COURT ORDER NO. 2011- 269 -04-25

STATE OF TEXAS **COMMISSIONERS COURT MEETING MINUTES**

COUNTY OF COLLIN **APRIL 4, 2011**

On Monday, April 4, 2011, the Commissioners Court of Collin County, Texas, met in Regular Session in the Commissioners Courtroom, Jack Hatchell Collin County Administration Building, 4th Floor, 2300 Bloomdale Road, City of McKinney, Texas, with the following members present, and participating, to wit:

Present: Judge Keith Self
Precinct 1 Commissioner Matt Shaheen
Precinct 2 Commissioner Cheryl Williams
Precinct 3 Commissioner Joe Jaynes
Precinct 4 Commissioner Duncan Webb

Judge Self led the Invocation.
Commissioner Williams led the Pledge of Allegiance.
Commissioner Jaynes led the Pledge of Allegiance to the Texas Flag.

Judge Self called to order the meeting of the **Collin County Commissioners Court** at 1:30 p.m. and recessed the meeting at 2:11 p.m.

President Self called to order the meeting of the **Collin County Health Care Foundation** at 2:11 p.m. The meeting was adjourned at 2:18 p.m. and the **Collin County Commissioners Court** was reconvened.

FYI NOTIFICATION

1. AI-33349 Utilization of various purchasing agreements for the purchase of Computer Equipment and Software License for the AmCad Upgrade project from various vendors, Information Technology.

2. Public Comments.

3. Presentation/Recognition.

4. Consent agenda to approve. Judge Self asked for comments on the consent agenda. Commissioner Shaheen pulled item 4e2 and Commissioner Webb pulled item 4c3a. Commissioner Jaynes made a motion to approve the remainder of the consent agenda. (Time: 2:19 p.m.)

Motion by: Commissioner Joe Jaynes
Second by: Commissioner Matt Shaheen
Vote: 5 - 0 Passed

a. AI-33417 Disbursements for the period ending March 29, 2011, Auditor.

COURT ORDER NO. 2011-200-04-04

b. Advertisement(s):

1. AI-33402 Software & Implementation Services for Public Works (RFP No. 01097-11), Public Works.

COURT ORDER NO. 2011-201-04-04

c. Receive and File, Auditor:

1. AI-33426 Monthly Interim Financial Report for January 2011.

COURT ORDER NO. 2011-202-04-04

2. AI-33416 1st Quarter Investment Report for FY2011.

COURT ORDER NO. 2011-203-04-04

3. Final Audit Result(s):

a. AI-33407 Tax Assessor Collector (1st, 2nd & 3rd Quarter FY2010).

Commissioner Webb had questions on the audit results of the tax assessor/collector. He wanted to know what the policy will be with respect to overages and underages. The current audit has a differential of $2,543.74 and the current policy allows netting up to $5.00. Commissioner Webb said another issue has to do with reporting. If there is a differential, or an underage, of more than $250, you have to notify the Auditor and the D.A. and that was not done. As a Court Commissioner Webb said we need to make a determination of how to handle this situation, but also do we want to change the rules or stay with what we have? He thinks a discussion is needed. Do we need a separate agenda item? Judge Self said that needs to be a future agenda item. Commissioner Webb asked Kenneth Maun, County Tax Assessor/Collector, if he got what he needed from Mr. May (Jeff May, County Auditor); and the other question Commissioner Webb had was why these underages were not reported in compliance with our current policy.

Mr. Maun said the policy is not designed for the kind of dollars that come through the tax assessor's office. On Friday his office collected $467,000 in 37 drawers. Each drawer can handle up to 150 transactions daily. Mr. Maun said he cannot "jump up and down" every time they are $5.00 off. Mr. Maun stated if they have a shortage that they consider to be questionable as opposed to a mistaken transaction, they immediately call the Sheriff's office. He stated if there is a theft or questionable transaction, he wants law enforcement on it immediately. All his office does is handle money. The Auditors are now auditing him year round. Commissioner Webb said he talked to Mr. May about how old this audit is and how long it took. He agreed that Mr. Maun shouldn't have auditors in his office all the time. Mr. Maun said the way policy is written he's always going to be written

up just because of the numbers of transactions. Commissioner Webb said if we're going to handle this in a future court meeting, he would like Mr. Maun and Mr. May to sit down and reach a consensus on how to handle this so this doesn't continue to crop up; he would like a policy both sides can work with. He thinks this is a serious issue. Judge Self referred to Mr. Maun as the county's bank. Banks have a policy for people who handle hundreds of thousands and millions of dollars every day. He recommended we find the commercial standard. Commissioner Williams said there are very clear cut percentages that are considered within normal range. It is unreasonable to think somebody is going to balance every day to the penny. Mr. Maun explained his balancing process, adding he is personally liable and very serious about the process.

Judge Self asked Mr. Maun if he's worked out a plan with Mr. May about how to handle the $2,543.75. Mr. Maun said the shortage was in individual drawers; there was not a shortage from his office. Webb said as an office there was no shortage. Mr. May said on a daily basis there was not a shortage. But if you go by policy, overages are not allowed to be used to cover the shortages if the shortage is more than $5.00. Mr. Maun said the law accounts for him by office; the policy accounts for him by drawer. Judge Self said he was looking forward to the commercial standard.

Following discussion, Judge Self asked for motion on the audit report. Commissioner Webb made a motion to approve. (Time: 2:31 p.m.)

Motion by: Commissioner Duncan Webb
Second by: Commissioner Matt Shaheen
Vote: 5 - 0 Passed

COURT ORDER NO. 2011-204-04-04

b. AI-33405 Constable, Precinct 1 (3rd & 4th Quarter FY2010).

COURT ORDER NO. 2011-205-04-04

c. AI-33408 Justice of the Peace, Precinct 3–2 (3rd & 4th Quarter FY2010).

COURT ORDER NO. 2011-206-04-04

d. AI-33406 Engineering (4th Quarter FY2010).

COURT ORDER NO. 2011-207-04-04

d. Filing of the Minute(s), County Clerk:

1. AI-33421 March 14, 2011.

COURT ORDER NO. 2011-208-04-04

e. Miscellaneous

1. AI-33464 Amend the list for the 2011 tax exemptions for historical structures and/or landmarks to include four (4) additional properties, Collin County Historical Commission.

COURT ORDER NO. 2011-209-04-04

2. AI-33411 Clean up of the Orenduff Cemetery near County Road 338, Public Works.

Commissioner Shaheen asked why public resources were being used for a private cemetery. He understands the law allows us to do this but our Public Works Department is busy maintaining and asphalting roads. Commissioner Jaynes asked if we can use S.C.O.R.E. (Sheriff's Convicted Offender Re-Entry Effort) prisoners. Jon Kleinheksel, Public Works, came forward. He said the intention was to use CSCD workers and inmates on a limited basis, when the situation fits. Commissioner Webb asked if we've done this in the past on private property. Mr. Kleinheksel said we have facilitated three to five other cemetery requests. Commissioner Jaynes noted we have a lot of historical cemeteries. Edward Ryan, President of the Collin County Historic Preservation Group, said there are over 200 historic cemeteries. Commissioner Jaynes wants to keep up the historic cemeteries but he wants to use prisoners and probationers as much as possible. Commissioner Shaheen said he turns down requests to clean up private properties because it's public dollars and public equipment. Judge Self said cemeteries are considered more historical then private property. We use some money on historical preservation. The local match is very minimal. Commissioner Williams agreed, she said they're open to the public and people view them as a public entity. Commissioner Webb said statute allows us to expend public dollars for private cemeteries but it is illegal to expend public dollars for private property. Commissioner Jaynes made a motion to approve. (Time: 2:36 p.m.)

Motion by: Commissioner Joe Jaynes
Second by: Commissioner Cheryl Williams
Nay: Commissioner Matt Shaheen
Vote: 4 - 1 Passed

COURT ORDER NO. 2011-210-04-04

3. AI-33401 Reimbursement to Ms. Lisa McWilliams in the amount of $40 for dust control oiling on County Road 572, Public Works.

COURT ORDER NO. 2011-211-04-04

4. AI-33455 Personnel Appointments, Human Resources.

COURT ORDER NO. 2011-212-04-04

5. AI-33456 Personnel Changes, Human Resources.

COURT ORDER NO. 2011-213-04-04

GENERAL DISCUSSION

5. AI-33442 Bond presentation, Budget.

Monika Arris, Budget Director, came forward with a requested bond overview of past issues. She had a Power Point presentation which started with the 2003 bond authorization. In November 2003 voters approved all propositions: $142 million for roads, $11 million for parks and open space, and $76 million for facilities. Those funds were sold over a five-year period from 2004 through 2008. Of the money sold, remaining is $12.9 million which is budgeted and allocated for projects: there is one road project with no interlocal agreement in place, $445,000 budgeted to facilities projects, and the remaining is to tie up loose ends on projects. There is $172,000 remaining in contingency for road projects and $368,000 remaining in contingency for parks and open space. Judge Self asked if the funds could be swept for other projects. Ms. Arris said park and open space is totally available. Out of the 2003 authorization, only $13.4 million remains unspent at this time.

Moving to tax notes, Ms. Arris had a breakdown. She said it mostly has been for computer type equipment and she listed the projects completed. Out of outstanding tax notes sold, $9.5 million is budgeted and allocated to projects. $3.9 million is for ERP/HR and $5.6 million is for CIJS. $1.3 million is in contingency. There is $10.9 million that has been sold in tax notes and is currently available.

Ms. Arris next addressed older issues, which are issues authorized by voters prior to 2003. $3.2 million has been budgeted and allocated on various projects. There is $1.69 million to the Adventure Camp for projects in process and another $1.6 million on various road projects. Additionally there is $1.1 million remaining in contingency for facilities, roads and open space.

2007 voter authorization, Ms. Arris said all propositions were approved: $235.6 million for roads, $76.3 million for facilities and $17 million for parks and open space. Ms. Arris itemized road bonds by city projects as well as three county projects. The facilities portion was broken out between the expansion of the courthouse, juvenile alternative education facility, juvenile detention facility and adult minimum security detention facility. Moving to parks and open space, $17 million was authorized with the plan to issue over five years. Ms. Arris had a slide showing past issues by city for parks and open space from 1999 to the first series of 2007 bonds.

Of the 2007 bond authorization, there was a sale in 2008 and 2009; there was no sale in 2010. Of money sold, $16.9 million has been budgeted and allocated on 2007 projects. Ms. Arris said there is $3.6 million in contingency for road projects which have no interlocal agreement currently in place. Any funds remaining in completed projects will be returned to contingency unless requested for another project. $3.6 million remains in contingency for road projects and $24,000 is in contingency for parks and open space. Ms. Arris stated the remaining bond authorization for 2007 was originally planned for 5 years. It is being spread out so the tax rate does not have to be increased. She showed a slide depicting requested future sales.

Ms. Arris said what is being requested in 2011 is to sell $28.5 million for road projects. She presented a breakdown by city of projects that are ready and need funding. $2.6 million is available for parks and open space. Of that, there are two county projects, $400,000 for construction at Myers Park and $400,000 for construction of a walking trail at the courthouse. That would leave $1.8 million remaining and available to cities. Ms. Arris wanted it noted that between 2003, 2007 and older issues there is about $536,000 sitting in contingency that could also be allocated to these projects.

Commissioner Shaheen asked by way of clarification if the 2011 bond request of $28 million was the total sum of all the projects. Ms. Arris said that was correct. Judge Self asked if the city match was available for these projects. Ms. Arris replied yes. Commissioner Jaynes asked Tracy Homfeld, Engineering, about the Lake Lavon bridge crossing. Ms. Homfeld said that project would not be on there. Contingency funding was used initially, so the bonds will be sold and the money will be put back into contingency to be used for county projects. Judge Self asked Ms. Homfeld why we don't sell the bonds in contingency. Ms. Homfeld said she didn't know the breakdown of what was in contingency. When the Lake Lavon project was initiated, there was money in contingency so they used those in lieu of selling the bonds. Judge Self requested if the bonds are sold, that we try to sell them as contingency. Commissioner Williams agreed. Commissioner Jaynes wanted that taken off the list. Judge Self wanted to sweep all the contingency money before the bonds are automatically sold.

Ms. Arris met with Collin CAD (Central Appraisal District) in late March. They are projecting the estimated preliminary appraised value to be down 1.2% from the prior year. The certified estimate on taxable value is due April 30th. Ms. Arris said based on the estimated preliminary appraised value and planning for a worse case scenario, she's built in a 2% drop in adjusted taxable value for next year. If the adjusted taxable value is down 2%, that's a loss of $3.4 million in property tax revenue to the county. Ms. Arris noted $12 million was added to the fund balance at the end of 2010, and she presented the court with options for dealing with the lost property tax revenue such as using reserves in the general fund or increasing the debt service tax rate and decreasing the M & O tax rate. A

third option was to keep the debt service tax rate the same and not sell bonds until 2014.

Commissioner Jaynes asked after adding $12 million to the fund balance this year, if we sell bonds and we keep the tax rates the same, how much will we have to use of the general fund? Ms. Arris replied for 2012, approximately $7 million. Commissioner Williams asked if the $12 million included what was set aside for retiree health insurance. Ms. Arris replied no; that was in this year's budget. Commissioner Webb asked wasn't that $5 million a year? Ms. Arris said yes.

Judge Self referred to Mr. Medanich's tax rate analysis. He said $12 million will maintain a .5542 debt service tax rate.

Ms. Arris said the request before the court today is a decision to sell bonds in 2011. An approval is needed to authorize a bond sale of $28.5 million in road bonds and $2.6 million in open space bonds for a total of $31.1 million.

Judge Self asked David Medanich with First Southwest Company to come forward. Mr. Medanich said right now there is question on the municipal market, but he feels the municipal market is fairly stable. The issues are the products that have a low rating; however, Collin County has a strong triple A rating and that will gather a lot of interest. He said if you need the money, you're hitting the market at a good time.

Ms. Arris asked for a decision on whether to go ahead and she answered questions from court members. Commissioner Williams would feel more comfortable if parks and open space were treated more like transportation, where they reviewed projects in advance rather than having money sitting there that they're paying interest on. Bill Bilyeu, Administrative Services, offered input on the reason parks and open space bonds are handled that way.

Judge Self asked what would be the incremental cost of a second bond issue at $2.6 million if we decide to do that. Mr. Medanich said maybe $50,000 because ratings have to be done again. Discussion continued. Commissioner Jaynes wants to sell open space bonds now and have it ready for the cities. Commissioner Williams said if we have a bond that's been approved by the voters, we have an obligation to move on those projects. She thinks the process is a little backwards and she would like to have a discussion about that at a future date.

Commissioner Shaheen said we're going to go through another budget process. He doesn't want to issue debt for parks and open space, but he will for transportation. Commissioner Webb said given the low rates it makes sense to issue those bonds. Commissioner Williams said she is comfortable with selling the debt again.

Following discussion, Judge Self asked for a vote on road bonds. Commissioner Jaynes made a motion to approve the recommended amount. (Time: 2:03 p.m.)

Motion by: Commissioner Joe Jaynes
Second by: Commissioner Matt Shaheen
Vote: 5 - 0 Passed

COURT ORDER NO. 2011-214-04-04

Following the vote on road bonds, Judge Self asked for a motion on parks and open space. Commissioner Jaynes made a motion to sell the recommended bond amount of $2.6 million and to include the two county projects in that amount. Commissioner Webb seconded the motion. Discussion followed on the $500,000 in contingency. Commissioner Jaynes amended his motion to approve the open space bond for $2.1 million and include the $536,000 in contingency.

Judge Self called Jeff Durham, Parks and Open Space Manager, to come forward. He asked Mr. Durham if the cities have identified their match for this. Mr. Durham said the cities are all hoping the bonds will be sold. In years past, if we sold $2.2 million worth of bonds, we'd have $6 to $9 million worth of requests and we'd have to pare that back to the $2.2 million.

Commissioner Shaheen stated we've talked about increasing the debt service tax rate and lowering the M & O tax rate, but we don't have estimates yet for revenues around fines and fees. Jeff May, County Auditor, said that's correct. Commissioner Shaheen said he's apprehensive because they could find out in the budget process after lowering the M & O tax rates that they have big declines in interest income. Commissioner Webb said we're putting $12 million into our fund balances, plus another $9 million and another $5 million, so you're up to $24 million that's going in the fund balance. Commissioner Shaheen stated we have to look at long term. Judge Self said depending on which budget passes in state, we're liable to see a major decrease. Ms. Arris said that's why we're not authorizing anything this year. Commissioner Shaheen said this court has done a good job of looking at long-term liability. Judge Self said he will support this based on the county's $47 million in bonds next year. Following discussion, Judge Self restated the motion to approve $2.1 million in bonds using the swept contingency. Commissioner Shaheen voted no. (Time: 2:09 p.m.)

Motion by: Commissioner Joe Jaynes
Second by: Commissioner Duncan Webb
Nay: Commissioner Matt Shaheen
Vote: 4 - 1 Passed

COURT ORDER NO. 2011-215-04-04

6. AI-33451 Ballot drawing from the remaining 2010 Grand Jury list (in accordance with LGC, Section 152.015) to select the names of eight (8) individuals to fill the remaining vacancies to be appointed and serve on the 2011 Collin County Salary Grievance Committee, Commissioners Court.

Judge Self asked each commissioner to draw names of citizens to serve on the 2011 Collin County Salary Grievance Committee. Commissioner Shaheen drew Gordon Beach and Robert Sprague. Commissioner Williams drew Richard Anton and Sandy Wodka. Commissioner Jaynes drew Archer Bonnema and Deric Walpole. Commissioner Webb drew Calvin Joyner and Pamela Best. (Time: 2:11 p.m.)

COURT ORDER NO. 2011-216-04-04

Judge Self recessed the meeting at 2:11 p.m. and convened the meeting of the Collin County Health Care Foundation.

7. AI-33453 Board/Committee Appointments, Commissioners Court.

Judge Self appointed Edna Brown to the Historical Commission. (Time: 2:36 p.m.)

Motion by: Judge Keith Self
Second by: Commissioner Cheryl Williams
Vote: 5 - 0 Passed

COURT ORDER NO. 2011-217-04-04

8. Potential 82nd Legislative items, Commissioners Court:

a. AI-31816 Discussion and any action of legislative priorities

1. Update Section 234.032 of the Local Government Code regarding the authority of a county to regulate certain aspects of slaughter operations to include Collin County. Laubenberg HB 141 (5-0 endorsed)

2. Update Local Initiative Project statutes to allow for more uses of the funding including replacing fleets and improving traffic flows. Madden HB 2030 (5-0 endorsed)

3. Amend Section 61.006 of the Health and Safety Code by deleting (d) to remove the requirement that DHS adopt rules governing county indigent eligibility rules linked to Temporary Assistance for Needy Families-Medicaid (TANF) rules. Taylor HB 655 (5-0 endorsed) Deuell SB 420

4. Amend Section 25.0453 of the Texas Government Code to provide explicit authority to utilize electronic court reporting in a Statutory Probate Court. Paxton DRAFTED LOCAL BILL

5. Regional Toll Revenues (RTR funds) should be considered locally generated transportation funding and not included in state transportation funding formulas or budgets. Davis SB 814 (5-0 endorsed)

6. Require TxDOT to adopt rules creating funding formulas for highway projects utilizing input from planning organizations, transportation officials and local government officials. Shapiro SB 161 (5-0 endorsed)

7. A constitutional amendment prohibiting the legislature from adopting any new unfunded mandates on local government. HJR 56 Solomons (5-0 endorsed)

8. Prohibits the use of 4A and 4B funds to recruit or relocate a business from neighboring counties. HB 3215 Button

9. Allow for the electronic service (delivery) of court documents. HB 962 Hartnett

Mr. Bilyeu came forward with an update on legislative items. He said they added number 9, which allows for the electronic service of court documents. When a constable or agent serves papers, this allows documents to electronically come into the CIJS system. During the week they held hearings on it, it's out of committee and on the local consent calendar. Commissioner Shaheen made a motion to approve this item. (Time: 2:38 p.m.)

Motion by: Commissioner Matt Shaheen
Second by: Commissioner Joe Jaynes
Vote: 5 - 0 Passed

COURT ORDER NO. 2011-218-04-04

Following the vote, Mr. Bilyeu updated court members on various legislative items and discussion followed.

9. Possible future agenda items by Commissioners Court without discussion.

Judge Self asked for future agenda items other than policy previously discussed. Hearing none, the meeting was adjourned. (Time: 2:40 p.m.)

EXECUTIVE SESSION

There being no reason to recess into Executive Session and no further business of the Court, Judge Self adjourned the meeting at 2:40 p.m.

Keith Self, County Judge

Matt Shaheen, Commissioner, Pct. 1

Cheryl Williams, Commissioner, Pct. 2

Joe Jaynes, Commissioner, Pct. 3

Duncan Webb, Commissioner, Pct. 4

ATTEST:

Stacey Kemp, Ex-Officio Clerk
Commissioners Court
Collin County, T E X A S