1-10-18 County Judge's Article

WRAPPING IT UP

As I said in my article in late December, I expected that we would end the year with most of our general fund reserves intact, and that is what did in fact happen. We are carrying forward $890,000 into the new year as a result of ending 2017 with total general fund revenues of $10.725 million and expenditures of $10.808 million which includes the $200,000 that we spent for the new building we built in Thorndale to house our offices there (we did this instead of financing that project).

The general fund revenues were some $450,000 (or 4.4%) ahead of budget and expenditures were $260,000 (or 2.2%) under budget (-4.2% if you don't count the building which was really a capital expenditure), so budget wise we also had a good year.

The commissioners had an excellent year financially as well even though it was difficult in some ways in that they were wrapping up their TIF grant projects with TXDOT and several FEMA projects as well. Doing these projects largely with their own county equipment and crews is going to be a huge benefit to the county in the coming few years as we enter the difficult period of time when the Luminant tax revenue is going to largely cease to exist due to that plant closing and coming off the tax roll. Here's why.

In January of 2017 the reserve accounts of the four precincts totaled just over $3 million. We'll be going into 2018 with almost $3.75 million in reserves, an increase of ¾ of a million in a year when more road projects have been done in Milam County than ever before. I know there are still a lot of graveled roads out there, but we are in a position (with the reserves that are in place) where we should be able to keep our county road crews intact for the coming two to three years (by using some of these reserves) even with the coming revenue shortage that the county will be facing, thanks to the way the commissioners have been handling their business while we've had this grant money available.

In case there are some of you out there that don't understand the situation yet, we are going into 2018 with a county tax rate of 70 cents per $100 valuation, the maximum allowable by law is 80 cents. (If we increased our rate to the max, it would only generate about $1.5 million additional revenue.) So we are very near the maximum which should tell you that we are one of the poorest counties in the state from a tax base standpoint and we're about to lose another 15%+ of our base with the closing of Luminant which will translate to a loss of $1.5 to $2 million of the county's tax revenue come 2019.

So 2018 is our last good year, 2019 budget planning is going to be the beginning of a new era. Economic growth is not an option, it has become essential to the survival of all aspects of our county government as we know it.