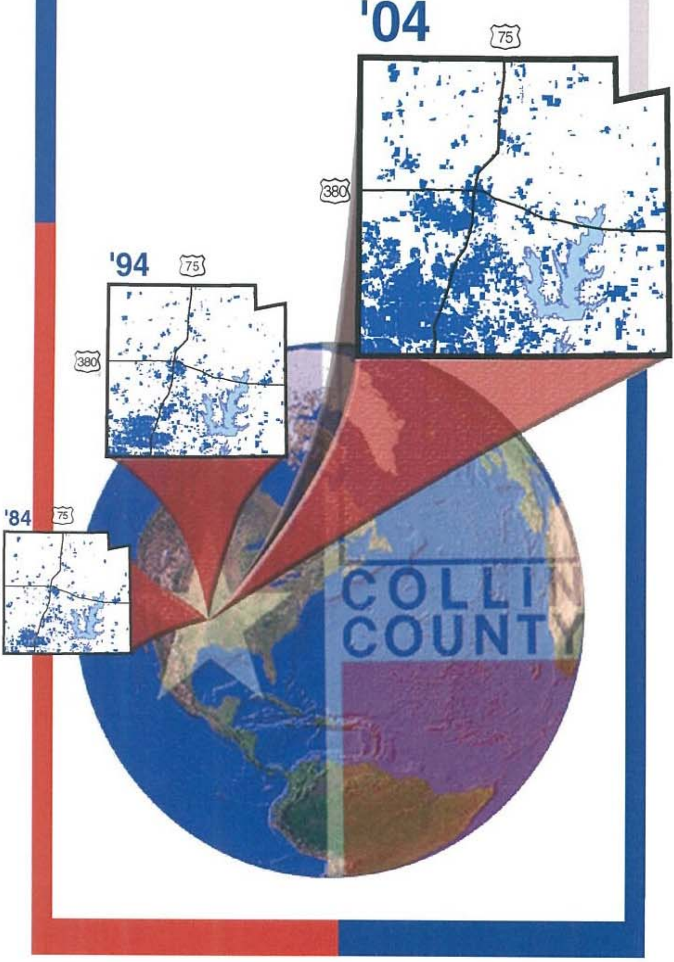
Collin County, Texas

Budget in Brief
FY 2005



FOR ADDITIONAL INFORMATION

This Budget-in-Brief contains summary information on the most important decisions made during the County's annual financial and operational planning process. If we can be of further assistance or provide additional copies of this document, please call or write:

Collin County Budget Office
210 S. McDonald, Suite 636
McKinney, TX 75069

972-548-4610
972-548-4691 (fax)

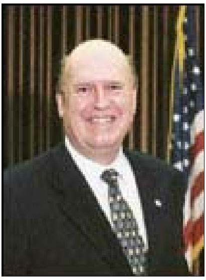
or email:
Budget@co.collin.tx.us

ABOUT THE COVER

Collin County has experienced rapid growth and undergone some fundamental changes over the last ten years. The cover illustrates that growth through the use of data regarding the tremendous increase in subdivisions over the period of 1984 to 2004. Each of the maps comes to the point where Collin County is on the globe.

Source: Subdivision data acquired from the Collin County Appraisal District (10/04/2004). Data information for map generation first utilized the "TAX YEAR" and then if unavailable, the "FILEDATE." Null information was conferred as being likely older than 1985. This map is a graphic representation of Collin County and should only be used for illustrative purposes.

Collin County
Commissioners' Court
FY 2004-2005



Ron Harris
County Judge

Phyllis Cole
Commissioner, Pct. 1

Jerry Hoagland
Commissioner, Pct. 2

Joe Jaynes
Commissioner, Pct. 3

Jack Hatchell
Commissioner, Pct. 4

Rodney Rhoades
Budget & Finance Director

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TEXAS COUNTY GOVERNMENT

History of County Government

The origin of Texas county government can be found in "municipality," the local unit of government under Spanish and Mexican rule. The municipalities were large areas embracing one or more settlements and the surrounding rural territory. By 1821, there were four major Spanish settlements in Texas and three areas of light settlement and ranching. In 1835, Texas was divided into three departments and 23 municipalities. Under the new Republic established in 1836, the 23 municipalities became counties. When Texas became a state in 1845, there were 36 counties. Under the State Constitution of 1845, the only major change was one that made all county offices elective positions. When Texas entered the Confederacy in 1861 and adopted a new state constitution, there were 122 counties. After Reconstruction from the Civil War, the Constitution of 1876 was adopted, which is still in effect and contains much detail concerning the governmental organization of the Texas counties. The number of counties increased steadily until the present number of 254 counties was reached in 1931.

Functions of County Government

Today there are 254 counties serving the needs of Texans. The counties range in size from just under 100 residents to over three million. Major responsibilities include building and maintaining roads, recreational facilities and in some cases, county airports; constructing and operating jails; operating the judicial system; maintaining public records; collecting property taxes; issuing vehicle registrations and transfers; and registering voters. Counties also provide law enforcement, conduct elections, and provide health and social services to indigent county residents. County governments are also playing a vital role in local economic development.

Collin County Government

Collin County, like other Texas Counties, is considered to be an extension of state government. The focus of the county organization is judicial (civil and criminal justice, adult and juvenile probation), health and human services, law enforcement and jail services. In addition, the County is responsible for the road and bridge maintenance for all unincorporated areas of the County.

The County's governing body, Commissioners Court, is made up of the County Judge who is elected at large and four Commissioners elected from equal precincts based on population. The County Judge is the presiding officer of the Commissioners Court. Budgetary responsibilities are a major function of the Commissioners Court. The Commissioners Court of Collin County has budget authority over all County departments including those headed by elected officials. The responsibility includes setting the tax rate and adopting the budget. Throughout the year the Court, as established in the budget policy, must approve adjustments to the budget. In addition, the Commissioners' Court sets policies by Court Order for the activities of the County.

Other elected officials include the County and District Judges, Sheriff, Tax Assessor, District Attorney, Justices of the Peace, Constables and the County and District Clerks.

WHO'S IN CHARGE

County Judge & Commissioners

A County Judge and four Commissioners serve on the Commissioners Court. This body conducts the general business of the County and oversees financial matters. Collin County created a unitary road system that allows all commissioner precincts to work together on maintaining the County roads and bridges.

Tax Assessor-Collector

This official's chief duty is to assess and collect property taxes for the County and motor vehicle registration.

County Clerk

The County Clerk's Office records the proceedings of the County Courts. They also maintain legal records, marriage licenses, and vital statistics.

District Clerk

Duties of this official revolve around the District Courts and included the collection of child support.

Sheriff

The Sheriff is the chief law enforcement officer for the County and is responsible for the operation of the jail.

District Attorney

The District Attorney serves as the County's chief legal advisor and prosecuting attorney in the County Courts.

Justice of the Peace

The JP's preside in justice and small claims court with jurisdiction over minor misdemeanor offenses, civil issues and truancies.

Constable

These officials are the chief process servers of the Justices of the Peace courts and are certified peace officers.

Elected Officals

County Judge	Ron Harris	972-548-4631
Commissioner, Pct. 1	Phyllis Cole	972-548-4631
Commissioner, Pct. 2	Jerry Hoagland	972-548-4631
Commissioner, Pct. 3	Joe Jaynes	972-548-4631
Commissioner, Pct. 4	Jack Hatchell	972-548-4631
Constable, Pct. 1	Jerry Kunkle	972-548-4419
Constable, Pct. 2	Joe Barton	972-548-4480
Constable, Pct. 3	Bob Bell	972-881-3070
Constable, Pct. 4	Johnny Todd	972-731-7320
County Clerk	Brenda Taylor	972-548-3025
County Court @ Law 1	Corinne Mason	972-548-3860
County Court @ Law 2	Jerry Lewis	972-548-3820
County Court @ Law 3	John Barry	972-548-3830
County Court @ Law 4	Ray Wheless	972-548-3840
County Court @ Law 5	Gregory Brewer	972-548-3850
County Court Probate	Weldon Copeland	972-548-3810
District Attorney	John Roach	972-548-4323
District Clerk	Hannah Kunkle	972-548-4320
199th District Court	Robert Dry	972-548-4415
219th District Court	Curt Henderson	972-548-4402
296th District Court	Betty Caton	972-548-4409
366th District Court	Nathan White	972-548-4570
380th District Court	Charles Sandoval	972-548-4762
401st District Court	Mark Rusch	972-548-4241
416th District Court	Chris Oldner	972-548-4520
417th District Court	Cynthia Wheless	972-548-4658
JP, Pct. 1	Paul Raleeh	972-548-4125
JP, Pct. 2	Terry Douglas	972-442-3289
JP, Pct. 3-1	Johnnie Lewis	972-548-3001
JP, Pct. 3-2	John Payton	972-548-3051
JP, Pct. 4	Mike Yarbrough	972-731-7300
Sheriff	Terry Box	972-547-5100
Tax Assessor/Collector	Kenneth Maun	972-547-5014

FY 2005 BUDGET OVERVIEW

The Adopted Budget for FY 2005 continues to hold to the established principles in Collin County of conservative fiscal planning and preparation for the future. Commissioners Court priorities with regards to the budget include producing a “no tax increase” budget, continuing to maintain the tax rate at 0.25 per $100 valuation for the citizens of Collin County through 2009 and continuing to utilize the Five Year Plan as a tool for budget preparation. The challenges faced by Collin County include the rising cost of healthcare for employees and continuing to fund programs mandated by the State of Texas. The Adopted Budget represents strategies that bring recurring expenditures in line with revenues while continuing to provide a high level of services to constituents.

The Adopted Budget also provides for targeted investments in Commissioners Court priority areas. Theses initiatives are included in the Adopted Budget without the need for an increase in the overall property tax for the seventh consecutive year.

- The addition of a Business Analyst in the Information Technology department will continue ensuring that the County receives the best value for investments in technology.
- The addition of another Legal Secretary II to the Special Crimes division of the District Attorney’s Office will continue to meet the increased demands for services.
- To continue to increase delinquent fine collections, an additional Deputy Constable for warrants in the Constable Precinct One has been added and will be studied as a pilot program to see whether or not additional staffing could increase collections.
- The last legislative session authorized the addition of another County Court at Law; staffing for County Court at Law 6 is included in this budget.

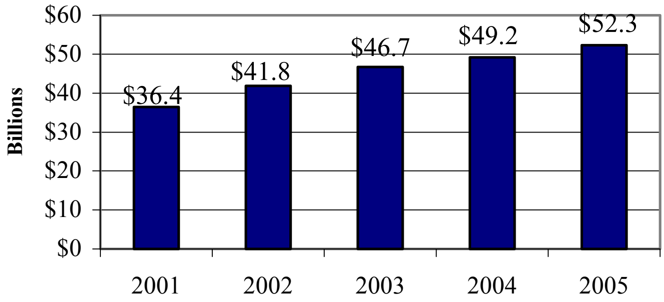
- With the increased complexity of security threats, achieving efficient network intrusion security is critical to maintaining a high level of protection. $395,000 will be spent for intrusion detection software for voice and data protection.
- The amount of $198,810 is being budgeted for a full service support contract for Elections Administration to provide full project management, programming, drayage, logic and accuracy support, and election day rovers for countywide elections.
- In an ongoing effort to improve the quality of county roads, an increase of $250,240 in road maintenance is budgeted.
- $100,000 is budgeted for a new Jury Management System to replace a system implemented in 1989.
- The Records Management Fund budget includes $1.3 M for the Imaging Project. This new imaging system will process all land records and vitals and digitize all map/plats filed in the County to allow for processing with improved operational efficiency for a future cost savings.
- As a continuing investment in increasing the safety of County citizens, $6 million is being invested in a new public safety radio system.
- An indigent defense coordinator position is being added to Administrative Services in a continuing effort to monitor expenditures for indigent criminal defense.

Collin County Economic Outlook

Appraised Values

5 Year Trend

Fiscal Year	Appraised Value	Percentage Increase
2001	$36,426,606,202	
2002	$41,839,376,927	14.86%
2003	$46,703,323,878	11.63%
2004	$49,168,855,273	5.28%
2005	$52,275,021,659	6.32%



Comparative Unemployment Rates*

Collin County	State of Texas	United States
4.5%	5.4%	5.1%

* Seasonally adjusted (August 2004); Sources: Texas Workforce Commission, Bureau of Labor Statistics

FY 2005 BUDGET PROCESS

The budget is a financial plan for a fiscal year of operations that matches all planned revenues and expenditures with the services provided to the citizens of Collin County. The FY 2005 Adopted Budget covers a twelve month period beginning October 1, 2004 through September 30, 2005.

The purpose of the budget preparation process is to develop a work program and financial plan for Collin County. The goal is to produce a budget document that clearly states what services and functions will be provided with what financial, personnel and other resources. The budget document must be clearly understandable by the taxpayers and citizens at large. The budget document provides offices and departments with a work program to carry out their missions. It also provides the Budget Officer and the County Auditor with a financial plan with which to assure that the County operates within its financial means.

The process for developing the FY 2005 Adopted Budget involved the following overall steps:

- Setting of budget goals for the County in cooperation with Commissioners Court
- Proposed Budget Preparation workshops with County departments
- Preparation of Proposed Budget Document
- Commissioners Court Workshops and Public Hearings
- Budget Adoption

As an ongoing effort to improve the efficiency and effectiveness of Collin County, the Budget Office, as directed by Commissioners Court, has been continually working towards Performance Based Management since 2003. During the FY 2005 budget process, offices and departments were asked to submit performance measures as a way to demonstrate how performance will be improved in the upcoming fiscal year. Budget Office staff also worked with County offices and departments to develop systems to better track and manage data related to their performance measures.

Once the Proposed Budget document is complete, the Budget Officer must file a copy of the proposed budget with the County Clerk and the Auditor. Upon receipt of the proposed budget, the Commissioners Court is required to set a date and place for a public hearing "*within 10 calendar days after the date the proposed budget is filed but before the last day of the first month of the fiscal year (LGC Sec. 111.067b).* After receipt of the Proposed Budget, the Commissioners Court holds a series of work-sessions to review the details of the program improvements requested by the departments, both those that were recommended by the Budget Officer as proposed for FY 2005 and those that were not proposed. At a public hearing, the Commissioners Court gives all interested taxpayers of the County an opportunity to be heard for, or against any expenditure account or revenue estimate. Once the Commissioners Court completes its deliberations and holds a public hearing on the proposed budget, the Court votes to adopt a budget and a tax rate. The Court may make any changes to the proposed budget it deems necessary as long as the total expenditures do not exceed the total revenues estimated by the County Auditor.

Upon adoption of the budget by Commissioners Court, a copy of the budget is filed with the County Auditor and the County Clerk. The County Auditor will use the Adopted Budget to set up the appropriate budgetary accounts for each office and department. The County Auditor is responsible for the financial accounts of the County. The Budget Office is responsible for monitoring expenditures in accordance with the budget and for initiating appropriate budget transfers. Offices and departments are responsible for keeping expenditures within the budgeted amount and for tracking performance indicator data.

FY 2005 BUDGET PLANNING CALENDAR

March 23, 2004	Workshop to discuss general direction of FY 2005 Budget and setting of budget goals for the County.
April 5	Electronic Budget Preparation Manual distributed.
April 19	Discussion on any action related to FY 2005 Compensation Plan.
May 7	Completed Budget Preparation Manuals returned.
May 17	Estimated revenues from the Auditor.
June 7-11	Departmental detail budget review with the County Budget Officer.
July 19-23	Delivery of Final Appraisal Roll to County. Auditor to provide update of detail revenue, summary revenues and expenditure schedule, projected fund balance, calculation of the effective tax rate and roll back rate.
August 6	Finalization of Initial Budget Proposal
August 9	Proposed Budget distributed to Commissioners' Court
August 24-27	Budget workshop with Commissioners' Court
September 7	Public Hearing on FY 2005 Tax Rate
September 14	Adopt FY 2005 Tax Rate, FY 2005 Budget and County Fees.
October 1	Fiscal year begins.

COLLIN COUNTY BUDGET HISTORY

TOTAL COMBINED BUDGET

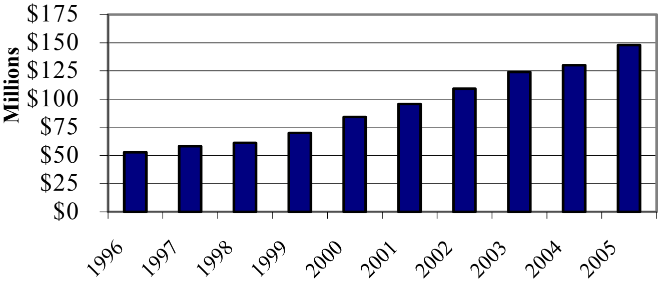
(EXCLUDING ALL BOND FUNDS)

Fiscal Year	Budget (In Millions)	Percentage Increase
2001	$139.1	
2002	$158.1	13.66%
2003	$182.4	15.37%
2004	$191.7	5.1%
2005	$217.5	13.46%

Collin County Operating Budget Ten Year Trend

Fiscal Year	Operating Budget	Percentage Increase
1996	$52,894,048	
1997	$58,147,476	9.9%
1998	$61,377,662	5.6%
1999	$69,899,611	13.9%
2000	$84,200,304	20.5%
2001	$95,578,080	13.5%
2002	$109,178,584	14.2%
2003	$123,873,520	13.5%
2004	$130,123,044	5.0%
2005	$147,834,118	13.6%

Ten Year Trend

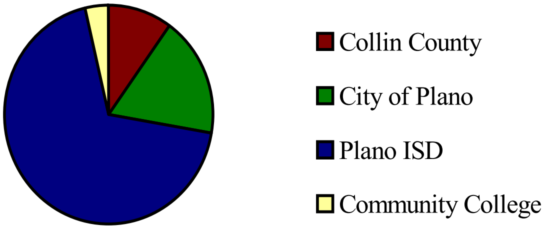


PROPERTY TAX DETAILS

The following is a property tax analysis for an average homeowner in Collin County. The average home in Collin County is valued at $208,544 according to statistics compiled by the Central Appraisal District of Collin County.

Taxing Unit	Rate	Taxes
Collin County	0.250000	$521.36
City of Plano	0.453500	$945.75
Plano ISD	1.733400	$3,614.90
Community College	0.090646	$189.04
Total Taxes		**$5,271.05**

Distribution by Taxing Unit

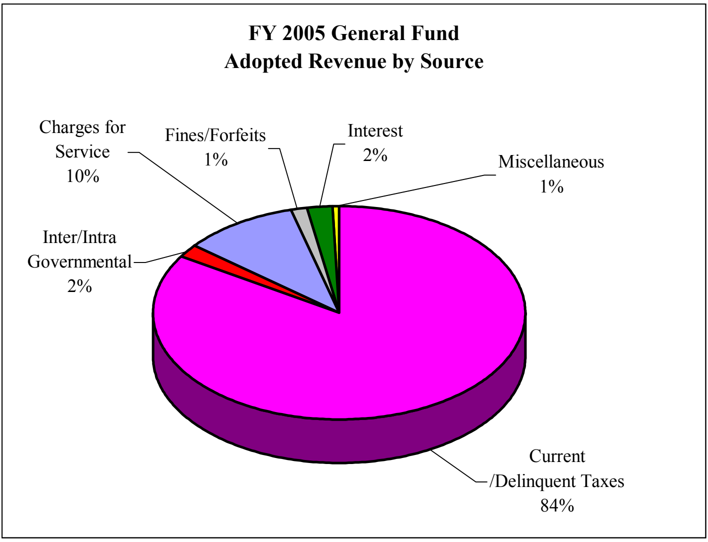


FY 2005 Tax Rate Distribution

Fund Name	Fund Number	Tax Rate
Operating Funds:		
General	001	0.18620
Road & Bridge	010	0.00000
Perm Improvement	400	0.00900
Jury	050	0.00085
Subtotal		0.19605
Debt Service		0.05395
Grand Total		**0.25000**

General Fund Revenue By Source

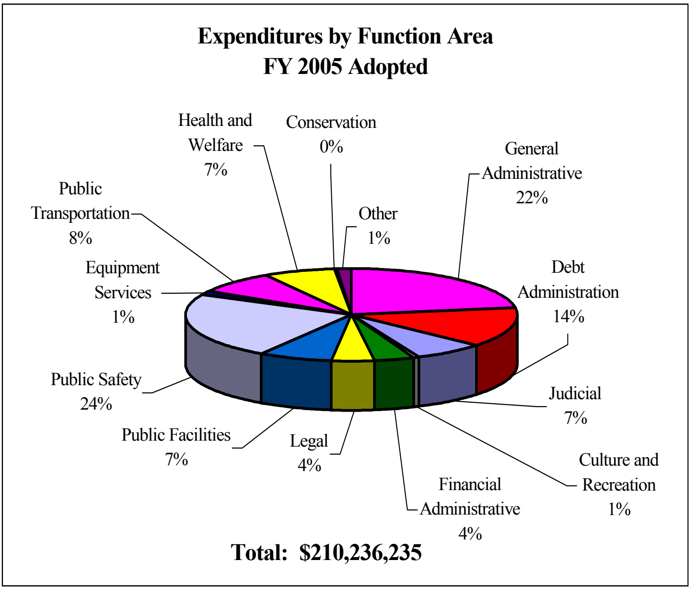
Function	FY 2003 Actual	FY 2004 Adjusted	FY 2005 Adopted
Current / Delinquent Taxes	$87,475,000	$91,335,151	$96,506,569
Inter / Intra Governmental	1,170,000	1,982,100	2,394,137
Charges for Service	11,073,000	10,025,545	11,353,178
Fines / Forfeits	1,368,000	1,405,325	1,702,590
Interest	2,054,000	2,300,000	2,375,000
Miscellaneous	966,000	851,200	717,150
	$104,106,000	**$107,899,321**	**$115,048,624**



General Fund Expenditures By Function Area

	FY 2003 Actual Budget	FY 2004 Adjusted Budget	FY 2005 Adopted Budget
General Administrative	$15,722,000	$25,896,491	$32,658,892
Judicial	10,408,000	11,219,385	13,534,803
Culture & Recreation	272,000	361,873	428,280
Financial Administrative	6,717,000	7,640,613	8,212,944
Legal	7,593,000	7,966,920	8,348,736
Public Facilities	7,339,000	8,198,304	8,822,152
Public Safety	30,897,000	32,147,237	33,826,907
Equipment Services	2,187,000	2,759,691	2,673,785
Health & Welfare	8,266,000	8,336,220	8,751,351
Conservation	318,000	296,747	378,941
Transfers	6,239,000	6,012,006	7,106,544
	$95,958,000	$110,835,487	$124,563,335

GENERAL FUND EXPENDITURES BY FUNCTION AREA CONT.



NOTE: Function areas include the following departments but are not limited to:

General Administrative:	Commissioners' Court, Budget, Human Resources, Admin. Serv., Risk Mgmt., Records, Information Services, Telecom, Elections, Veterans & Non-Departmental
County Clerk:	County Clerk, Treasurer
Judicial:	All District, County and JP courts, CL Clerks and District Clerk
Financial:	Auditor, Purchasing, and Tax Assessor
Legal:	District Attorney
Public Facilities:	Maintenance and Construction & Projects
Public Safety:	All Sheriff's departments, Constables and Fire Marshal
Health & Welfare:	Substance Abuse, Indigent Aid and Criminal Defense
Culture & Recreation:	Libraries, Historical Commission, Historical Society, and Open Space
Conservation:	County Extension Service
Public Transportation:	Equipment Services
Transfers:	Transfer out

Top 15 Counties in Texas By Population

Pop. Rank	County	*Pop. Estimate	Total County-wide Tax Rate per $100 Valuation	Total # of County Emps.
1	Harris	3,674,900	$0.399860	14,283
2	Dallas	2,387,537	$0.203900	5,606
3	Tarrant	1,557,019	$0.272500	4,127
4	Bexar	1,470,912	$0.318471	4,800
5	Travis	901,676	$0.487200	4,247
6	El Paso	733,925	$0.590000	2,759
7	Hidalgo	659,771	$0.590000	2,430
8	**Collin**	**615,200**	**$0.250000**	**1,560**
9	Denton	541,299	$0.254800	1,461
10	Fort Bend	420,305	$0.523740	1,713
11	Cameron	373,189	$0.358191	1,632
12	Montgomery	352,926	$0.496300	1,639
13	Nueces	332,909	$0.424235	1,295
14	Williamson	313,086	$0.512217	1,700
15	Brazoria	269,283	$ 0.421955	1,312

* Population projection by Texas State Data Center Scenario 1.0: 2004

ALL ABOUT THE COUNTY

Collin County is located in northeastern Texas thirty miles south of the Red River. McKinney, the county seat, is thirty-four miles northeast of Dallas. With the exception of a small portion of its western edge, Collin County's area of 886 square miles lies entirely within the Blackland Prairie region of Texas. The surface of the County is generally level to gently rolling with an elevation ranging from 450 to 700 feet above sea level. The western and central portions of the County are drained by the East fork of the Trinity River. The Elm fork of the Trinity drains the eastern section. Bois d' arc, oak, elm, ash, pecan, and post oak trees grow along the streams of the County but not in sufficient quantity for commercial use. Limestone and sand for making cement are the only mineral resources. Temperatures range from an average high 96 degrees Fahrenheit in July to an average low of 34 degrees Fahrenheit in January. Rainfall averages just under thirty-five inches a year, and the growing season extends for 237 days.

Branches of the Caddo Indians inhabited the area before the arrival of the first white settlers. Occasional outbreaks of violence occurred between the two groups, but there was no extended period of conflict since the Caddos withdrew from the County by the mid-1850s. The County and the County seat, McKinney owe their names to an outstanding area pioneer, Collin McKinney, who was a signer of the Texas Declaration of Independence. The majority of the first settlers of Collin County were farmers who lived near streams, where water and wood were easily obtained. They established small, family-operated farms that produced mostly wheat and corn. The lack of transportation facilities, limited markets, and the absence of mechanized farm equipment restricted the agricultural production of the County. The arrival of the railroad removed these obstacles and initiated a fiftyyear period of economic growth. In 1872, the Houston and Texas Central Railway, the first to reach the County, connected McKinney and Plano to tracks that reached as far south as Houston. By the mid-1890s six railroads crisscrossed the County, connecting farmers to retail markets throughout Texas. With an outlet for their products, farmers began to cultivate the unplowed fertile land in the eastern and central sections of the County.

By the 1960s the mechanization of farming, however, reduced the number of farms. Because of the lack of business opportunities outside farming in the County, the majority of those forced to leave farming also left the County. The population decreased from 47,190 in 1940 to 41,247 in 1960.

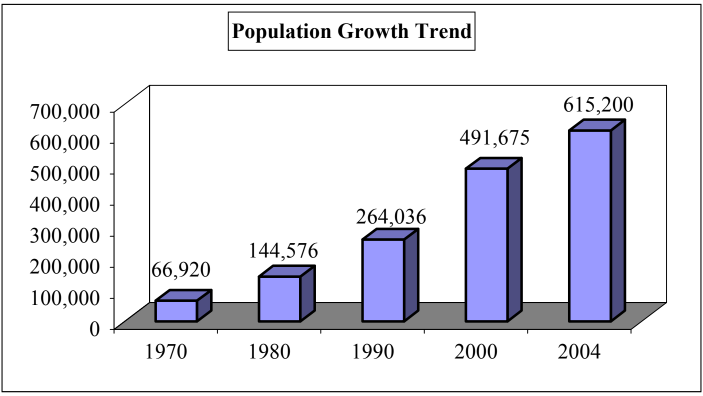
By 1980, the introduction of light industry, combined with the growth of the Dallas metropolitan area, produced a successful diversified economy. The economic growth between 1960 and 1980 accompanied a comparable population growth. Collin County's population increased from 41,247 in 1960 to 144,576 in 1980. Subsequently, it continues to grow, largely as a result of the development of the suburbs in and around Plano. By

1990 the number of residents in Plano increased to 128,673, and the population of the County as a whole grew to 264,063, nearly double what it had been only a decade before. The 2000 Census estimates the population of Collin County at 491,675, an 86.2% growth
in just one decade. The diversified economy continues to diminish the number of farms. The County little resembles what was settled in the 1840s.

Source: Handbook of Texas Online, s.v. "COLLIN COUNTY," http://www.tsha.utexas.edu/handbook/online/articles/view/CC/hcc16.html (accessed November 23, 2004).

COLLIN COUNTY COMMUNITY PROFILE

Population



Collin County's population is among the fastest growing in the United States. The population estimate for 2004 shows a 25% growth since the 2000 Census, according to the North Central Texas Council of Governments.

The 2003 American Community Survey for the U. S. Census Bureau estimates for Collin County show a population composition as follows:

Age Breakdown	**Collin County**
65 and over	5%
45 to 64	22%
25 to 44	36%
18 to 24	8%
Under 18	29%

Race and Ethnic Groups	**Collin County**
White	81.1%
African American	6.1%
American Indian or Native American	0.4%
Asian	8.6%
Native Hawaiian or Other Pacific Islander	0.0%
Other	1.9%
Two or more races	1.9 %
Hispanic or Latino Origin	11.6%
Not Hispanic or Latino Origin	88.4%

Economy

In 2003, for the employed population sixteen years and older, the leading industries in Collin County were Educational, health, and social services (16%), and Professional and business services (16%). Among the most common occupations were management, professional and related occupations. Second would be sales and office occupations. Eighty-five percent of the people employed were private wage and salary workers; eight percent were federal, state or local government workers; and six percent were self-employed.

Eighty-four percent of Collin County workers drove to work alone in 2003, eight percent carpooled, two percent took public transportation, and two percent used other means. The remaining four percent worked at home. Among those who commuted to work, it took them on average twenty-seven minutes to get to work.

The median income of households in Collin County was $71,458. Ninety-two percent of households received earnings and eight percent received retirement income other than Social Security. Fourteen percent of the households received Social Security. These income sources are not mutually exclusive.

In 2003, ninety-one percent of people twenty-five years and over had at least graduated from high school and forty-nine percent had a bachelor's degree or higher. Among people sixteen to nineteen years old, one percent were dropouts; they were not enrolled in school and had not graduated from high school. The total school enrollment in Collin County was 169,000 in 2003. Preprimary school enrollment was 25,000, and elementary or high school enrollment was 107,000 children. College enrollment was 38,000.

Employment by Industry Collin County 2003

Industry	Collin County
Agriculture, forestry, fishing and hunting, mining	1%
Construction	5%
Manufacturing	12%
Wholesale trade	5%
Retail trade	13%
Transportation, warehousing, and utilities	2%
Information	5%
Finance, insurance, real estate, rental and leasing	10%
Professional and business services	16%
Educational, health, and social services	16%
Leisure and hospitality	9%
Other services	4%
Public administration	2%

Educational Attainment of People in Collin County 2003

Graduate or professional degree	17%
Bachelor's degree	32%
Associate degree	6%
Some college, no degree	22%
High school diploma or equivalency	15%
Less than high school diploma	9%

Percent of people 25 years and over

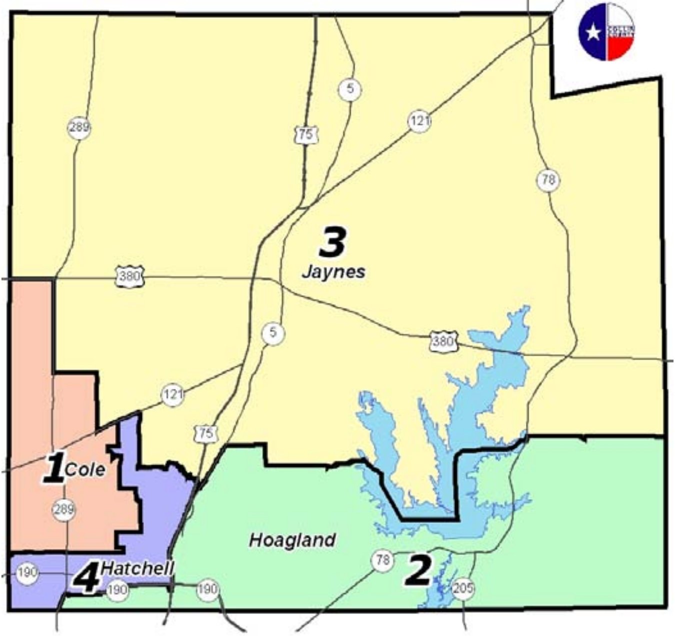
Source: U.S. Census Bureau
American Community Survey Office
Last revised: Friday, August 27,2004

Major Employers in Collin County

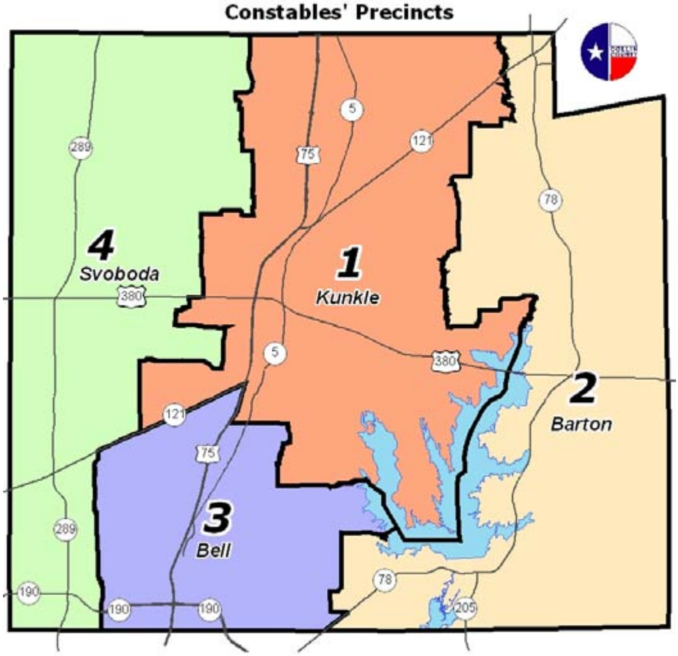
Employer	City
EDS	Plano
JC Penny Co Inc	Plano
Stonebriar Centre	Frisco
Shops at Willow Bend	Plano
Frito-Lay Inc	Plano
Countrywide Home Loans	Plano
Perot Systems Corporation	Plano
Alcatel	Plano
SBC Communications	Richardson
University of Texas at Dallas	Richardson
Raytheon	McKinney
Ericsson Headquarters	Plano
Perot Systems	Plano

Source: NCTCOG
Demographic Data for North Texas

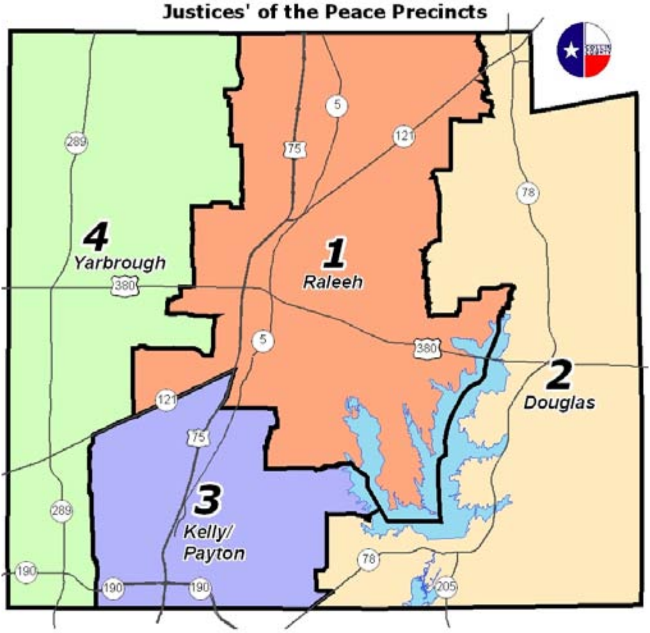
Commissioners' Precincts



Constables' Precincts



Justices' of the Peace Precincts



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