COURT ORDER NO. 2011- 709 -09-19

STATE OF TEXAS

COUNTY OF COLLIN

COMMISSIONERS' COURT BUDGET WORKSHOP SPECIAL SESSION MEETING MINUTES AUGUST 15-17, 2011

On Monday, August 15, 2011, Tuesday, August 16, 2011, and Wednesday, August 17, 2011, the Collin County Commissioners' Court met in a Budget Workshop Special 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:

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

1. Judge Self called to order the meeting of the **Collin County Commissioners' Court Budget Workshop Special Session** at 3:30 p.m. on Monday, August 15, 2011.

Judge Self said as noted on the agenda, the Budget Workshop is scheduled for three days. Legally the Court can go back and discuss anything discussed previously, but cannot move forward to anything posted for the next day.

2. Public Comments.

Presentation, discussion and any action regarding:

MONDAY, AUGUST 15, 2011

3:30 a.m.

1. Overview of Budget Workshop Agenda

Monika Arris, Budget Director, had a Power Point presentation entitled "FY2012 Budget Workshop". Ms. Arris presented an overview of the agenda.

Judge Self said there will be three public hearings following the conclusion of the Budget Workshop. They are scheduled for the 6th, the 12th, and the 19th of September. Two votes will be taken: one at the end of this week on the proposed budget and then following the public hearings the Court will vote on the final budget on September 19th.

2. Budget Overview

a. Recommended Budget Highlights

Moving to the recommended budget highlights, Ms. Arris said the budget has been produced with a no tax rate increase. The goal is to maintain a no tax rate increase for Collin County citizens through FY2017, to continue utilizing the five-year plan and to fund those programs that are mandated by the State. The current tax rate is $0.2400. Collin County has had no tax rate increase for 18 years and has maintained a 5% homestead exemption for three years. Ms. Arris presented the adjusted taxable value. We are planning on an increase this year of 1.2%. The average home in Collin County is valued at $230,944 according to the Central Appraisal District. With the tax rate of $0.2400 and a 5% homestead exemption, the average homeowner in Collin County will pay $526.55 in county taxes. This is a decrease of .57 from last year.

Ms. Arris listed positions requested for this budget by various departments in the County. For FY 2012 if all requested positions were approved, the number of employees would be 1,818; the positions in the total recommended budget bring the total number of employees to 1,796.

For the combined budget, Ms. Arris said every year we go through the budget and take out the one-time expenditures from the previous year, items such as furniture and computers. She said they eliminated the $5 million payment for OPEB (Other Post-Employment Benefits) since the County reduced retiree insurance. The recommended program improvements total $7.5 million, and it includes four positions: Justice of the Peace Functional Analyst, District Attorney Functional Analyst, Crimes Against Children Investigator in the Sheriff's Office, and Animal Shelter part-time Tech I.

The presentation going forward is presented as Option 1 and Option 2. Option 1 includes a $3.9 million decrease in salaries and benefits due to the $5 million payment being eliminated to TCDRS and instead assuming the County will pay $35 million on the unfunded liability. Option 1 includes a 2% PFP (Pay for Performance) and a payment of 7.6% of salaries for a TCDRS payment. This reduces the budget by $9.7 million to a $262.3 million total combined budget.

Option 2 assumes the County will keep doing what it's been doing, and that increases salaries and benefits by $1.2 million. That includes a 2% PFP and payment of 13.5% of salaries for TCDRS plus the $5 million lump sum payment to TCDRS that the County has done in past years. With all that, that increases the combined budget by $0.4 million to a total of $272.4 million. Ms. Arris had slides that showed the general fund budget five-year trend for Options 1 and 2 and a slide for the general fund actual which showed revenues and expenditures for the past five years.

Ms. Arris listed the general fund transfers. These are funds that are dependent on the general fund. The transfer for Juvenile is $8.45 million, the same as last year. If Juvenile were to eliminate their vacant positions, this number could be brought down. Juvenile has emailed Budget requesting the elimination of three vacant positions. Cynthia Jacobson, Human Resources Director, said Juvenile has seven vacant positions. Continuing with general fund transfers, Ms. Arris said other funds dependent upon the general fund are: Pretrial Release at $20,000; Myers Park is being increased this year by $100,000 to $400,000. This is for equipment replacement and should be a one-time increase. Courthouse Security, this year Ms. Arris said we separated out JP Courthouse Security from regular Courthouse security and with that diversion of revenue we need to increase the transfer up $100,000 to $300,000 for this year; with the closing of the UDCF that may come down. Judge Self asked Bill Bilyeu, County Administrator, if the Court could get a briefing on courthouse security. Ms. Arris said Code Inspection has a transfer of $385,000. CPS (Child Protective Services) historically received transfers from 2004 through 2008. As a result their fund was built up but now it's time to transfer $30,000 for that.

Ms. Arris said the road and bridge fund is also broken out by Option 1 and Option 2. Option 1 increases their budget by 3.4%. Option 2 increases their budget by 4.8%. For the road and bridge fund actual Option 1 shows revenues in blue and expenditures in red. Ms. Arris said we're going to build up the fund balance. Funds were not allocated to them last year so we could bring down the fund balance. At the end of 2010 there were approximately 436 days in fund balance. Periodically we will not allocate tax dollars over there to bring that balance down. Option 2 raises it slightly. Judge Self asked why we need to allocate tax dollars to road and bridge this year. Ms. Arris said she's estimating that we will bring the number of operating days down by 254 days by the end of 2011 so she's allocating some tax dollars to keep it up near the 180 day mark.

The operating funds budget includes the general fund, road and bridge fund, jury fund and permanent improvement fund. Option 1 assumes we will be paying TCDRS in 2011 and it decreases the recommended budget by 4.4% to $166.9 million; Option 2 increases the recommended budget by 0.8% to $176 million. The operating funds actual, Option 1, with a $35 million payment to TCDRS in 2011, will bring the recommended budget for FY 2012 to $166.9 million. Option 2 is not paying the $35 million so that changes the recommended budget up to $176 million. Other funds included in the total combined budget are grant funds, special revenue funds, internal service funds, CSCD, Juvenile, Health Care, and the Toll Road Authority. CCTRA only has a $50,000 budget. Ms. Arris then presented a graph with the combined funds budgets for the past five years for Options 1 and 2.

Combined funds for FY 2012, Option 1, with the $35 million payment to TCDRS, has a revenue estimate of $258.7 million and a recommended budget of $262.3 million. This option would be using $3.6 million in reserves. Option 2 would give a recommended budget of $272.4 million and would use about $13.7 million from reserves to balance the budget. A discussion followed among Court members on the use of funds in reserve.

Health Care Trust Foundation

3. Budget Overview

a. Recommended Budget Highlights of Health Care & WIC

Moving to the Health Care Foundation Budget Highlights, Ms. Arris stated it was being presented the same, with Option 1 and Option 2. Option 1 has a $4.5 million recommended budget and Option 2 has a $4.6 million recommended budget. Commissioner Webb had a question on the Health Care actual budget. The Commissioner said the projected budget for 2011 is $3.6 million. Health Care says their numbers are down, their expenditures are down. The Commissioner wanted to know why their budget is going up to $4.6 million for FY 2012. Ms. Arris said their budget for FY2011 was $5.3 million so their budget was dropped from $5.3 million to $4.5 million. It could be dropped further. Commissioner Shaheen said they're estimating this year to spend $3.6 million, which represents half the payment for Project Access. The Commissioner said he is thinking about $3.8 million for next year. Commissioner Webb said the $3.6 million includes the County doubling payments to Project Access while at the same time having overlap with service through Prima Care. The Commissioner is skeptical of $4.5 million; he feels it is a little high given the projections. Judge Self asked how much we are dropping with Prima Care because theoretically Project Access is taking some of the load. Ms. Arris hasn't seen any hard numbers on Project Access yet which is why she dropped the budget some but not completely.

Candy Blair, Health Care Administrator, came forward with an itemization; the Health Care budget is $3.7 million and the Public Health Budget is $1.6 million, which totals $5.3 million. Commissioner Shaheen said the $3.6 million estimate is Health Care across the board. We budget $5.3 million and now we're down to $4.6 million. Ms. Arris stated the FY 2012 recommended budget for Health Care decreased by $839,000 from FY 2011. The reductions taken were $24,000 for lab services, $650,000 for inpatient hospital care, $500,000 for outpatient health care, $150,000 for pharmaceutical services, but then $485,000 was added back for Project Access.

Commissioner Webb asked what the risks are if we reduce this budget down to $3.8 million or $3.9 million and indigent health care costs go up. Ms. Arris gave an example of 2009 when the flu hit, Ms. Blair came to Court and the budget was adjusted. Commissioner Shaheen said the Court should look at this as zero based budgeting. We spent $3.6 million this year; we have to pay half of the Project Access payment, so

he wanted to increase the budget to $3.8 million. Discussion followed between Ms. Blair, Ms. Arris and Court members on the FY 2012 budget and the advantages of Prima Care and Project Access. Commissioner Webb said as long as we can do a budget amendment if the need arises, he doesn't see the reason to inflate the budget. In conclusion, Ms. Arris stated this budget leaves Prima Care Services the same at $400,000 and grant awards the same at $200,000. Ms. Blair is an advocate of Prima Care. It serves its purpose, it's open seven days a week and evenings. We're still in the very infant stage of Project Access. Commissioner Shaheen said we have two conflicting models: Project Access, which is voluntary, and Prima Care, which is reimbursed. The Commissioner wants them to come back for a further dialogue.

Following further discussion, Judge Self wasn't comfortable leaving Prima Care where it is. Commissioner Jaynes wanted to see the numbers and Judge Self wanted a clearer transition. Commissioner Webb thought the good news is the numbers were going down. Mr. Bilyeu said Prima Care is an optional service; it is not one the Court is required to do.

Collin County Toll Road Authority

4. Budget Overview

a. Recommended Budget Highlights of the Collin County Toll Road Authority

Ms. Arris moved to the Collin County Toll Road Authority Budget Highlights. The CCTRA was set up with a $15,463,570 loan from the permanent improvement fund and a $209,264 loan from the general fund. This fund is set up for tracking purposes; if the County makes the Outer Loop a toll road and then sells it, we can recoup our costs. The FY 2012 recommended budget is $50,000 which is for legal expenses. If that were approved, the CCTRA would need another loan.

Commissioners Court

5. Items for Court Consideration

a. Elections – Budget Impact of SB100

Moving to items for Court consideration, Ms. Arris said today we have Elections and the impact of SB 100. Sharon Rowe, Elections Administrator, presented a handout to Court members for this discussion. Ms. Rowe informed the Court Senate Bill 100 has "thrown a kink in the works" as to how they can move forward with the city and school districts' limited uniform election date.

Ms. Rowe's handout offered the Court five options for consideration. The first option is that the jurisdictions change terms to two or four years and move to the odd-numbered year election cycle. The estimated fiscal impact: no changes from previous cycles. The second option is that they join the County on the November uniform election date. Ms. Rowe gave examples of actual costs for the November 2010 election; shared costs with the County; and she asked the Court to consider eliminating shared costs of polling place workers. Following further explanation, Commissioner Williams said she cannot support Option 2. Ms. Rowe said these are just things for consideration.

Option 3 has Ms. Rowe coordinating the election services agreement with Dominion. Dominion is currently the vendor that supports the County's voting equipment and software. The Court's handout included a spreadsheet which listed all the jurisdictions in the county, and the ones included in the full service contracts are listed in the Option 3 full service column. Those jurisdictions were provided estimates. Ms. Rowe's statutory duty is to provide a list of registered voters to jurisdictions.

Ms. Rowe is asking to add two staff members in order to utilize Option 3. She asked for a position that would be an early voting helper because the jurisdictions want the County to provide an early voting clerk. With the overlaps, potentially three election cycles and runoff elections, Ms. Rowe said she would need a functional analyst that could do true project management. Commissioner Shaheen asked Ms. Rowe why she wouldn't just hire the vendor to do this work rather than hiring two full-time employees. Ms. Rowe said this incorporates hiring the vendor for vendor services. Statutorily vendors cannot do early voting duties. Ms. Rowe expressed her thoughts on the person hired. Judge Self added it looks like on a full election year, this person would work about seven months, February through June, October and November. And on the off years, they would work about two months. Ms. Rowe said an election cycle is four to six months from beginning to end and they overlap each other. A discussion of elections needs continued. Ms. Rowe said they currently utilize temps; it would be helpful to have someone on staff with a level of expertise. It would also help minimize overtime. Commissioner Webb wanted documentation provided to show what the County is paying in overtime. Commissioner Webb then asked what number he needed to look at to see what Option 3 would cost the county. Ms. Rowe said the directive placed on her was to put the purchase price back on the jurisdictions, which she did. Typically the other costs don't go back to the jurisdictions.

Commissioner Williams said all jurisdictions, including the County, are going to suffer some pain as a result of this legislation but she hoped it could be minimized. Commissioner Webb said two full-time staff members will range anywhere from $75,000 to $104,000. Ms. Rowe explained the list of fees in Option 3 and the Commissioners discussed rental fees. Commissioner Shaheen said they are trying to figure out what to charge the jurisdictions. Commissioner Webb again asked what the cost to the County would be for Option 3. Judge Self said Ms. Rowe doesn't have that answer because she only has 25 out of 67 jurisdictions with full service contracts. Those estimates total

$1,230,122.38. Discussion ensued. Judge Self doesn't know why the Court would move forward on this because the full service contracts are estimates, and only 25 out of 67 jurisdictions have received estimates.

Commissioner Williams asked if we can absorb the two employees and charge everything back. Mr. Bilyeu suggested budgeting for two employees plus another $200,000 for the County to retrofit the warehouse and those types of things. Mr. Bilyeu said what the Court is voting on today is the cost to provide these people their voting systems, which would be about $400,000. These costs could change depending on how many cities and schools end up participating. Commissioner Shaheen said we have to come up with and agree on a set of assumptions. Judge Self is happy to go with a minimal amount. He thinks $400,000 is reasonable and we can put it in contingency until we get some answers. Commissioner Williams agreed. Extensive discussion followed on the purchase of voting machines. Ms. Rowe would want voting machines ordered by November 1st. Commissioner Webb wants to give the jurisdictions a deadline of October 1st to give Ms. Rowe an answer as to who is in.

Ms. Rowe said there are two more options; however, she doesn't recommend Options 4 or 5.

b. AI-34098 Permanent Improvement Fund

1. FY2012 Recommended Projects

2. Frisco Office Building

3. AI-34099 Elections Office Relocation

Ms. Arris moved the discussion to the permanent improvement fund which recommended $808,500 in projects. The recommended budget has been rounded up to $1 million. Additional projects are the Frisco Office Building, the Elections office move and FFE (Fixtures, Furnishings and Equipment) for Courthouse Phase 3. Commissioner Webb started the discussion. He said given the number of machines (1,400) to go into the Elections office, he doesn't see why we would move them over to the JJAEP Building. We don't have the capacity to hold all the units. Mr. Bilyeu noted there is a challenge at both places; changes will have to be made. Ms. Rowe said her concern about the new space is there is no loading dock for the warehouse and it will change the way we have to do business. There was discussion of the storage cabinets for the voting machines. There is an estimate in the handout of $12,000 for the vendor to provide storage for the cabinets. Following additional discussion, Judge Self said we have a lot of moving parts here in Budget Workshop: we have who is going to participate in the election, we have storage space, we have a limit on how many machines we buy, and we have cabinets that we haven't purchased yet. The Judge said this is a complex issue and we need a coherent briefing before we get to

Wednesday. Mr. Bilyeu had a memo with pros and cons. Commissioner Shaheen said without the cabinets, we can move to the JJAEP Building which has storage capacity for 2,200 machines. We're at 1,400 machines now and we're buying 700 more. Judge Self felt the discussion of the JJAEP Building needed to stop. He said an air-conditioned warehouse needed to be found. Commissioner Shaheen didn't think they should use the cabinets, but Commissioners Webb and Williams thought the use of the cabinets made sense.

Judge Self asked Mr. Bilyeu how to delay this until more is known about the elections. Mr. Bilyeu said the money can be put in contingency. Court members agreed with Mr. Bilyeu.

Moving on to the Frisco Office Building, Mr. Bilyeu said he was directed by the Court to look at this. They have struggled to find a location so they went out to RFQ (Request for Quote) to hire an owner's representative and that information will be brought to Commissioners' Court next week. They found a warehouse; the cost will be approximately $8 million after purchase, retrofitting and the parking lot. The question for the Court is do they want to add an allocation for a Frisco Office to the permanent improvement budget? This is not offset by rent at this point. Commissioner Webb said when he thought about this concept, he never visualized $8 - $10 million. Commissioner Shaheen said he didn't think this was going to happen. Judge Self stated they all agreed.

Ms. Arris had one more item for permanent improvement which is the FFE for Courthouse Phase 3. This discussion dealt with furniture and equipment for the Courthouse addition. Judge Self said according to Bill Burke, Project Manager, we're still under budget so he stripped that out. Judge Self said we need to add that back into the total cost of the project. Commissioner Webb said you have to have FFE. Ms. Arris said this portion is moving the UDCF employees. Following further discussion on permanent improvement projects, Judge Self stated they were finished for the day.

At 5:26 p.m. Judge Self recessed the meeting of the Commissioners' Court Budget Workshop Special Session until 9:30 a.m. on Tuesday, August 16, 2011.

TUESDAY, AUGUST 16, 2011

9:30 a.m.

Items for Court Consideration (discussion and any action for any items listed below)

Judge Self reconvened the meeting of the **Commissioners' Court Budget Workshop Special Session** at 9:30 a.m. on Tuesday, August 16, 2011.

c. Outside Agency budgets

1. Central Appraisal District – no change

Today's discussion started with Outside Agency budgets. Ms. Arris presented the Court with an overview of outside agencies. The Central Appraisal District has no change from FY 2011. They are requesting $1,085,510. Child Protective Services was discussed yesterday. CPS is a fund where the Court makes a transfer from the general fund on occasion when their fund gets low. Commissioner Shaheen asked about the $3,000 increase for CPS. Ms. Arris said it's for education. Commissioner Shaheen asked if they have funded this in the past. Ms. Arris said CPS is here so they can speak to this. Ms. Arris stated the following outside agencies were requesting no change: Fireman's Association, Historical Commission, Library Commission and LifePath. The Northstar supplement is currently sitting in budget.

2. Child Protective Services – Increase of $3,000

Tracy Dry, CPS Board Chairwoman, came forward to address the Court. She said CPS hasn't asked for an increase since 2009. Staff education is an area that is definitely in need. Previously they have taken care of continuing education classes with the funds from fundraising. This year they're asking the County to help with staff education for CPS workers. They are asking for $2,000. Ms. Dry said they will select two or three workers from different departments to attend training and those employees will bring the information back to the rest of the staff. Additionally they are asking for $1,000 for special needs, which are classes for foster children. Children that are removed from homes need different types of classes, such as skills classes, therapy classes, and computer classes, as they try to assimilate them into a normal childhood. These are classes that help promote self-esteem and confidence. A lot of foster parents were providing these classes on their own, but with the economy they're not able to now. Ms. Dry stated clothing is the largest portion of their budget every year. The children are not getting clothing like they are supposed to. By working with the Children's Advocacy Center they were able to provide a new pair of shoes for every foster child in Collin County. Commissioner Shaheen asked why education isn't being funded out of their budget. Ms. Dry said the State isn't providing any money to them for staff education. CPS has provided it in years past with fundraising but fundraising efforts are getting more difficult.

Judge Self said CPS has never come close to spending their budget. The Judge asked what they have spent in 2011 so far on actuals. Jeff May, County Auditor, said they have spent about $15,000. Ms. Dry said they spent $10,000 on the shoe drive. Ms. Arris said if they run under balance, typically it rolls back into their fund balance and is reappropriated for next year. It's been whittled down and that's why we need to transfer $3,000. Since they weren't spending their money, we just rolled it over but we're to the point where we need to make that transfer again. Commissioner Shaheen said Ms. Dry

has done a really good job of managing the budget. The dollar amount isn't an issue. Last year's budget was $46,000 and $25,000 was spent. Ms. Dry said CPS wants every penny of their budget to go to the foster kids. CPS wants to make sure the foster parents know what resources are there. She said they hoped to tap into the entire amount this year. Commissioner Jaynes said let's put $3,000 in contingency. Commissioner Shaheen said he is all right with that but is nervous about funding shortfalls. The Judge is inclined to leave it. Commissioner Webb said he is inclined to leave it in the budget as a contingency item. Judge Self said it will be in contingency.

3. Fireman's Association – no change

Jimmy Knipp, President of the Collin County Fireman's Association, came forward. He had a Power Point update for the Court highlighting the past year and where the Association needs to be in the future. In 2010 they had 2,480 runs and they are estimating around 2,500 for 2011. Mr. Knipp showed a history of 15 years of reimbursements for rural runs. The number of volunteers is down and Mr. Knipp blames that on the economy. Their current funding is $1 million. They dedicate $50,000 of that to the Excellence Fund at Collin College. The Excellence Fund allows individual departments to send their men for training at no cost to their department. The other $950,000 is divided on a per run basis, estimated at $380 per run for 2,500 runs. Actual run costs range between $550 and $650 per run. In conclusion, Mr. Knipp stated the Fireman's Association was asking for $1 million to better serve the rural communities of Collin County. He then asked if there were any questions. Commissioner Shaheen said we have praise, not questions. Commissioner Jaynes noted we were lucky we haven't had grass fires. Mr. Knipp said everybody is looking at the weather forecast. The drought is here to stay for a while.

Following the conclusion of the Fireman's Association presentation, Judge Self recessed the meeting of the Commissioners' Court Budget Workshop Special Session at 9:47 a.m. and reconvened the August 15, 2011, meeting of the Collin County Commissioners' Court to vote on the following item:

3. AI-33993 Agreement for the Provision of Fire Protection Services with the Collin County Firefighters Association, Inc. (Contract No. 07265-11) to be paid in equal quarterly payments of $250,000 (totaling $1,000,000) per LGC Chapter 352 through and including September 30, 2012 and further authorize the County Judge to finalize and execute same, Fire Marshal.

Following the vote, Judge Self adjourned the meeting of the Collin County Commissioners' Court at 9:48 a.m. and reconvened the meeting of the Commissioners' Court Budget Workshop Special Session at 9:48 a.m.

4. Historical Commission – no change

Paula Ross came forward on behalf of the Historical Commission. They are requesting $49,000, which is the same funding they had last year. She had a Power Point presentation highlighting what the Commission has done and what they hope to do. She presented their mission statement and said they are on target to complete all of the things in their mission statement. She had an itemized list of monies spent in 2011. Approximately 40% of their budget goes to their award winning children's program, Carry Along Collin. Ms. Ross said there are 20 volunteer members representing 500 years of historical preservation. Commissioner Shaheen said the Historical Commission is doing an awesome job. He thinks at some point the Court is going to have to make a decision on the old post office building in McKinney. Judge Self said the old post office will be 100 years old this year. The Court has been asked by the North Texas Historical Society to help put on a 100-year celebration. They have asked for $10,000. Commissioner Jaynes expressed concerns for that building. It is owned by the County and rented by the Historical Society. However, they are not open during set hours. The building takes a lot of upkeep and that is a County requirement. The Commissioner said there is a lot of county history there and the County needs to have tighter control. Judge Self said County Clerk Stacey Kemp has offered document preservation money to help preserve that. Ms. Ross offered input, and following further discussion, the Court moved on to Libraries Assistance.

5. Libraries Assistance – no change

Beth Scudder is the Director of the McKinney Public Library. She was present representing the Collin County libraries. She introduced support staff who were present in the courtroom. Ms. Scudder stated libraries and librarians provide exemplary service to the citizens of Collin County. As the economy has become more unstable, libraries have been a steady presence providing essential services free of charge to the citizens of Collin County. Ms. Scudder gave an example of two men who would come to the library to work every day. Last year they sold their business for over $50 million. These men are quick to credit the library for their role in their success. This year Collin County Libraries are requesting funding of $299,200. Previously the libraries were funded at .40 per capita; however, they have held their funding level to just less than .38 per capita since 2009. At the Allen Public Library, library visits have increased 11%, circulation has increased 25%, and program attendance is up 48%. A discussion of city cuts to libraries followed. The Frisco Library reports about 25% of their users are county users as opposed to residents of Frisco. They use 29% of their resources. When they come into town, they check out a fairly significant amount because the library is not convenient for them. Commissioner Williams asked about the history of the .40 per capita across the board. Ms. Scudder said it's to allow free access to all citizens of the county. Commissioner Williams asked why we are paying for city residents as well. Ms. Scudder said it enables a resident of McKinney to go to the Allen Library, for example. It's a consortium of library accesses. One library can't provide all materials. Judge Self

said he has no problem funding this. Commissioners Jaynes and Webb want to keep the funding where it is.

6. LifePath – no change

7. Northstar supplement

LifePath is requesting $759,125, no change from FY 2011. Judge Self said this is one the Court needs to continue to fund. Judge Self moved onto the Northstar supplement of $560,000 which the Court hasn't paid since 2009. This is supposed to be spent for programs within the county. Northstar and Value Options haven't been focused on Collin County. Judge Self said there's a meeting tomorrow and there are contract negotiations between DSHS and North Texas Behavioral Health Authority. The negotiations have gotten contentious. The Judge asked Ms. Arris why $560,000 was budgeted. Mr. Bilyeu answered that question. He said it's what the County used to pay LifePath long ago when they were Collin County MHMR. Mr. Bilyeu wants the Court to put money in contingency in case it's needed for CCART to keep mental health patients from falling through the cracks. Judge Self agreed. He said we need a more seamless system. Commissioner Webb thinks a contingency of $500,000 is too low and he wants to beef it up to a little over $1 million. The Commissioner feels $1 million would protect the County in the event of an unanticipated emergency that wasn't budgeted for. Following further discussion, Judge Self said he sees this as a back door to people spending more money. Commissioner Webb said it's all subject to Court approval before money can be brought over. Judge Self asked for a consensus on the Northstar supplement. Commissioner Williams thinks it's appropriate to put it in contingency and Commissioner Jaynes agreed. Judge Self asked Ms. Arris to look at that.

d. Highway Patrol Position

Ms. Arris stated the Highway Patrol came before the Court earlier in the year and it was decided this item would be discussed in Budget Workshop. Mr. Bilyeu led this discussion. The Highway Patrol office has a temporary employee. Typically DPS offices are staffed by county people across the state. Last year the County netted approximately $1.2 million from the Highway Patrol. They have 13 troopers on the road and each trooper brings in about $90,000. Their office has to be kept open 40 hours a week so a trooper has to be taken off the road to staff the office. A full-time staff person would cost $38,007. Commissioner Williams said they constantly have to retrain temporary employees. Mr. Bilyeu said two twenty-hour people would keep costs down because of benefits. Judge Self asked for input from HR. Ms. Jacobson informed the Court two part-time employees would save the County benefits. Judge Self agreed.

e. JP Court Technology Fund
g. **AI-34097** District Attorney

Judge Self moved to the positions requested in the JP Courts and District Attorney's office. Ms. Arris said the functional analyst position requested by the JP Courts is included in the recommended budget. The JP court technology fund is designed to pay for technology and maintenance of systems for the JP Courts. Ms. Arris said she has contemplated reducing the general fund by $100,000 that we currently pay to maintain the CIJS modules and use that to fund the JP functional analyst. Commissioner Williams said she was good with that. Ms. Arris said the District Attorney has also requested a functional analyst. That position is included in the budget as well.

f. District Clerk

District Clerk Patricia Crigger was requesting a third clerk for the 429th District Court. Historically all the courts have had three clerks, but they lost positions last year and that was a position they lost. From January 1, 2011, through August 15, 2011, the range of cases for civil, family and criminal courts was a low of 887 cases to a high of 1,343 cases. The 429th Court just does civil and family cases. Ms. Crigger said if a clerk is out sick or on vacation, it kills the other one. Commissioner Williams noted the courts that have three clerks are doing both civil and criminal. Commissioner Webb asked Ms. Crigger why she doesn't shift somebody from a lower court to a busier court. Ms. Crigger said that would leave one clerk handling 900 some cases. Commissioner Shaheen said it is frustrating that we aren't seeing the benefits from CIJS that the county spent millions of dollars on. Ms. Crigger asked the Court to keep in mind that last year they lost three clerks and a passport clerk. Commissioner Williams said if you have a case load that ranges from 800 to 1,300, there has to be a way to make an adjustment. A discussion of workload followed. Judge Self said we just need management of the personnel. Ms. Crigger said all we can do is try. (Time: 11:32 a.m.)

Commissioner Shaheen wanted to talk again about the District and County Court Administrator position. He asked court members what they think about tying that position to the adoption of Odyssey. Commissioner Shaheen said to Ms. Skipworth that it was his impression that the use of Odyssey is sporadic; some are using it more fully than others. Ms. Skipworth agreed. Commissioner Shaheen proposed reevaluating this position not only on the success of grants but on the successful application of CIJS. Commissioner Jaynes wanted to find out who is using it and who is not. Ms. Skipworth and court members discussed the functionality of Odyssey. Commissioner Webb said he doesn't mind adding Commissioner Shaheen's suggestion, but he also wants it noted what grants this person will bring in and he wants to look at his effectiveness in reducing jail population. Judge Self agreed. He wanted to see a job description with that sort of detail included. Commissioner Williams also agreed. Judge Paul Raleeh, JP Precinct 1, said the technology that's there would go farther if there was a trust factor. Odyssey keeps expanding, but the data isn't reliable. Judge Raleeh gave examples of issues with

Odyssey. He wants to sit down with Ms. Skipworth and IT and representatives from Tyler Technology. Commissioner Shaheen asked is it the application that doesn't work or is it an issue of data. Ms. Skipworth said it is both. Judge Raleeh said it is a training issue. Judge Self said we just approved a $38,000 contract to retrain the District Clerk's staff. Will we have to do that with everybody? Ms. Skipworth said we're retraining their staff. The JP's are trained during implementation and after implementation. Functional analysts are key.

h. AI-34088 District Courts Administrator

Judge Self asked Judge Chris Oldner and Judge Mark Rusch to come forward to address the District Court Administrator position. Judge Oldner had a job description that was created July 28, 2008, for the position of District Court Administrator. The Court at that time set aside the funds to create the position but did not authorize the position. It was left as a set aside and then the position never came about. Judge Oldner said the County is missing out on dollars from grants that we would otherwise be able to achieve and the County is leaving money on the table from statewide and federal grants that would more than cover the cost of this position. Judge Oldner said at the time he told the Court to give him two years with this position. If they haven't more than made up for the salary, then the Court could take it back. He feels two years is how long it will take to get the person in position and get them up and running. Judge Oldner felt this person should report to the Board of District Judges and the Local Administrative Judge. Judge Oldner stated this position would be a great assistance to the Commissioners Court. The Court would have one person who could get all the information or documents needed on the courts and legislative sessions. Judge Oldner and Judge Rusch spoke about the possibility of a regional public defenders' office which could be created by the District Court Administrator.

Commissioner Shaheen asked since the position was put in contingency, what was different this year? Judge Oldner said the make-up of the Court is dramatically different. We have projected an increase in filings and an increase in work load. With the budget outlook at the county level and state level, he sees no real possibility of new courts being added before 2015. Commissioner Shaheen asked if this position could be used beyond the District Courts, could it be used with the County Courts at Law and Justices of the Peace. Judge Older said he would like the position to cover the District Courts and the County Courts and be renamed Court Administrator for the County Courts and District Courts. That will be possible since both courts will be in the same building within the next year. Commissioner Shaheen asked if this person could help with the incorporation of CIJS. Judge Self asked if this is what we're referring to as functional analyst. Judge Oldner noted that the job description said under Essential Functions No. 7: "Assists in implementation of court related software and in maintenance and training of courtroom technology." This person has to be well-versed and well-functioning in the courtrooms', court clerks', court coordinators' and judges' use of Odyssey. The Judge felt if this position was expanded to the JP's, we would lose

the focus of the position. We would have an IT person who does nothing but monitor our software.

Caren Skipworth, IT Director, said she is familiar with Judge Oldner's request. She met an individual who was a justice administrator. This person played a key, high level role with coordinating the clerks and the courts within the District Courts area. Judge Self said this is where our discussion started with this position; it then went to grants and then to functional analyst. Ms. Skipworth said this particular position is a little higher. A functional analyst represents the clerk's area. Discussion of job duties and functions followed.

Commissioner Webb asked about salary and benefits for this higher level position. Judge Oldner said back in 2008 the salary range was $80,000 to $110,000. This is a degreed, professional, high level individual. Commissioner Webb asked if we have this higher level, do we also need a functional analyst. Ms. Skipworth said yes. Commissioner Webb asked if we need a functional analyst for District and County Courts. Ms. Skipworth said we currently have one functional analyst for District Court and one for County Court. The positions cannot be combined because of statute issues and due to the heavy workload. Functional analysts are not needed within the courts. Judge Oldner said as a result of HB 79, there are sweeping changes. One of the things they changed is they are functionally going to give the Judges and Commissioners Court tremendous new tools in ways to help case flow. We can appoint associate judges with Commissioners Court approval of the position. Following further discussion, the Commissioners asked to see an updated job description. Judge Self asked to see that before the Court votes on the final budget.

Judge Self recessed the meeting of the Commissioners' Court Budget Workshop Special Session at 11:01 a.m. The meeting was reconvened at 11:10 a.m. and the discussion moved to items e and g.

Judge Self recessed the meeting of the Commissioners Court Budget Workshop Special Session at 11:45 a.m. The meeting was reconvened at 1:30 p.m.

Judge Self returned the discussion to the Health Care Foundation budget. Ms. Arris recommended putting $240,000 for utilities in the general fund instead of the Health Care Foundation budget.

i. AI-34083 Constable Duty Consolidation

Judge Self moved to the subject of Constable Duty Consolidation. Commissioner Williams had originally asked the question: what if civil process serving was moved to the Sheriff's office. The Commissioner said one of the reasons for her suggestion of moving the duties to the Sheriff's office was flattening the supervisory roles and costs in the Constables' offices. Constable Paul Elkins, Constable 1, and Constable Joe Barton,

Constable 2, came forward with a proposal for reconfiguring the Constables' offices. The proposal eliminated positions and vehicles. There was an in-depth discussion of positions and cost savings for the two scenarios presented. The discussion was between a savings of $1.1 million if the department is transitioned completely into the Sheriff's Office or a savings of approximately $664,000 if the Constables' offices are reconfigured. Commissioner Shaheen asked for input on the possible degradation of service if the duties are transitioned to the Sheriff's Office. Constable Elkins said Commissioner Williams' proposal was to lay off the entire staffs of the Constables' offices and then have the Sheriff hire new employees. Possibly six or seven constable deputies would be laterally transferred to the Sheriff's office. The rest would be unemployed. By eliminating the Chief Deputies and experienced deputies from the Constables' offices, you will be replacing them with deputies with no knowledge of civil law. Constable Elkins said it takes a long time to learn civil law. Experience and knowledge keeps the county from getting sued and keeps the Constables from getting sued.

Commissioner Shaheen said with the Sheriff's office scenario, they "have the boots on the ground". Constable Elkins replied they haven't done what we've done. The Constable stated many of the Constable Deputies could not pass the physical agility test required by the Sheriff's office but they have the knowledge and experience required for civil law. Commissioner Webb was concerned about the loss of knowledge. Being an attorney, he understands the complexities of civil process. Constable Barton stated there is not training available to the Sheriff's deputies that is available to the Constables' deputies. Commissioner Williams asked if you have to be a constable to avail yourself of those classes. Constable Barton replied the Sheriff's Association does not have a civil training program. Commissioner Williams said she never envisioned this transition happening in one fell swoop; she envisioned a transition period. The Commissioner said she would be willing to look at the Constables' proposal as a transition plan. She thinks eventually it all should go to the Sheriff's office. Commissioner Shaheen said the Constables' proposal isn't a transition; it's a drop in staffing level to cut costs. Constable Elkins said they would be willing to look at this again next year. If the staffing level is still too high for the workload, then they will look at it again.

Constable Chuck Presley, Constable 3, said it comes down to philosophy. It's the Court's decision as to who is better to deliver the service. The Constables argue that they're better because they're located in the community they serve and they are right down the hall from the JP's office they serve. Judge Self asked the Constables if they can cut seven deputies and five clerical positions. Discussion followed. Commissioner Shaheen noted the demand for civil process has declined 40% over the past three years. The Commissioner felt the County could save an additional $500,000 per year if the constables' duties were placed under the Sheriff's office without a degradation of service. Commissioner Jaynes was in favor of a transition rather than a one fell swoop

move. A discussion of the date of transition continued. Constable Barton asked for a ten-minute recess so the Constables could meet to discuss the proposals.

j. Sheriff

Sheriff Terry Box came forward. Judge Self asked the Sheriff his opinion on the Constable consolidation. Sheriff Box praised the Constables for their proposal. When asked if he wanted to assume the responsibilities of the Constables' office he said no, he doesn't, but if it can save the County money, he thought it could be worked out.

The Sheriff was present to request the following positions: three patrol deputies, canine replacement and motorcycle deputy. Sheriff Box said he has been denied these positions in the past due to budget issues, but he's back before the Court asking for these positions again because it's a matter of safety. Court members were presented with a handout of statistics, facts and figures. The Sheriff's Office patrols a population of the fifth largest city in Collin County. They are required to take care of an estimated population of 60,000 in the unincorporated areas. It's equivalent to having 33 police officers to patrol the City of Dallas. The Sheriff's Office added two patrol officers seven years ago. Currently they have no preventative officers in the County. Response time for back up is approximately 30 minutes. Since 2006 the Sheriff's Office has had a 50% increase in calls for service. Average time to get to a call is 23 minutes and 20 seconds, which is an increase of 28% over the past four years. That response time is unacceptable for law enforcement.

Sheriff Box stated he has a plan to implement ten-hour shifts which will allow two shifts to overlap during their busiest times. That will enable them to have two shifts responding to calls. Calls for violent crimes are increasing. In the past year the Sheriff's Office has received over 600 calls for in-progress violent crimes. Currently there are 36 people in the Collin County Jail for murder.

Sheriff Box moved to his request for a motorcycle deputy. The Sheriff's Office hired a motorcycle deputy a few years ago because they needed someone to work full time on traffic complaints. The motorcycle deputy wrote approximately 130 tickets per month; with just one officer, no tickets were written on his days off. Per Judge Raleeh's office, the County receives about $80 for every ticket. The cost to purchase a police motorcycle is $21,000.

The Sheriff is also requesting a canine replacement. The canine they have now is eight years old and is approaching retirement age. The canine officer conducted 1,209 vehicle searches and 263 building searching in this past year. The cost to replace the dog is $10,500. The dogs come from Germany. The cost for the officer and the new dog to go to training is $4,000. Sheriff Box said the dog is an invaluable resource.

Sheriff Box moved the discussion to Pay for Performance. He did not ask the Commissioners to stop using PFP at this time, but he asked them to think like the cities. Most of the City Councils deal with police, fire and public safety a little differently in their budgets each year. Sheriff Box proposed working with HR and Budget to come up with a plan to help law enforcement officers move through their pay grades quicker. He suggested if employees receive a 2% increase that law enforcement officers receive a 3% increase.

Commissioner Williams had no problem with Sheriff Box's proposal of a pay increase differential for law enforcement. The Sheriff answered questions from court members. Commissioner Jaynes was concerned about the response time for calls. Sheriff Box said they do their best to hire certified peace officers that have a track record. Commissioner Williams wanted to know why the County does not offer additional pay for certification for officers. Judge Self said we treat all of our employees the same; however, the officers receive shift differential pay. Commissioner Williams stated she had a problem with that concept. Commissioner Jaynes agreed with treating all employees the same. He said our clerks and employees in the District Attorney's office are exposed to a lot of the same dangers. Commissioner Williams said if you want mature, qualified people, you might want to pay them for certification pay. Judge Self asked Commissioner Williams to go back to the briefing. The Judge said the fear mongering with our pay and loss of employees has to stop. The exhaustive, comprehensive study the HR Department did on salaries shows that Collin County does a very good job. Judge Self stated the Sheriff runs such a good office that the difficulty with officers moving up is that nobody wants to leave.

In conclusion, Sheriff Box asked about transfer staff that fills in for deputies at the courthouse or for a bailiff. Some have had to serve for two or three weeks as a bailiff. He asked the court if they could be paid the higher pay grade when they work the higher position. Judge Self stated that item has been discussed before and it was decided not to do that. Commissioners Jaynes and Williams thought the deputies should be paid the same as the bailiff. Ms. Jacobson said we would have to come up with a method to be able to implement this; she cannot switch pay grades back and forth. Discussion followed. Commissioner Shaheen did not understand why the Court was jumping to make a pay adjustment. Judge Self stated once we set a precedent, it spreads. Commissioner Shaheen felt the issue of pay differential could be covered by PFP.

Judge Self asked the Commissioners for their thoughts on the positions requested by Sheriff Box. Commissioner Shaheen stated this would be a no-brainer if we moved the civil process over. Commissioner Williams said the response times are unacceptable. Following further discussion, there was a consensus to add the positions as requested by Sheriff Box. Judge Self told Ms. Arris to add the positions into the budget.

k. Other Elected Officials

While the Constables were out of the courtroom, Fire Marshal Michael Smith came forward under the category of other elected officials. Commissioner Williams said that she and Commissioner Webb have been visiting the elected officials and their offices. She noted the Fire Marshal is new to his job, having been with the County about three months. The Fire Marshal is in need of additional clerical staff. She asked the Fire Marshal what it's like operating with one clerical staff member. Fire Marshal Smith said when his clerical employee is off, they do not accept permits. The Fire Marshal gave a history of what he inherited when it took over the office. He has employees that earn comp time because they're on call 24 hours a day and they can't take off as fast as they earn comp time. The Fire Marshal also informed the Court of his plans for the future. Commissioner Shaheen asked if the Engineering staff could help with phone calls to the Fire Marshal. Fire Marshal Smith said the Engineering staff would not be able to answer the questions about codes. Mr. Bilyeu suggested supplementing their staff with temps from the temp pool. The Fire Marshal stated 56 new fees were passed in 2010, but the office has only been charging for six of them. The additional revenue would offset the cost of a new employee. Commissioner Williams is agreeable to a temporary employee but she wants the Fire Marshal's office to look at fees and to revisit the issue of additional help next budget.

l. **AI-34089** Extend homestead exemption equivalent benefit to all properties

There was no discussion on this item.

m. **AI-34076** TCDRS Prepayment of Unfunded Liability

1. Option 1 – $35 million / 7.6% budget

2. Option 2 – $5 million / 13.5% budget

The Constables were still out of the courtroom, so Judge Self moved to the TCDRS discussion. Option 1 was a payment of $35 million to TCDRS and Option 2 was a payment of $5 million to TCDRS. Commissioner Shaheen made a motion to choose Option 1 to pay $35 million to TCDRS against the unfunded liability.

Motion by: Commissioner Matt Shaheen
Second by: Commissioner Cheryl Williams
Vote: 5 - 0 Passed

Constables Barton, Elkins, Presley and Todd returned to the courtroom to continue the discussion of constable duty consolidation. Constable Barton made the following proposal: eliminate two of the three chief deputy positions. Those two chief deputies would be offered deputy constable positions and two deputy constables would be

eliminated, for a total of six deputy constable positions being eliminated. Commissioner Jaynes would like to go with the Constables' plan and look at it again next year. In addition to eliminating two chief deputy positions, six deputy constable positions would be eliminated (two positions would be offered to two chief deputies), three legal clerk positions would be eliminated and all deputy constable II positions would be reclassed to deputy constable positions. Commissioner Shaheen sees three issues: management, decline in the amount of papers being served, and with decline the Sheriff can use those to fund patrol positions he's going to request. Commissioner Shaheen would like a six-month transition to the Sheriff's office. Constable Elkins addressed Commissioner Shaheen saying the Commissioner is saying the constables are not as capable as the Sheriff's office. Commissioner Shaheen said he did not say that; this has nothing to do with service. The Commissioner has a fiduciary responsibility to the taxpayers of Collin County. He's looking at a proposal that will save the taxpayers $500,000 per year and he hasn't seen any reduction in service level. Commissioner Williams asked if they could vote on this tomorrow so they had more time to think about it. Judge Self said the item would be added to the add/delete list for Wednesday's court.

Judge Self recessed the meeting of the Commissioners' Court Budget Workshop Special Session at 3:45 p.m. The meeting was reconvened at 3:48 p.m.

Ms. Arris returned to her Power Point presentation and gave an overview of her five-year plan assumptions. Her assumptions are: the property tax value will grow by 1.5% each year; on the expenditure side Ms. Arris noted that the County will be replacing the radio system for the Sheriff's Office; the Sheriff will need to staff the remaining pod by FY 2013; we will add one District and one County Court at Law in the next five years; and a 2% PFP in FY 2012. Included in planned bond sales are transportation bonds, parks and open space bonds and facilities bonds. Facilities bond sales will be held in 2015 and 2016. Ms. Arris explained the impact on projected future tax rate for the next five years.

Option 1 of the five-year plan includes a payment of unfunded liability to TCDRS in FY 2011 of $35 million; a reduction of annual TCDRS payment to 7.6% of salaries; Health Care Trust needs a $3 million transfer each year by FY 2015, however that amount will be lowered as discussed earlier; and by FY 2017 the general fund year-end projection will be 146 days in reserves. Commissioner Shaheen felt adjustments needed to be made and a more realistic revenue growth needed to be presented. The five-year plan assumptions and Option 1 were discussed at length by the Commissioners and Ms. Arris. Judge Self suggested holding the rest of this discussion until Wednesday morning in order to give Ms. Arris time to work on changes recommended by the Court.

n. Compensation and Benefits discussion and any action

The compensation and benefits discussion was next on the agenda. Ms. Jacobson came forward with an overview and summary of compensation and benefits. Ms. Jacobson noted after a comprehensive study of salary and benefits it comes down to who you compare Collin County to. If we are compared to the private sector, our wages are low. If we are compared with other public sectors, we are pretty even. After completing regression work, which looks to see if our salaries are out of synch with actual salaries, HR found that non-exempt pay ranges need to move by 1%. This doesn't change anybody's wages unless they are at the maximum or beginning of the pay range. Two positions are moving up one level higher within their pay grouping. And the spread of the legal pay scale was increased by 3%.

On the benefits side, Ms. Jacobson said our ancillary benefits are comparable when compared to the private sector and public sector data. On the subject of catastrophic pay, there were 880 catastrophic leaves taken in the last year. Most catastrophic leaves, 54% of them, are three days or less; 89% are ten days or less. PTO has 12 sick and 12 vacation days which are consolidated together. PTO added with catastrophic time off gives employees a minimum of 27 days off per year. Commissioner Webb has an issue with an employee working here for a year and then having five-and-a-half weeks off. Commissioner Williams has a problem with employees being able to use catastrophic time without exhausting PTO. Judge Self asked Ms. Jacobson if catastrophic time off was being used for non-catastrophic illnesses. Ms. Jacobson replied yes. A discussion of the catastrophic time off benefit followed. In addition to PTO and CTO, employees receive ten paid holidays a year. Commissioner Webb proposed eliminating the three days of catastrophic leave given to employees each year. The Commissioner made that in the form of a motion.

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

Ms. Jacobson continued with her update on medical benefits. The County is comparable to both the public and private sector on medical benefits. The trend rate for medical has been significantly higher than our costs have gone up. However, the County funds less than our usage. Our fund balance is down to approximately $3 million. It has been as high as more than $10 million. Ms. Jacobson stated that at some point the Court may have to look at adding additional funding.

Part-time employees are paying too much for individual coverage and they are paying too little for family coverage. This applies to two part-time employees. Ms. Jacobson said everything else is done actuarially but these two part-time employees. Commissioner Webb made a motion to correct the amount of insurance premiums paid by two part-time employees.

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

Continuing with the benefits discussion, Ms. Jacobson noted the County is way off on one side for primary care co-pays which is done intentionally. And the County is way off on the other side with special care co-pays which is also intentional. We have a low benefit cost to the county due to the way the benefits are structured. Speaking about insurance premiums, Collin County has a little bit of a higher cost. She said with TCDRS, our percentage is going to be higher than the private sector. During a future court Ms. Jacobson said she would have a presentation on a cost of living adjustment (COLA). Ms. Arris will have to budget for that. The County has done a COLA every year since 1998. Flat rates were done for years. Flat rates put some employees over, so the County switched to CPI (Consumer Price Index). Judge Self said flat rates are 1-2% for this year, but CPI can be any percentage of CPI.

1. AI-34030 Approve Uniform Pay Policy

Judge Self read the uniform pay policy aloud. Commissioner Jaynes made a motion to adopt the uniform pay policy.

Motion by: Commissioner Joe Jaynes
Second by: Commissioner Cheryl Williams
Vote: 5-0 – Passed

2. AI-34031 Discussion and announcement of Recommended Elected Officials Salaries

The discussion moved to elected officials' salaries. Judge Raleeh came forward with a request. Currently the County is paying three Justices of the Peace $5,000 annually to do the magistrations at the jail six days a week. Beginning October 1st, 2011, they will be doing magistrations seven days a week. Judge Raleeh requested that two of the judges be paid $8,000 annually and one be paid $5,000 annually. The two judges that would be paid $8,000 will work seven days a week including weekends and holidays and the one judge that will be paid $5,000 will work Monday through Friday. Judge Raleeh wanted to do the magistrations twice a day in an attempt to empty the jail out. County Clerk Stacey Kemp stated two magistrations a day would increase the work load of her staff. Judge Raleeh said this is a work in progress; nothing has been finalized. Commissioner Shaheen noted that by going from $5,000 to $8,000, Judge Raleeh was

requesting a 60% increase for the two judges that would be working one additional day per week. Following a lengthy discussion, Judge Raleeh stated he wanted to present that request to the Court before they discussed elected officials' salaries.

Ms. Jacobson presented the Court with a salary history of elected officials as well as a comparison with comparable counties. Last year the elected officials received a 0% increase and the Commissioners received a negative increase. Commissioner Williams said if the Sheriff takes on a whole new division, she thought it might be appropriate to make an adjustment for his salary. Commissioner Jaynes made a motion to approve a 0% salary increase for elected officials. Commissioner Webb seconded. Commissioner Shaheen asked Commissioner Williams for her thoughts on the Sheriff's salary. Commissioner Williams thinks the Sheriff should receive additional compensation for taking on additional responsibilities.

Motion by: Commissioner Joe Jaynes
Second by: Commissioner Duncan Webb
Vote: 5-0 Passed

Following discussion on magistrate pay as presented by Judge Raleeh, Commissioner Webb made a motion to pay $4,000 annually to the judge who would be working five days a week and $6,000 annually to the two judges that would be working seven days a week.

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

3. Pay for Performance

Ms. Jacobson stated Pay for Performance is a Court discretion amount. The recommended budget has 2% budgeted for PFP. That amount can be varied by pay scale. Law enforcement has been given a different amount in the past. Law enforcement impacts the Constables' and D.A.'s offices as well. Cities are giving 3% raises this year; counties are giving 0% or a lump sum payment. Commissioner Jaynes said most of the counties are on a step plan, not PFP. Ms. Jacobson said she was working off of a 1.5% CPI. Commissioner Webb said the Commissioners have approved several contracts to vendors who have said the CPI was 2.4%. The Commissioner doesn't think it is fair to our employees to give vendors a higher CPI than we give employees. Judge Self is happy with 1.5% CPI. Commissioner Williams has a problem with law enforcement getting relatively low increases. Commissioner Shaheen said in terms of increases, Collin County employees have done well. Discussion continued on CPI percentages and PFP increases. Commissioner Williams suggested a 1.5% PFP increase for employees, but a higher amount for law enforcement. Commissioner Jaynes suggested a 2% PFP increase across the board. Commissioner

Webb suggested 2.4%. Commissioner Shaheen wanted to treat all the employees the same with a 1.5% increase. Discussion continued.

Commissioner Shaheen made a motion to approve a 1.5% PFP increase for all employees.

Motion by: Commissioner Matt Shaheen
Second by: Judge Keith Self
Nay: Commissioner Joe Jaynes
Commissioner Duncan Webb
Commissioner Cheryl Williams
Vote: 2-3 – Failed

Commissioner Jaynes made a motion to approve a 2% PFP increase for all employees.

Motion by: Commissioner Joe Jaynes
Second by: Commissioner Duncan Webb
Nay: Judge Keith Self
Commissioner Matt Shaheen
Commissioner Cheryl Williams
Vote: 2-3 – Failed

Commissioner Williams made a motion to approve a 1.5% PFP increase for employees other than law enforcement and a 3% PFP increase for law enforcement. Motion died for lack of a second.

Commissioner Shaheen said he would try 1.5% again.

Sheriff Box said we have Supervisors that spend hours on PFP reviews. If you give someone 2%, you have to give someone else 1%.

Commissioner Williams made a motion to approve a 1.5% PFP increase for employees other than law enforcement and a 2.5% PFP increase for law enforcement. Motion died for lack of a second.

Commissioner Jaynes made a motion to approve a 2% PFP increase for employees other than law enforcement and a 3% PFP increase for law enforcement.

Motion by: Commissioner Joe Jaynes
Second by: Commissioner Cheryl Williams
Nay: Judge Keith Self
Commissioner Matt Shaheen
Vote: 3-2 – Passed

o. Commissioners Court suggested changes to Recommended Budget

Moving to proposed changes to the recommended budget, Judge Self discussed a plan that would set Collin County apart as an Open for Business-Business Friendly County. Traditionally tax abatements are done one at a time for businesses; this idea is to take both business personal property and real estate ad valorem tax, and if any company starts a company in Collin County they get an automatic three-year 50% tax abatement of their county taxes. This is keeping the tax rate at .24. The Commissioners looked at a handout of proposed changes to the recommended budget and discussion followed. The Commissioners looked at days of fund balance. The county must maintain 90 – 120 days of fund balance to maintain a triple A bond rating. Judge Self said under the plan he's discussing, if we can keep businesses, including small businesses, hiring people, our tax base will increase. Commissioner Webb stated 25% of business property is owner occupied; therefore, the landlord would be the one benefiting from the tax abatement. Judge Self said theoretically the landlord should pass that savings down to his tenant. Commissioner Shaheen said we have companies located around the country that are looking to relocate to Texas. He wants Collin County to stand out for those companies. A discussion of the new tax abatement policy continued. The Commissioners also spoke about five-year plan assumptions.

At 5:15 p.m. Judge Self recessed the meeting of the Commissioners' Court Budget Workshop Special Session until 9:30 a.m. on Wednesday, August 17, 2011.

WEDNESDAY, AUGUST 17, 2011

9:30 A.M.

Judge Self reconvened the meeting of the **Commissioners' Court Budget Workshop Special Session** at 9:30 a.m. on Wednesday, August 17, 2011.

p. Final review of Add/Delete list

Ms. Arris started the day with a Power Point entitled "Items for Court Consideration Summary of Changes". Ms. Arris stated this is a summary of changes made over the last two days. For Elections the Court added the purchase of equipment, services, and personnel to the contingency budget and added estimated revenue from cities and school districts participating. For permanent improvement, the Court added contingency for Elections move, added IT conference room project, and added FFE for Courthouse Phase 3 project. The Elections move is $650,000 to JJAEP and that is in contingency in the permanent improvement plan.

The Health Care Foundation had their budget decreased by $600,000. Their utility budget was decreased by $240,000. That money was put into the general fund to pay for their utilities. CPS requested an additional $3,000 and that was put in contingency.

For Northstar the decision was to move $560,000 also into contingency. And for Highway Patrol it was decided to do away with a full-time temporary position and add two permanent part-time positions.

For the JP Court Technology Fund it was decided to add $100,000 in hardware/software maintenance and delete $100,000 in the general fund for hardware/software maintenance of the CIJS portion of the JP module. The position of the District Court Administrator was added into the District Court's shared budget along with furniture and equipment for that position.

The Constable Duty Consolidation plan reduced the general fund budget by $676,785. That eliminated six deputy constable positions and three legal clerk I positions, eliminated six vehicles that went along with those constable positions, reclassed two chief deputies to deputy constable positions and reclassed all deputy constable II positions to deputy constable positions and reclassed legal clerk II to legal clerk I.

In the Sheriff's Office, three patrol deputies were added and one motorcycle deputy position and one canine. Those positions all include uniforms and equipment as requested.

Moving to Juvenile Detention, positions eliminated were three vacant juvenile detention officer I positions and two vacant probation officer I positions. These eliminations will reduce the transfer out of the general fund by $250,000. Ms. Arris stated she received an email from Joe Scott, Director of Juvenile Probation Services, saying they haven't staffed the six positions for the latest expansion. Ms. Arris needs to meet with him to see if that refers to detention officers or probation officers.

Ms. Arris addressed compensation and benefits next. The Court removed catastrophic benefit pay. They approved a 2% PFP for all employees, a 3% PFP for law enforcement, and elected officials received a 0% PFP increase. Arraignment pay for JP 1 and JP 3-2 was increased by $1,000 and arraignment pay for JP 3-1 was decreased by $1,000. Ms. Arris stated she would need a vote on the proposed elected officials' salaries.

Ms. Arris had a slide showing the impact on the general fund budget five-year trend. All of the proposed changes bring the general fund budget down 4.5% to $146.8 million from last year. Revenue vs. expenditures in the general fund, it was voted on to pay $35 million to TCDRS this year so that has been added into the 2011 projection. The revenue projection for 2012 is $147.8 million and the expenditure budget is $146.8 million.

The operating fund consists of the general fund, the road and bridge fund, the jury fund and the permanent improvement fund. Those are funds that receive the M&O tax rate. They are going down by 2.1% compared to the adopted budget of last year to $170.9

million. When you compare revenues to expenditures, with the $35 million payment to TCDRS that brings the estimated revenue to $166.1 million and the recommended budget to $170.9. The permanent improvement fund is included in this at $3.25 million. Reserves are being utilized in that case.

Ms. Arris said the total combined budget consists of everything wrapped up together. That is dropping by 2.4% from last year's adopted budget to $265.3 million. That brings up the revenue estimate to $259.8 with the recommended budget of $265.3. That is using $5.5 million in reserves. Included in that $5.5 million is $3.25 million for the permanent improvement fund and a little over $2 million for the Health Care Trust.

Ms. Arris said for the five-year plan assumptions, the plan kept the same assumption on property tax growth at 1.5% each year. The radio system for the Sheriff's Office will need to be replaced beginning FY 2015. This will be a two-year project. The reason for this is the infrastructure of the radio system will be reaching end of life. Some dollars will need to be spent in 2014 for a consultant to figure out what to do with the radios. The infrastructure will be replaced in 2015 and 2016. Commissioner Shaheen noted we upgraded in 2011. Ms. Arris said that was software but this is the infrastructure.

Moving on, Ms. Arris said also included in the five-year plan assumption is the Sheriff opening the remaining pod by 2013 and in next five years opening one new District and one new County Court. Commissioner Williams asked what year the courts will open to which Ms. Arris replied one in 2014 and one 2015. Commissioner Williams said based on the Court's conversations with the District Court judges, she would be comfortable pushing that further out. Commissioner Webb agreed. He said he thought the District Court Administrator would bring efficiency. Court members discussed when to add the new courts. Mr. Bilyeu said if they add an associate judge, it is the same staff cost. When you add a district judge a large cost is borne by the state, but an associate judge's cost is borne by the county. Commissioner Shaheen suggested putting the County Court at 2015 and the District Court at 2016. Judge Self agreed with Commissioner Shaheen.

Planned bond sales pushed out the design of minimum security to 2016 and the cost for construction of the minimum security of $9 million to 2017. What wasn't showing on Ms. Arris's presentation was Juvenile Detention was pushed out to 2018. The impact on the general fund tax rate and debt service tax rate was shown next.

Ms. Arris said lastly included in the five-year plan is payment of unfunded liability to TCDRS in FY 2011 of $35 million; reduction of annual TCDRS payment to 7.7% of salaries since we added the COLA; the Health Care Trust won't need the $2.2 million transfer from the general fund until FY 2016; and the FY 2017 general fund year-end projection is 157 days.

Judge Self said the Court needed votes and further discussion on a few of the items discussed. He asked Ms. Jacobson for an exact payment to TCDRS. The discussion has been of a payment of $35 million even. He wanted to know the exact amount due. Commissioner Shaheen wanted to talk about the Constables before the Court took a vote on elected officials' salaries.

Commissioner Shaheen also wanted to discuss the CPS budget. CPS spent $25,000 under their budget; however, the Court gave them a $45,000 budget again and also put $3,000 in contingency. The Commissioner doesn't think it's necessary. Also, Commissioner Shaheen asked if the Court needs a Tex 21 membership. He's wondering if we're getting any value for that. Judge Self said the County pays $17,000 in membership for Tex 21. This is a general organization that does transportation work. They have put together a U.S. 75 Coalition Group. It's really hard to measure quantitatively what we get for $17,000. Commissioner Shaheen said with the reminder about U.S. 75 he is now comfortable with Tex 21. Commissioners Williams and Webb agreed.

Commissioner Shaheen returned to the discussion on CPS. He doesn't feel right to give them such a high budget again this year compared to what they spent and then to give them another $3,000 in contingency. Commissioner Jaynes doesn't mind leaving $3,000 in contingency. Commissioner Williams wants to eliminate it. If their programs take off, it can be adjusted the following year. Judge Self said to take it out.

Judge Self wanted to hear from the Constables. Commissioner Williams said the proposal that came to the table yesterday was a positive move. She started this conversation because there needs to be a structural change in the way this service is delivered. She thinks that a lot of discussion has gone on and there's a tendency to focus on the emotional aspects of who is being impacted vs. what is the most effective way to deliver this service. She's comfortable doing something incrementally as long as we continue to move in the direction of finding the most effective way to do this. The Commissioner thought there was a need to continue conversations with the Constables, the Sheriff and IT. She would be willing to go with a reduction to two chief deputy positions, rather than one, but continue this dialogue. When the Court meets next year, she wants to see a very different way of approaching this service. Commissioner Shaheen said these types of discussions are always difficult. We need to have an end date and budget a transition period for that. His suspicion is over time the desire for change will decrease because the emotional piece will overcome the dialogue. He wants a six-month transition period. Commissioner Jaynes liked the idea of two chief deputy constables. Commissioner Williams hopes one of those chiefs will work closely with someone from the Sheriff's Office or we will never get the efficiency needed with four separate offices all doing the same thing. Judge Self expressed a desire to flatten the pyramid. Commissioner Webb wanted to look at it and see if we can find out over the next year what the most efficient way to handle the service process is.

Constable Johnny Todd, Constable 4, asked how long they will have before they have to reclass that person. Constable Todd said this puts the Constables into a position of trying to figure out who gets the other chief deputy. Commissioner Williams said we can go back to one. Constable Todd agreed to go back to one.

Constable Elkins asked Ms. Arris to reduce his patrol supplies, uniform budget and budget by 50% in order for his legal clerk II to remain a legal clerk II until she retires. Judge Self said the Court has the authority to give the Constable that budget. The Constable can take money from uniforms and move it over there and pay the salary.

Regarding the Constable Duty Consolidation, Commissioner Williams made a motion to reduce the general fund budget by $676,785, eliminating and reclassifying positions as discussed previously. Constable Presley asked when the transition will go into effect. Mr. Bilyeu suggested making the effective date October 1st. Commissioner Jaynes thinks it would be better to have two chief deputies. Commissioner Williams said it's not what they want. She amended her motion to make the effective date January 1, 2012. Commissioner Webb seconded. Commissioner Jaynes and Shaheen voted no. (Time: 10:07 a.m.)

Motion by: Commissioner Cheryl Williams
Second by: Commissioner Duncan Webb
Nay: Commissioner Joe Jaynes
Commissioner May Shaheen
Vote: 3 - 2 Passed

Commissioner Williams made a motion for a 0% increase to elected officials' salaries. (Time: 10:07 a.m.)

Motion by: Commissioner Cheryl Williams
Second by: Commissioner Duncan Webb
Vote: 5 - 0 Passed

Mr. Bilyeu said magistration pay is part of elected officials' salary. Judge Self said we need to re-vote the elected officials' salary to include magistrate pay. Commissioner Jaynes made a motion to have elected officials' salary include magistrate pay. (Time: 10:08 a.m.)

Motion by: Commissioner Joe Jaynes
Second by: Commissioner Cheryl Williams
Vote: 5 - 0 Passed

Mr. Scott, Juvenile Detention Director, came forward. Judge Self read the list of 11 vacant positions in Juvenile Detention. Ms. Arris said two probation officers and three detention officers were knocked out yesterday. Mr. Scott said last week they had an

officer retire. They moved an officer from Detention to fill that position. He doesn't know where the other probation officer positions came from. Judge Self asked, of the 11 positions, how many can we take off. Discussion of open positions continued. Judge Self said based on Mr. Scott's testimony, we can take off those ten positions, including staffing for the pod. (Time: 10:15 a.m.)

Judge Self wanted to return to Elections. He doesn't see them moving into the JJAEP Building. Commissioner Williams agreed. That space needed to be used. The Judge wanted to redesignate that money to the JJAEP Building and not tie it to Elections. Ms. Arris said we'll call it the JJAEP Building move redesign. Judge Self said there will be a full study as to who will move in there.

Judge Self asked if the Court received the updated job description for the District Court Administrator. Judge Self thinks this is a body in search of a mission. The latest job description has very little, if anything, to do with the County Courts. Commissioner Williams thinks you could add County Court at Law in the description. Discussion continued, with the Judge recommending that the person hired have a broader portfolio than what he sees in the job description presented. He asked Mr. Bilyeu to return the job description and make sure the County Courts are added. Judge Self asked for a motion on the position of District Court Administrator. Commissioner Williams made a motion to approve. (Time: 10:21 a.m.)

Motion by: Commissioner Cheryl Williams
Second by: Commissioner Matt Shaheen
Vote: 5 - 0 Passed

Judge Self asked for discussion regarding the post office one hundred year celebration. Commissioner Webb said he is not going to do it. Neither is Commissioner Shaheen. He has serious reservations working with this organization. He will not support this county supporting this organization. Commissioner Jaynes said it would help if the building was open. Judge Self said there is a consensus.

Judge Self returned to the topic of tax abatement. He referred the Commissioners to an article in the Dallas Morning News. Commissioner Williams preferred that the three-year tax abatement be for business personal property. Commissioner Shaheen said if we can adjust the taxes through an abatement policy that makes Collin County stand out from the other 253 counties in the state. There are major corporations looking to Texas. He would be fully supportive. It's a job creator. The Judge said he is puzzled by Commissioners Williams' and Shaheen's responses since they represent Plano. Plano has a lot of empty store fronts. We are trying to grow our tax base and get small businesses to hire our people. An in-depth discussion followed on the pros and cons of the proposed tax abatement plan.

Judge Self made a motion to change the abatement policy to a three-year rolling 50% for a new business who opens in Collin County for business personal property and real estate for a three-year program. The motion includes that Collin County can individually negotiate with companies who choose to negotiate an individual tax abatement policy. (Time: 10:51 a.m.)

Motion by: Judge Keith Self
Second by: Commissioner Matt Shaheen
Vote: 5 - 0 Passed

Ms. Jacobson returned with an answer to the amount due to TCDRS. The unfunded liability is $34,553,000; however, TCDRS is recommending a payment of $35,500,000 exactly for the smoothing dollars for next year. Commissioner Webb made a motion to approve a payment of $35,500,000 to TCDRS which includes a budget amendment. (Time: 10:52 a.m.)

Motion by: Commissioner Duncan Webb
Second by: Commissioner Cheryl Williams
Vote: 5 - 0 Passed

Commissioner Shaheen said he is still struggling with the salary increase. Other urban counties are not doing anything. Collin County is doing a 2% increase. Collin County did a 2% increase last year. We went through an extensive compensation study. We are treating our employees really well. Commissioner Shaheen made a motion for a 1.5% PFP increase for employees and a 2.5% PFP increase for law enforcement. Motion died for lack of a second. (Time: 10:54 a.m.)

6. Discussion of Proposed FY 2012 Tax Rate

a. Effective Tax Rate

b. Rollback Tax Rate

Ms. Arris said she needed a vote on the tax rate and M&O.

c. M & O Tax Rate

The current tax rate is at $0.2400. Collin County has not had a tax increase in 18 years; there have been decreases over those years. Collin County has had a 5% homestead exemption for three years. Ms. Arris presented historical data on the general fund tax rate and debt service tax rate dating back to 1991. The adjusted taxable value is 1.2%, using the lower value submitted by the Central Appraisal District. The average home in Collin County for 2011 is valued at $230,944. The average homeowner will pay $526.55 in county taxes. That is a decrease of .57 from last year.

For the 2011 adopted tax rate, Collin County's effective tax rate is calculated at a rate of $0.241295. The rollback rate adds in an extra 8% for increased operations in addition to sufficient funds to pay the County's debts for the coming year. The effective debt service rate is increased from last year to $0.063954 which gives you your maximum operating rate of $0.200423; total rollback rate of $0.264377. Ms. Arris said that is the same effective tax rate on the 2012 recommended budget. We have to adopt the effective tax rate calculated by our tax assessor's office, which is $0.063954, which gives us the M&O rate of $0.176046 and that is distributed among the general fund.

Judge Self asked for motion to accept the M&O tax rate of $0.176046. Commissioner Shaheen made that motion. (Time: 10:58 a.m.)

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

d. Debt Service Tax Rate

Judge Self asked for a motion to accept the debt service tax rate of $0.063954. Commissioner Williams made that motion. (Time: 10:58 a.m.)

Motion by: Commissioner Cheryl Williams
Second by: Commissioner Duncan Webb
Vote: 5 - 0 Passed

e. **AI-34032** Total Tax Rate – Record Vote to Proposed Tax Rate

7. Schedule Public Hearings

After discussion, the following dates, times and locations were chosen for the two public hearings and the adoption of the proposed budget:

a. **AI-34045** Tax Rate Public Hearings (Tax Code 26.05 & 26.06)

1. Tuesday, September 6, 2011 _____ (time) _____ (location)

Commissioner Shaheen made a motion to hold the first public hearing on the FY 2012 tax rate on Tuesday, September 6th, 2011, at 1:30 p.m. in the Central Jury Room. (Time: 11:03 a.m.)

Motion by: Commissioner Matt Shaheen
Second by: Commissioner Cheryl Williams
Vote: 5 - 0 Passed

2. Monday, September 12, 2011, 1:30 P.M. in the Jack Hatchell Administration Building, Commissioners Courtroom

Commissioner Shaheen made a motion to hold the second public hearing on the FY 2012 tax rate on Monday, September 12th, 2011, at 6:00 p.m. in the Central Jury Room. (Time: 11:03 a.m.)

Motion by: Commissioner Matt Shaheen
Second by: Commissioner Cheryl Williams
Vote: 5 - 0 Passed

b. AI-34079 Budget Public Hearing (LGC 111.067 & 111.068)

1. Monday, September 19, 2011, 1:30 P.M. in the Jack Hatchell Administration Building, Commissioners Courtroom

Commissioner Williams made a motion to adopt the FY 2012 fee schedule, tax rate and budget on Monday, September 19th, 2011, at 1:30 p.m. in the Commissioners Courtroom. (Time: 11:04 a.m.)

Motion by: Commissioner Cheryl Williams
Second by: Commissioner Matt Shaheen
Vote: 5 - 0 Passed

EXECUTIVE SESSION

There being no reason to recess into Executive Session and no further business of the Court, Judge Self adjourned the meeting at 11:06 a.m. on Wednesday, August 17, 2011

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