees and interest earned are the sole funding source for this fund. The Texas State Library mandates records retention and storage requirements for all county documents.

Mission Statement: The management and preservation of Gregg County records.

GOALS and ACCOMPLISHMENTS:

- (1) The current records facility is filled to capacity with records.
 - *In FY06, the county initiated the Records Storage Building capital project to build an adjacent facility to store all records from the district and county clerks' offices.*
 - *Once these departments move their records to the newly shelved facility, the current facility will undergo any necessary repairs.*
 - *Efficient management of both facilities should provide adequate storage for the next 20 years.*
- (2) During FY06, it was determined that records held by the Gregg County Historical Commission are also subject to records retention and many items were 'permanent records.'
 - *Commissioners Court amended the budget for a part-time person to scan all permanent records of the historical commission*
 - *All permanent records were scanned.*
- (3) A filing system and procedures for handling historical records needs to be established in conjunction with the historical commission.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$13,105	\$13,234	\$13,579	\$15,769	\$14,212
Fringe Benefits	4,890	5,284	5,058	5,751	5,695
Operating Expenses	8,510	10,281	10,382	11,576	34,260
Capital Outlay	9,679	0	1,900	0	0
Total Expenses	\$36,184	\$28,799	30,919	\$33,097	\$54,167
Full-Time Positions	.5	.5	.5	.5	.5

Department Notes

In FY06 a temporary part-time worker was hired to assist with the historical commission project. FY07 includes \$16,100 for much needed facility repairs. Communications and utilities also increased to include operating costs of the new facility.

County - Wide Records Management & Preservation Fund
(continued)

Performance Measures	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
Cubic Feet records destroyed	106.5	215	225	230	250
Cubic Feet / Storage	330	436	529	644	770
Number Open Records Requests	105	12	20	15	15

Fund Analysis

	FY03	FY04	FY05	FY06	FY07
Beginning Balance	\$71,876	\$81,653	\$98,612	\$129,389	\$63,584
Total Revenue	45,961	45,758	61,696	67,292	53,000
Total Expenditures	-36,184	-28,799	-30,919	-33,097	-54,167
Other Financing Sources over Other Financing Uses				-100,000	
Ending Fund Balance	\$81,653	\$98,612	\$129,389	\$63,584	\$62,417

The County-Wide Records Management fund is supported by interest income and statutory fees; all funds are restricted to the preservation of official county documents. Records management fees increased due to increased filings. In FY06, \$100,000 was transferred to the Records Storage Building capital project fund for project costs, which caused an 11% decrease to fund balance from FY03 to FY06. Expenses are expected to level off in FY08 once the records are moved and the existing building is repaired.

Airport Maintenance Fund

The airport manager and supervisory team oversee the daily operations of the county's airport, develop and manage Federal Aviation Administration (FAA) projects, provide security and fire protection, and maintain the airport's 1200 acres of land, 58 miles of pavement, many miles of high voltage wiring, 4 buildings, and various vehicles and equipment. The East Texas Regional Airport (GGG) operates under strict FAA guidelines which include extra precautionary measures for homeland security.

Mission Statement:

- To operate a safe, efficient airport which will serve the air travel needs of this region; and
- To assist in stimulating economic development by marketing the airport's foreign trade zone and offering incentives to attract new businesses to the airport's development sites.

GOALS and ACCOMPLISHMENTS:

- Adhere to FAA guidelines
 - *Operations are ongoing and would discontinue if adherence were not followed*
- Seek State and Federal funding
 - *From 1992 to 2006 the county has secured over \$23 million in project funding – County match was \$1.8 million, or an average of 7%. (early years the match was 10% of the project and the current match is 5%) also see pages 43-47 for more information*
- Adhere to Homeland Security Guidelines
 - *Public safety division was transferred to the Sheriff's Office in FY05*
- Grow the Industrial Airpark

Performance Measures:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
Total Operations (Take Offs & Landings)	88,995	86,824	95,872	99,446	103,000
Airline Enplanements (Passenger Boardings)	23,081	23,886	23,271	25,130	27,000

Fund Analysis

	FY03	FY04	FY05	FY06	FY07
Beginning Balance	\$232,297	\$300,505	\$260,388	\$507,455	\$582,686
Total Revenue	968,478	967,074	1,436,187	1,353,642	1,314,708
Total Expenditures	-916,902	-1,007,712	-1,199,418	-1,305,679	-1,683,200
Other Financing Sources over Other Financing Uses	16,632	521	10,298	27,268	500
Ending Fund Balance	\$300,505	\$260,388	\$507,455	\$582,686	\$214,694

Revenue includes ad valorem tax, rents and commissions, charges for services and interest income. Increases to revenue are mostly due to ad valorem tax allocations. Expenses have increased due to changes in accounting for insurance premiums and marketing the industrial airpark, replacement of capital equipment, and increased utility costs.

Airport Maintenance Fund- Administration

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$437,575	\$535,118	\$479,859	\$296,176	\$333,441
Fringe Benefits	200,008	197,321	202,865	125,637	145,044
Operating Expenses	127,172	119,748	163,354	188,187	184,800
Capital Outlay	1,371	0	0	1,826	0
Total Expenses	\$766,126	\$852,188	\$846,078	\$611,825	\$663,285
Full-Time Positions	18	19	10	10	11

Department Notes

Overall expenditures decreased due to changes in accounting. Prior to FY05 all personnel costs, including the public safety department, were charged to this department. In July of 2005 the public safety department was placed under the direction of the county sheriff and salaries and fringe benefits were moved to that department. Due to increased responsibility of maintaining the airfield in accordance with FAA regulations and the need for preventive maintenance at the airport facilities, one new maintenance position was added in FY07.

Operating expenses include utilities for all airport facilities. Insurance premiums were moved to affected departments in FY05, adding 11% to the overall budget.

Airport Maintenance Fund - Terminal Building

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$33,216	\$51,667	\$56,258	\$36,069	\$49,200
Capital Outlay	7,650	8,117	0	0	150,000
Total Expenses	\$40,866	\$59,784	\$56,258	\$36,069	\$199,200

Department Notes

Capital outlay includes \$150,000 for a replacement air conditioning unit.

Airport Maintenance Fund - Airfield

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$19,632	\$24,415	\$61,844	\$29,461	\$44,500
Capital Outlay	0	0	5,116	0	0
Total Expenses	\$19,632	\$24,415	\$66,960	\$29,461	\$44,500

Department Notes

Increases are due to specialized paint required to maintain the stripes on the airfields.

Airport Maintenance Fund - Maintenance Shop

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$27,702	\$37,299	\$47,326	\$26,762	\$50,300
Capital Outlay	18,694	1,590	27,019	102,364	131,000
Total Expenses	\$46,396	\$38,889	\$74,345	\$129,126	\$181,300

Department Notes

The maintenance shop is responsible for maintaining all airport equipment, including vehicles operated by the public safety department. Fuel and lubrication costs have increased steadily since FY03. Capital items for FY07 include a replacement pick-up, mechanical car lift, 100 HP tractor, 15 foot mower, and a backhoe.

Airport Maintenance Fund – Marketing

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$3,438	\$1,316	\$9,206	\$27,605	\$103,000
Capital Outlay	0	0	0	3,016	0
Total Expenses	\$3,438	\$1,316	\$9,206	\$30,621	\$103,000

Department Notes

In FY07 expenditures for the industrial airpark were moved from general fund to the airport maintenance fund. Expenses include advertising, professional services, and public relations expense in addition to conference and travel for the airport marketing position.

Airport Maintenance Fund – Public Safety

During FY05 the Commissioners’ Court restructured the Airport Public Safety department to improve Homeland Security. This department operates directly under the County Sheriff. The officers at the airport hold dual certifications in fire and rescue and law enforcement. As of July 2005, salaries & fringe benefits associated with airport public safety personnel were moved from the Airport-Administrative department to Airport-Public Safety.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$0	\$0	\$65,131	\$266,925	\$321,814
Fringe Benefits	0	0	18,823	109,229	131,101
Operating Expenses	25,278	26,661	36,968	21,192	33,500
Capital Outlay	15,166	3,837	25,649	46,413	5,500
Total Expenses	\$40,444	\$30,828	\$146,571	\$443,759	\$491,915
Full-Time Positions	0	0	9	9	10

Department Notes

FY05 expenses marked a partial year from July through September. A three year salary equalization plan is in progress concerning the salaries of the airport public safety positions (due to the dual certification of the officers). Additionally, in FY06 the airport lieutenant took over fire marshal responsibilities and one employee was transferred from the sheriff’s office to comply with workforce regulations.

FY05 capital outlay includes a 2005 Ford Crown Victoria and the equipment to make it operational. FY06 capital outlay includes a 2007 Ford F550 truck and the crash rescue equipment to comply with FAA regulations.

Total Airport Maintenance Fund

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Salaries	\$437,575	\$498,508	\$544,990	\$563,100	\$655,255
Fringe Benefits	200,008	233,932	221,688	234,868	276,145
Operating Expenses	236,438	261,728	374,956	332,092	465,300
Capital Outlay	42,881	13,544	57,784	175,619	286,500
Total Expenses	\$916,902	\$1,007,712	\$1,199,418	\$1,305,679	\$1,683,200

Justice Court Technology Fund

This fund consists of state authorized fees to be used for technology purchases and upgrades for the justices of the peace courts. Technology purchases are coordinated with the information services department to ensure hardware and software compatibility.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$0	\$10,985	\$8,923	\$3,497	\$10,000
Capital Outlay	0	0	0	0	0
Total Expenses	\$0	\$10,985	\$8,923	\$3,497	\$10,000

Fund Analysis

	FY03	FY04	FY05	FY06	FY07
Beginning Balance	\$13,384	\$14,257	\$7,730	\$25,083	\$51,509
Total Revenue	873	4,458	26,276	29,923	22,500
Total Expenditures	0	-10,985	-8,923	-3,497	-10,000
Other Financing Sources over Other Financing Uses	0	0	0	0	0
Ending Fund Balance	\$14,257	\$7,730	\$25,083	\$51,509	\$64,009

Justice of the Peace Security Fund

The 79th Legislature created new fees to fund security for Justice of the Peace offices not located at the county courthouse. Three of the four Justice of the Peace offices are located outside the county courthouse and therefore have different security issues. These discretionary funds are for addressing security issues at the Justice of the Peace locations.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$0	\$0	\$0	\$350	\$3,000
Capital Outlay	0	0	0	0	0
Total Expenses	\$0	\$0	\$0	\$350	\$3,000

Fund Analysis

	FY03	FY04	FY05	FY06	FY07
Beginning Balance	\$0	\$0	\$0	\$0	\$4,145
Total Revenue	0	0	0	4,495	3,500
Total Expenditures	0	0	0	-350	-3,000
Other Financing Sources over Other Financing Uses	0	0	0	0	0
Ending Fund Balance	\$0	\$0	\$0	\$4,145	\$4,645

District Clerk’s Civil Records Management Fund

The 77th legislature created a fee to assist with expenses to appropriately maintain the civil records in the district clerk’s office. Collections began on cases filed as of January 1, 2004.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$0	\$0	\$0	\$0	\$250
Capital Outlay	0	0	0	0	0
Total Expenses	\$0	\$0	\$0	\$0	\$250

Fund Analysis

	FY03	FY04	FY05	FY06	FY07
Beginning Balance	\$0	\$0	\$8,255	\$19,826	\$34,212
Total Revenue	0	8,255	11,571	14,386	10,200
Total Expenditures	0	0	0	0	-250
Other Financing Sources over Other Financing Uses	0	0	0	0	0
Ending Fund Balance	\$0	\$8,255	\$19,826	\$34,212	\$44,162

District Clerk’s Criminal Records Management Fund

The 79th legislature created a fee to assist with expenses to appropriately maintain the criminal records in the district clerk’s office. Collections began on cases filed as of January 1, 2006, however, there are very few cases collected to date.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Operating Expenses	\$0	\$0	\$0	\$0	\$0
Capital Outlay	0	0	0	0	0
Total Expenses	\$0	\$0	\$0	\$0	\$0

Fund Analysis

	FY03	FY04	FY05	FY06	FY07
Beginning Balance	\$0	\$0	\$0	\$0	\$67
Total Revenue	0	0	0	67	0
Total Expenditures	0	0	0	0	0
Other Financing Sources over Other Financing Uses	0	0	0	0	0
Ending Fund Balance	\$0	\$0	\$0	\$67	\$67

Health Care Fund

In 1996, Texas filed a federal lawsuit accusing the tobacco industry of violating conspiracy, racketeering, consumer protection, and other provisions of state and federal law. The state sought to recover billions of tax dollars it had spent to treat tobacco-related illnesses. In settling the lawsuit, the industry agreed to pay the state \$15 billion over 25 years and to pay about \$2.3 billion through 2003 to Texas counties and hospital districts based on their provision of indigent health care. Gregg County qualifies for state funding from this account based on unreimbursed medical expenses incurred by the county.

In 1999, Gregg County created a special fund called the Health Care Fund with its share of the state tobacco settlement money for the purpose of assisting local charitable agencies which offer health care and provide public health information. Through a resolution, the commissioners court determined the corpus of the state funds would remain in the Health Care Fund and only interest income would be spent. An advisory committee was formed to evaluate agencies requesting funding and make recommendations to the commissioners' court regarding annual allocations. A variety of qualified agencies have received funding for providing free or discounted health care services to the public, especially for children, and public health information such as anti-smoking literature.

The Health Care Fund is classified on the county financial statements as a Major Fund due to the county's policy of maintaining the original settlement funds. Since the receipt of the original settlement the medical community and the public have expressed interest in the Commissioners decisions for disbursement of these funds. The annual balance of this fund is 6% of the total expenditures budget for FY06.

	FY03 Actual	FY04 Actual	FY05 Actual	FY06 Unaudited	FY07 Budgeted
Health Care Contributions	\$40,000	\$40,000	\$20,000	\$20,000	\$80,000

Fiscal Year	State Disbursement	Interest Earned	Contributions to Agencies	Ending Fund Balance
FY1999	1,658,057	59,031	0	1,717,088
FY2000	207,116	113,151	60,000	1,977,354
FY2001	115,253	163,273	100,000	2,155,880
FY2002	25,014	13,548	58,272	2,136,170
FY2003	30,111	34,850	40,000	2,161,131
FY2004	37,599	23,825	40,000	2,182,556
FY2005	73,114	57,556	20,000	2,293,226
FY2006	95,155	82,153	20,000	2,450,534
FY2007 Budget	55,000	75,000	80,000	2,500,534
Total All Years	\$2,296,419	\$622,387	\$418,272	--

The commissioners court increased FY07 expenditures based on interest earned in prior years. It has been the intent of the court that disbursements are derived from interest earned and not the corpus of the funds.



ADDITIONAL MATERIAL

This page was left blank intentionally.

Glossary

Accrual Basis - A method of accounting in which economic transactions are recognized at the time they occur, as opposed to when cash is actually received or spent.

Actual – Final audited revenue or expenditure data for the fiscal year indicated.

Ad Valorem Tax - A tax levied against the value of real or personal property. Valuations are assessed by Gregg Appraisal District (GAD).

Appropriation - A legal authorization to incur obligations and to make expenditures for specific purposes.

Appraisal Value – To make an estimate of value for the purpose of taxation.

Appraisal District – An independent governmental entity responsible for appraising property within a county. The Appraisal District certifies the county assessed valuations.

Appropriation – An authorization to make expenditures or incur obligations against the resources of the County, often referred to as expenditures budget.

Assessed Valuation - The total valuation established by the county appraisal district for real estate and certain personal property as a basis for levying property taxes.

Assets – Any item of economic value owned by the County (vehicles, land, etc..).

Attrition - A method of achieving a reduction in total personnel by not replacing employee positions vacated through resignation, reassignment, transfer, retirement, or any means other than by layoff.

Balanced Budget – According to GAAP a balanced budget is one in which the total expenditures do not exceed the total resources, or total estimated revenues plus reserves.

Bond – A written promise to pay two things: 1) a principle amount on a specified date, and 2) a series of interest payments for the term of the bond.

Bond Rating – Organizations like Standard and Poor’s and Moody’s rate the riskiness of government-issued securities and gives each security a bond rating.

Bonded Indebtedness – The total amount of principle and interest due on bonds which have been sold to finance capital projects such as streets, bridges, and buildings. The most prevalent types of bonds are general obligation or revenue bonds.

Budget - A plan of financial activity for a specified period of time indicating all planned revenues and expenses for the budget period. Gregg County’s fiscal year is October 1 through September 30.

Budget Amendment – A change in the authorized level of funding for an organization or line item account code that increases the total budget. Ideally, amendments increase total revenues and total expenditures by an equal amount. Amendments are made only with Commissioners Court approval.

Glossary

Budgetary Basis - The basis of accounting used to estimate financing sources and uses in the budget. Generally takes one of three forms: GAAP, cash, or modified accrual.

Budget Calendar - The schedule of key dates which a government follows in the preparation and adoption of the budget.

Budget Transfers – A change in the authorized level of funding that have corresponding budget reductions and increases between line items, departments, or funds.

Budgetary Control - The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

Callable – A financing term referring to debt service bonds which means the bonds can be retired, or paid off, earlier than the due date without penalty.

Capital Expenditures – Includes all purchases that will be capitalized, both items purchased within individual departments and purchases within capital project funds. Also includes items formerly classified as capital whose purchase amount is between \$500 and \$4,999.99 for comparison purposes. FY05 is the first budget year to incorporate the new Capital Asset Guide.

Capital Outlay – (Also known as capital assets) - A fixed asset that meets the estimated useful life and monetary cost criteria and warrants capitalization in the financial statements. All items owned by an organization can rightfully be considered assets, but as a practical matter, organizations do not capitalize all of them. Gregg County's monetary criteria is \$5,000 or more and with a useful life of more than one year.

Capital Project - Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase the assets' useful lives.

Capital Project Fund – A fund used to account for the financial resources designated for major capital acquisitions or construction. Separate funds are required for each capital project per GAAP. At Gregg County, each capital project fund is named according to the purpose of the project.

Capitalization – an accounting treatment whereby an item is recorded as an asset on the balance sheet rather than as an expense of the current period.

Cash Basis - A basis of accounting in which transactions are recognized only when cash is received or disbursed.

Categorical – A method of accounting for expenditures in summary format (i.e. salaries, fringes, operating, capital).

Certificates of Obligation - Debt instruments, similar to bonds, sold to the public to finance the county's capital projects. This type of debt is usually repaid in annual installments over a period of 5-15 years.

Charges for Services – see Fees of Office.

CSCD – Community Supervision & Corrections Department, formerly known as Adult Probation.

Glossary

Current Taxes - Taxes that are levied and collected prior to being delinquent. The tax year begins October 1st. Taxes are delinquent on February 1st, after which time penalty and interest charges accrue.

Debt Service - The cost of paying principal and interest on borrowed money according to a predetermined payment schedule.

Debt Service Fund – A fund used to account for the accumulation and disbursement of resources associated with the county’s debt obligations. Statutorily separate funds are required for each debt obligation.

Delinquent Taxes – Taxes that remain unpaid at February 1st. Taxes are delinquent on February 1st, after which time penalty and interest charges accrue. Attorneys fees are assessed beginning July 1st.

Department (Organization)- The organizational unit which is functioning separately in its delivery of service.

Discretionary Funds - Funds that derive their major operating income directly from fees that are restricted in use by either statute or court order.

Encumbrance - The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.

Estimated Revenue – The amount of projected revenue for the fiscal cycle. Projections are generally based on prior experiences or increased fees.

Expenditure - The payment of cash related to the transfer of property or services for the purpose of acquiring an asset, service, or settling a loss.

Expense - A charge incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

Fees of Office (Revenue) – Fees charges or charges for services by various county departments to provide a service to the public or another governmental entity.

Fines and Forfeitures (Revenue) – Revenue generated through fines assessed by various courts. Forfeitures are payment as penalty assessed by the Courts through bail bond and property forfeitures.

Fiscal Policy - A government’s policies with respect to revenues, spending, and debt management as these relate to government services, programs, and capital investment. Fiscal policy provides a common set of principles for the planning and programming of government budgets and their funding.

Fiscal Year - A twelve-month period designated as the operating year for accounting, budgeting, and financial reporting purposes. Gregg County’s fiscal year is October 1 through September 30.

Fringe Benefits – The cost of all non-wage, labor-related expenses including but not limited to group insurance, social security, retirement, workman’s compensation, unemployment compensation, and other employment benefits.

Glossary

Full-time Equivalent Position (FTE) - A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time clerk working 20 hours per week would be equivalent to .50 of a full-time position.

Fund - A fiscal entity with revenues and expenses which is segregated for the purpose of carrying out a specific purpose or activity.

Fund Balance - The excess of the assets of a fund over its liabilities, reserves, and carryover. State law prohibits deficits. Allocated reserves are designed for a specified future use. Unallocated reserves are available for future budget allocation and are available for emergencies.

GAAP - Generally Accepted Accounting Principles. Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

GFOA - Refers to the Government Finance Officers Association.

General Obligation Bond - A bond backed by the full faith, credit and taxing power of the government.

Goal - A statement of broad direction, purpose, or intent based on the needs of the community. A goal is general and timeless.

Grants - A contribution by a government agency or other organization to support a particular function. Grants may be classified as either operational or capital and they are restricted for specific purposes. Because grants are presented to the Commissioners' Court throughout the year, the grant budget and accounting is maintained separately from this document.

Interfund Transfers - The movement of monies between funds of the same governmental entity.

Intergovernmental Revenue - Funds received from federal, state, and local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

JP – Justice of the Peace.

Levy – To impose taxes, special assessments, or service charges for the support of government activities.

Line-item - A string of accounting numbers that specify where an item is to be recorded. Gregg County's line item consists of fund, organization, account, program, activity, and location codes.

Long-term Debt - Debt with a maturity of more than one year after the date of issuance.

Mandate – A formal order from State authorities to County government to make mandatory.

Modified Accrual Basis– Revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the fund liability is incurred.

Glossary

Non-callable – A financing term referring to debt service bonds which means the bonds cannot be retired, or paid off, earlier than the due date.

Obligations - Amounts which a government may be legally required to pay from its resources. They include not only actual liabilities, but also encumbered amounts.

Operating Expenses – The portion of the budget that provides goods and services used in the daily operations excluding personnel and capital expenditures.

Operating Fund – A set of self-balancing accounts used to pay current, on-going expenditures.

Operating Revenue - Funds that the county receives as income to pay for ongoing operations. Includes property and sales taxes, user fees, and interest income. Operating revenues are used to pay for daily services.

Operating Expenses - The cost of materials and equipment required for a department to function.

Output Indicators - A unit of work accomplished, without reference to the resources required to do the work. Output indicators do not reflect the effectiveness or efficiency of the work performed.

Other Financing Sources (OFS) - Includes transfers from other funds, sale of fixed assets, insurance proceeds, bond proceeds, and other funding that is not considered to be revenue according to GAAP.

Other Financing Uses (OFU) - Includes transfers to other funds and other funding that is not considered to be expenditures according to GAAP.

Pay-as-you-go Basis - A term used to describe a financial policy by which capital outlays are purchased from current resources rather than through borrowing.

Performance Indicators - Specific quantitative and/or qualitative measures of work performed as an objective of specific departments or programs. Data is collected to establish trend patterns concerning workloads and/or determine how effective or efficient a program is in achieving its objectives.

Records Management – This term applies to the management of county records and government documents. Fees are budgeted for collection and expenses for the safeguarding of records according to the Texas Records Management Act.

Reserve - An account used either to set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenues for a specific future purpose.

Resolution - A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Resources - Total amounts available for appropriation including estimated revenues, fund transfers, and beginning balances.

Revenue - Sources of income financing the operations of government.

Glossary

R.O.W. – Refers to Right-of-Way; for example the purchase of land for street access.

Salaries – The cost of all labor related expenses required for a department to function, including but not limited to salaries, merit, cost of living adjustments (COLA), etc.

Special Revenue Funds – These funds are set up to keep track of segregated revenue activities.

Statute – A law enacted by the legislative assembly.

Tax Rate – A percentage applied to all taxable property to raise general revenues.

Tax Rate Limit – The maximum rate at which a government may levy a tax. The limit may apply to taxes raised for a particular purpose, or to taxes imposed for all purposes, and may apply to a single government, to a class of governments, or to all governments operating in a particular area. Overall tax rate limits usually restrict levies for all purposes and of all governments, state and local, having jurisdiction in a given area.

Transfers In/Out - Amounts transferred from one fund to another to assist in financing the services for the recipient fund. This term has been replaced in FY2005 with Other Financing Sources / Uses.

Unencumbered Balance - The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purposes.

Unreserved Fund Balance - The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

User Fee - The payment of a fee for direct receipt of a public service by the recipient of the service.

Warrant – A writ authorizing an arrest or search.

County of Gregg

Demographics

History⁽¹⁾

Gregg County is a political subdivision of the State of Texas, created and organized in 1873 from Rusk and Upshur Counties and named for Confederate General John Gregg. Oil was discovered in 1931.

Economic Resources⁽¹⁾

Minerals: Leading oil-producing county with more than 3 billion barrels produced since 1931; also sand, gravel and natural gas.

Agriculture: Cattle, horses, hay, nursery crops. Market value \$2.4 million. Timber sales.

Recreation: Water activities on lakes, hunting, varied cultural events

Economy: Manufacturing, tourism, conventions, agribusiness and lignite coal production.

General Information⁽¹⁾

County Seat	Longview
Land Area, square miles	274
Persons per square mile ⁽¹⁾	419.8
Average annual rainfall	49 inches

Vehicles, Highway Miles, Highway Construction⁽²⁾

Centerline Miles, as of 09/01/2006	260.9
Lane Miles, as of 09/01/2006	786
Daily Vehicle Miles, as of 09/01/2006	2,731,184
Vehicles Registered, 09/2005 – 08/2006	125,254
State Construction, FY06	\$9,775,017
Non-Contracted State Maintenance, FY06	\$2,222,454
Contracted Maintenance, FY06	\$3,703,699

Population by City/Place⁽³⁾

	<u>2000 Census</u>	<u>Jan. 1, 2006 Est.</u>
Clarksville City	806	855
Easton	524	561
Gladewater (partially in Upshur Co.)	6,078	6,155
Kilgore (partially in Rusk Co.)	11,301	12,021
Lakeport	861	913
Liberty City CDP	1,935	1,973
Longview	73,344	75,132
Warren City	343	368
White Oak	5,624	5,974
Unincorporated areas	10,563	11,207
Total County Population	111,379	115,159

County of Gregg

Demographics

Unemployment Data⁽⁴⁾

Labor Force, June 2006	62,901
Employment, June 2006	59,627
Unemployment, June 2006	3,274
Unemployment rate, June 2006	5.2%

Employment By Industry⁽⁴⁾

	<u>Firms</u>	<u>Employees</u>	<u>Total Wages</u>
Natural Resources and Mining	170	3,361	\$48,398,501
Construction	288	4,036	\$37,385,485
Manufacturing	229	11,773	\$137,704,081
Trade, Transportation, & Utilities	854	14,202	\$120,502,092
Information	48	1,340	\$12,175,499
Financial Activities	339	2,823	\$25,807,961
Professional & Business Services	493	6,084	\$45,302,871
Education & Health Services	384	10,923	\$85,042,845
Leisure & Hospitality	262	6,336	\$18,946,496
Other Services & Unclassified	385	2,094	\$13,087,065
State, Federal, & Local Government*	58	7,201	\$54,071,458
Totals (June, 2006)	3,510	70,174	\$598,424,360

* Government includes employees that could be classified in other industries (ex. Teachers could be classified in education, etc.)

Travel and Tourism, 2005⁽⁵⁾

Gregg County's rank in travel and tourism	28th out of 254 counties
Total Spending	\$187,293,000
Destination Spending	\$184,265,000
Earnings	\$46,063,000
Employment	2,650
State Tax Receipts	\$12,173,000
Local Tax Receipts	\$2,704,000

Voter Registration Figures⁽⁶⁾

<u>Year</u>	<u>Voters Registered</u>	<u>Voted</u>	<u>Percent Voted</u>	<u>Early Voted</u>	<u>Percent Early Voted</u>
1988	57,764	39,387	68.19%	15,682	39.82%
1990 (Gubernatorial)	54,361	28,306	52.07%	10,922	38.59%
1992 (Presidential)	57,718	41,826	72.47%	21,109	50.47%
1994 (Gubernatorial)	60,576	31,116	51.37%	15,626	50.22%
1996 (Presidential)	73,132	37,478	51.25%	20,531	54.78%
1998 (Gubernatorial)	76,785	24,401	31.78%	11,466	46.99%
2000 (Presidential)	77,898	38,433	49.34%	21,467	55.86%
2002 (Gubernatorial)	76,163	26,870	35.28%	12,826	47.73%
2004 (Presidential)	76,596	42,398	55.35%	27,320	64.44%
2006 (Gubernatorial)	72,307	22,530	31.15%		

County of Gregg

Demographics

Source List:

- (1) Texas State Almanac 2006-2007, courtesy of Kilgore Public Library
- (2) Texas Department of Transportation, Tyler Division, www.dot.state.tx.us
- (3) Texas State Demographer, <http://txsdc.ustsa.edu> November 2006, 'Estimates of the Total Population of Counties and Places in Texas for July 1, 2005 and January 1, 2006'
- (4) Texas Workforce Commission, www.tracer2.com
- (5) Office of the Governor, Economic Development & Tourism, <http://travel.state.tx.us/EconomicImpact.aspx> 2005 Full Report (September 2006), 'Economic Impact of Travel on Texas'
- (6) Texas Secretary of State, www.sos.state.tx.us/elections

Principal Taxpayers 2005

TAXPAYER	BUSINESS TYPE	MARKET VALUE
LeTourneau, Inc.	Manufacturing	\$106,832,410
AEP Southwestern Electric Power Co	Utility	105,584,010
XTO Energy	Minerals / Utility	87,846,240
Oneok Resources Co.	Minerals	75,656,190
Wal-Mart Stores / Sam's	Retail	63,792,280
Longview Medical Center/ Longview Regional Hospital	Medical	60,773,580
Southwestern Bell Telephone	Utility	44,595,860
Chinn Exploration	Minerals	42,583,500
Exxon-Mobil	Minerals	39,324,160
Halliburton Co-Halliburton Energy-Services	Industrial	34,099,560
Dowell Schlumberger, Inc.	Industrial	31,496,140
GSHS Inc/Good Shepherd Hospital	Medical	30,550,260
Trinity Industries	Industrial	26,753,680
EOG Resources Inc.	Minerals	26,065,930
Geo-Vest	Minerals	25,017,830
Longview Mall / Simon Property Group	Retail	24,060,310
Fleetwood Travel Trailers	Manufacturing	22,530,780
Air Liquide	Industrial	22,091,580
Rexam Beverage Can Company	Industrial/Mfg	20,223,030
BJ Services Co USA	Industrial	20,715,890

Principal Taxpayers 2006

TAXPAYER	BUSINESS TYPE	MARKET VALUE
LeTourneau Inc	MANUFACTURING	\$115,048,430
XTO Energy	MINERALS/UTILITY	109,626,250
AEP Southwestern Electric Power Co	UTILITY	98,381,930
TXOK Texas Energy Resources LP	MINERALS	95,120,910
Chinn Exploration	MINERALS	69,979,900
Wal-Mart Stores/Sam's	RETAIL	64,807,650
Longview Medical Center/Longview Regional Hospital	MEDICAL	63,108,130
Halliburton Co-Halliburton Energy-Services	INDUSTRIAL	56,718,420
Trinity Industries	INDUSTRIAL	53,392,490
ExxonMobil	MINERALS	43,614,080
Southwestern Bell Telephone	UTILITY	41,632,510
EOG Resources In	MINERALS	37,591,860
Geo-Vest of Texas	MINERALS	33,135,790
GSHS Inc/Good Shepherd Hospital	MEDICAL	31,024,090
Dowell Schlumberger Inc	INDUSTRIAL	30,294,730
J W Power Co	INDUSTRIAL	27,354,460
BJ Services Co USA	INDUSTRIAL	25,593,710
Danmark Energy Services LP	MINERALS	24,708,240
Cudd Pressure Control	INDUSTRIAL	23,033,980
Hanover Compressor Co	INDUSTRIAL	22,773,830

Note: Provided by Gregg Appraisal District

Juvenile Services Fund FY07 Adopted Budget

Revenue	Actual 02/03	Actual 03/04	Actual 04/05	Amended 05/06	Adopted 06/07
Intergovernmental Revenue					
State aid	\$304,775	\$367,448	\$324,698	\$109,663	\$109,663
Progressive Sanctions - JPO	0	0	0	138,462	138,462
Progressive Sanctions - 123	0	0	0	35,248	35,248
Federal Grant	0	0	0	0	0
TJPC - Salary Adjustment	0	0	0	44,175	44,175
U.S. Dept. of Agriculture	20,318	0	0	0	0
Subtotal	325,093	367,448	324,698	327,548	327,548
Charges for Services					
Supervision	11,418	10,540	0	0	0
Contract services	276,995	146,841	100,000	150,000	150,000
Subtotal	288,413	157,381	100,000	150,000	150,000
Interest Income					
Interest income	10,249	3,372	0	0	0
Unrealized gains / losses	35	0	0	0	0
Subtotal	10,284	3,372	0	0	0
Miscellaneous					
Miscellaneous	1,742	731	0	0	0
Subtotal	1,742	731	0	0	0
Other Financing Sources					
Sale of fixed assets	30	0	0	0	0
Ins Proceeds -Loss of fixed assets	1,572	0	0	0	0
Transfer in - General Fund	970,000	505,903	1,100,000	1,142,875	1,150,000
Transfer in - Juvenile Comm. Corr.	90,000	0	0	0	0
Subtotal	1,061,602	505,903	1,100,000	1,142,875	1,150,000
Total Resources	\$1,687,134	\$1,034,835	\$1,524,698	\$1,620,423	\$1,627,548
Expenditures					
Total Salaries	1,187,117	1,077,621	910,589	925,844	953,620
Total Fringe Benefits	311,790	312,961	321,449	325,014	334,765
Total Operating Expenses	231,269	224,102	231,589	300,777	310,777
Total Capital Outlay	7,197	23,401	18,000	10,000	20,000
Total Expenditures	\$1,737,373	\$1,638,085	\$1,481,627	\$1,561,635	\$1,619,162

The Gregg County Juvenile Probation Department is a "Specialized Local Entity" under the Local Government Code who reports directly to the Juvenile Board. The department receives funding from Gregg County as well as from state and federal grants.

The department's purpose is to facilitate the rehabilitation and reintegration of juvenile offenders back in to the community; to provide protection to the community; to ensure victims of crimes are afforded their rights; and to serve the Juvenile Court by providing supervision to the juveniles who come under the Court's jurisdiction.

**Juvenile Services Fund
FY07 Adopted Budget**

Output Indicators:	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Estimated
Juveniles Referred	1,290	1,271	1,339	1,372	1,400
Case Dispositions	975	1,287	1,265	1,467	1,450
Juveniles Detained	804	759	700	827	800
Hearings	674	801	779	751	775
Cert. Probation Officers	14	13	13	13	13
Avg. Daily Population	25	24	24	28	24
Avg. Probation Caseload	50	50	50	50	50
Avg. ISP Caseload	20	20	20	20	20
Community Service Hours	11,701	12,852	11,705	12,476	12,500
Supervision Contacts	26,422	24,473	29,869	31,263	31,500
Juveniles Placed Outside of County	9	16	15	16	15
Juveniles Placed in County Programs	11	15	2	0	0

Budget Statutes

Statutes governing the County budget process in the State of Texas are found in Vernon's Texas Codes Annotated (V.T.C.A.). These statutes are based on county population. Gregg County complies with the following budget statutes:

SUBTITLE B. COUNTY FINANCES

CHAPTER 111. COUNTY BUDGET

SUBCHAPTER A. BUDGET PREPARATION IN COUNTIES WITH POPULATION OF 225,000 OR LESS

§ 111.001. Subchapter Applicable to Counties With Population of 225,000 or Less; Exception

This subchapter applies only to a county that has a population of 225,000 or less and that does not operate under Subchapter C.

Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 1, § 11(e), eff. Aug. 28, 1989.

§ 111.002. County Judge as Budget Officer

The county judge serves as the budget officer for the commissioners court of the county.

Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987.

§ 111.003. Annual Budget Required

During the 7th or the 10th month of the fiscal year, as determined by the commissioners court, the county judge, assisted by the county auditor or county clerk, shall prepare a budget to cover all proposed expenditures of the county government for the succeeding fiscal year.

Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 117, § 1, eff. Sept. 1, 1989.

§ 111.004. Itemized Budget; Contents

(a) The county judge shall itemize the budget to allow as clear a comparison as practicable between expenditures included in the proposed budget and actual expenditures for the same or similar purposes that were made for the preceding fiscal year. The budget must show as definitely as possible each of the projects for which an appropriation is established in the budget and the estimated amount of money carried in the budget for each project.

(b) The budget must contain a complete financial statement of the county that shows:

- (1) the outstanding obligations of the county;
- (2) the cash on hand to the credit of each fund of the county government;
- (3) the funds received from all sources during the preceding fiscal year;
- (4) the funds available from all sources during the ensuing fiscal year;
- (5) the estimated revenues available to cover the proposed budget; and
- (6) the estimated tax rate required to cover the proposed budget.

(c) In preparing the budget, the county judge shall estimate the revenue to be derived from taxes to be levied and collected in the succeeding fiscal year and shall include that revenue in the estimate of funds available to cover the proposed budget.

Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987.

Budget Statutes (continued)

§ 111.005. Information Furnished by County Officers

(a) In preparing the budget, the county judge may require any county officer to furnish existing information necessary for the judge to properly prepare the budget.

(b) If a county officer fails to provide the information as required by the county judge, the county judge may request the commissioners court to issue an order:

(1) directing the county officer to produce the required information; and

(2) prescribing the form in which the county officer must produce the information.

Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987. Amended by Acts 1997, 75th Leg., ch. 1197, § 1, eff. June 20, 1997.

§ 111.006. Proposed Budget Filed With County Clerk; Public Inspection

(a) When the county judge has completed the preparation of the budget, the judge shall file a copy of the proposed budget with the county clerk.

(b) The copy of the proposed budget shall be available for inspection by any taxpayer.

Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987.

§ 111.007. Public Hearing on Proposed Budget

(a) The commissioners court shall hold a public hearing on the proposed budget. Any taxpayer of the county may attend and may participate in the hearing.

(b) The commissioners court shall set the hearing for a date after the 15th day of the month next following the month in which the budget was prepared in accordance with Section 111.003, Local Government Code, but before the date on which taxes are levied by the court.

(c) The commissioners court shall give public notice that it will consider the proposed budget on the date of the hearing. The notice must state the date, time, and location of the hearing.

Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 117, § 2, eff. Sept. 1, 1989.

§ 111.0075. Special Notice by Publication for Budget Hearing

(a) A commissioners court shall publish notice before a public hearing relating to a budget in at least one newspaper of general circulation in the county.

(b) Notice published under this section is in addition to notice required by other law. Notice under this section shall be published not earlier than the 30th or later than the 10th day before the date of the hearing.

(c) This section does not apply to a commissioners court required by other law to give notice by publication of a hearing on a budget.

Added by Acts 1993, 73rd Leg., ch. 268, § 26, eff. Sept. 1, 1993.

§ 111.008. Adoption of Budget

(a) At the conclusion of the public hearing, the commissioners court shall take action on the proposed budget.

(b) The commissioners court may make any changes in the proposed budget that it considers warranted by the law and required by the interest of the taxpayers.

Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987.

Budget Statutes (continued)

§ 111.009. Approved Budget Filed With County Clerk

On final approval of the budget by the commissioners court, the court shall file the budget with the county clerk.

Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987.

§ 111.010. Levy of Taxes and Expenditure of Funds Under Budget; Emergency Expenditure; Budget Transfer

(a) The commissioners court may levy taxes only in accordance with the budget.

(b) After final approval of the budget, the commissioners court may spend county funds only in strict compliance with the budget, except in an emergency.

(c) The commissioners court may authorize an emergency expenditure as an amendment to the original budget only in a case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonably diligent thought and attention. If the court amends the original budget to meet an emergency, the court shall file a copy of its order amending the budget with the county clerk, and the clerk shall attach the copy to the original budget.

(d) The commissioners court by order may amend the budget to transfer an amount budgeted for one item to another budgeted item without authorizing an emergency expenditure.

Acts 1987, 70th Leg., ch. 149, § 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 167, §§ 1, 2, eff. May 25, 1989.

§ 111.0105. Budget for Expenditures From Proceeds of Bonds or Other Obligations

If a county bond issue is submitted at an election or other authorized obligations are to be issued against future revenues and a tax is to be levied for those obligations, the commissioners court shall adopt a budget of proposed expenditures. On receipt of the proceeds of the sale of the bonds or other obligations, the county may make expenditures from the proceeds in the manner provided by this subchapter for expenditures for general purposes.

Added by Acts 1997, 75th Leg., ch. 1197, § 2, eff. June 20, 1997.

County Directory

Gregg County Courthouse
101 E. Methvin
Longview, Texas 75601
(903) 758-6181

See our website for additional information:
www.co.gregg.tx.us

Commissioners' Court

Bill Stoudt, County Judge
101 E. Methvin, Suite 300
Longview, Texas 75601
(903) 236-8420 fax 237-2699

Charles W. Davis, Commissioner Pct. 1
1109 FM 449
Longview, Texas 75605
(903) 663-0400 fax 663-2475

R. Darryl Primo, Commissioner Pct. 2
3211-C W. Marshall
Longview, Texas 75604
(903) 759-3611 fax 759-6707

Bob Barbee, Commissioner Pct. 3
Rt. 4, Box 648
Longview, Texas 75604
(903) 759-8962 fax 297-9140

Danny E. Craig, Sr., Commissioner Pct. 4
710 South Street
Kilgore, Texas 74662
(903) 984-2417 or 981-1117 fax 981-1119

Airport

Virginia Hall, Manager
Route 3, Hwy. 322
Longview, Texas 75603
(903) 643-3031 fax 643-7371

Auditor

Laurie Woloszyn
101 E. Methvin, Suite 306
Longview, Texas 75601
(903) 237-2680 fax 237-2695

Community Supervision

Quin Tillery, Director
P. O. Box 3226
Longview, Texas 75606
(903) 236-8422 fax 757-7151

County Clerk

Connie Wade
101 E. Methvin, Suite 200
Longview, Texas 75601
(903) 236-8430 fax 237-2574

Constables

James Plumlee, Constable Pct. 1
101 E. Methvin, Suite 510
Longview, Texas 75601
(903) 236-8427 fax 236-8456

Bill Echart, Constable Pct. 3
1098 E. Commerce St.
Gladewater, Texas 75647
(903) 845-4896 fax 845-6467

District Attorney

William Jennings
101 E. Methvin, Suite 333
Longview, Texas 75601
(903) 236-8440 fax 236-8490

Maintenance

Mike Bills, Superintendent
101 E. Methvin, Suite 110
Longview, Texas 75601
(903) 237-2657 fax 236-8456

Human Resources

Rita Fyffe, Director
101 E. Methvin, Suite 109
Longview, Texas 75601
(903) 237-2567 fax 236-7495

Historical Commission

Dr. W. D. Northcutt, III
101 E. Methvin, Suite 202
Longview, Texas 75601
(903) 234-3123 fax 236-8424

Judge - County Court at Law #1

Alfonso Charles, Judge
101 E. Methvin, Suite 447
Longview, Texas 75601
(903) 236-0265 fax 236-0747

Billy Fort, Constable Pct. 2
3211 W. Marshall
Longview, Texas 75604
(903) 237-2600 fax 297-3412

Robby Cox, Constable Pct. 4
2131 S. Eastman Rd.
Longview, Texas 75602
(903) 758-4058 fax 758-2684

District Clerk

Barbara Duncan
101 E. Methvin, Suite 334
Longview, Texas 75601
(903) 237-2663 fax 236-8484

Extension Agent

Dennis Smith
405 E. Marshall Ave., Suite 101
Longview, Texas 75601
(903) 236-8428 fax 758-3345

Information Services

Cindy Romines, Director
101 E. Methvin, Suite 101
Longview, Texas 75601
(903) 236-8435 fax 758-1148

Judge - County Court at Law #1

Rebecca Simpson, Judge
101 E. Methvin, Suite 416
Longview, Texas 75601
(903) 236-8445 fax 237-2517

Judge - 124th District Court

Alvin Khoury, Judge
101 E. Methvin, Suite 447
Longview, Texas 75601
(903) 236-0265 fax 236-0747

Judge - 188th District Court

David Brabham, Judge
101 E. Methvin, Suite 408
Longview, Texas 75601
(903) 237-2588 fax 236-8603

Judge - 307th District Court

Robin Sage, Judge
101 E. Methvin, Suite 463
Longview, Texas 75601
(903) 237-2534 fax 234-3150

Justices of the Peace

B. H. Jameson, Judge Pct. 1
101 E. Methvin, Suite 512
Longview, Texas 75601
(903) 236-8470 fax 237-2598

Arthur Fort, Judge Pct. 2
3211 W. Marshall Ave.
Longview, Texas 75604
(903) 237-2635 fax 297-3412

Talya Carlson, Judge Pct. 3
1098 E. Commerce Street
Gladewater, Texas 75647
(903) 845-2672 fax 845-6467

Sam Lawson, Judge Pct. 4
2131 S. Eastman Rd.
Longview, Texas 75602
(903) 758-6342 fax 758-2684

Juvenile Probation

Bing Canion, Chief
310 Turk Street
Longview, Texas 75601
(903) 758-0121 fax 758-0715

Purchasing

Shelia Embrey, Purchasing Agent
101 E. Methvin, Suite 205
Longview, Texas 75601
(903) 237-2684 fax 237-2682

Sheriff

Maxey Cerliano
101 E. Methvin, Suite 559
Longview, Texas 75601
(903) 236-8400 fax 753-3560

Social Services / Health-Welfare

Dr. Lewis Browne, Administrator
405 E. Marshall Ave., Suite 104
Longview, Texas 75601
(903) 237-2620 fax 237-2608

Tax Assessor-Collector

Kirk Shields, Tax Assessor-Collector
101 E. Methvin, Suite 215
Longview, Texas 75601
(903) 237-2616 fax 237-2607

Veterans Services

Col. Randy Smith USMC (Ret.)
1203-A East Marshall Ave.
Longview, Texas 75601
(903) 237-2674 fax 238-8095

Voter Registration / Elections

Kathryn Nealy, Elections Administrator
101 E. Methvin, Suite 112
Longview, Texas 75601
(903) 236-8458 fax 234-3126