

City of Weslaco

"The City on the Grow"



Miguel D. Wise, Mayor
John F. Cuellar, Mayor Pro-Tem, District 2
David R. Fox, Commissioner, District 1
Olga M. Noriega, Commissioner, District 3
Gerardo "Jerry" Tafolla, Commissioner, District 4
Lupe V. Rivera, Commissioner, District 5
Joe A. Martinez, Commissioner, District 6

Leonardo Olivares, City Manager

Press Release

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Weslaco Reaches General Fund Balance Goal Two Years Ahead of Schedule

WESLACO, TX – In 2010, the City of Weslaco set a five-year goal of attaining a 25% of operating expenditures general fund-fund balance. The fund balance at the time was (\$34,679), the second lowest level in 22 years.

The City had received three credit downgrades prior to June 2010. Standard & Poor's wrote that the May 2010 downgrade was due to "continued deterioration of the city's financial reserves". In November 2012, the city was upgraded to A-. Standard & Poor's wrote "following years of structural imbalances under a previous administration, which placed significant budgetary pressure on finances, current management outlined a plan to build reserves".

The September 30, 2013 unaudited financial statements showed that the reserves were built to a \$5,063,350 fund balance level, exceeding the 25% goal. This is the second highest level that the City has seen in 22 years.

"The Weslaco City Commission decided that action was needed to halt the decline in the financial reserves. We implemented a volunteer separation program, temporarily reduced retirement benefits and eliminated 25 positions," stated Commissioner Joe Martinez. "We are very excited to have achieved this goal a full two years before scheduled. This will permit the City to move forward knowing that we have \$5 million in the bank for a rainy day."

City Manager Leonardo Olivares said that after the 2009-10 fiscal year, "the City implemented a conservative revenue projection strategy. This has allowed the City to increase the fund balance while maintaining existing expenditure levels."