

STATE OF TEXAS

COMMISSIONERS' COURT
MEETING MINUTES
JUNE 13, 2016

COUNTY OF COLLIN

On Monday, June 13, 2016, 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:

Judge Keith Self

Commissioner Susan Fletcher, Precinct 1

Commissioner Cheryl Williams, Precinct 2

Commissioner Chris Hill, Precinct 3

Commissioner Duncan Webb, Precinct 4

Commissioner Fletcher led the Invocation.

Commissioner Williams led the Pledge of Allegiance.

Commissioner Hill led the Pledge of Allegiance to the Texas Flag.

1. Judge Self called to order the meeting of the Collin County Commissioners' Court at 1:30 p.m. and recessed into Executive Session at 3:02 p.m. The meeting was reconvened and adjourned at 3:15 p.m.

President Self called to order the meeting of the Collin County Health Care Foundation at 3:15 p.m. and adjourned the meeting at 3:16 p.m.

President Self called to order the meeting of the Collin County Toll Road Authority at 3:16 p.m. and adjourned the meeting at 3:16 p.m.

FYI NOTIFICATION

1. AI-34688 Outstanding Agenda Items, Commissioners Court.

2. **Public Comments.**

3. **Presentation/Recognition.**

4. Consent agenda to approve: Judge Self asked for comments on the consent agenda. Commissioner Webb pulled item 4a to discuss a check in the amount of \$208,265.95 and pulled items 4h2 and 4h3. Judge Self pulled item 4f1. Hearing no further comments, a motion was made to approve the remainder of the consent agenda. (Time: 1:32 p.m.)

Motion by: Commissioner Susan Fletcher
Second by: Commissioner Duncan Webb
Vote: 5 – 0 Passed

a. AI-41667 Disbursements for the period ending June 7, 2016, Auditor.

Commissioner Webb said the disbursement to CS Advantage USAA, Inc. for construction work on the Juvenile Detention Center roof has the incorrect amount. The disbursement should be \$197,852.65 not \$208,265.95. Linda Riggs, 1st Assistant Auditor, said the check that was cut was written for the correct amount but the expenditure report had the wrong amount. With no further discussion, a motion was made to approve the item. (Time: 1:33 p.m.)

Motion by: Commissioner Duncan Webb
Second by: Commissioner Susan Fletcher
Vote: 5 – 0 Passed

COURT ORDER NO. 2016-387-06-13

b. Advertisement(s):

1. AI-41648 Services, Qualified Scheduling Entity (QSE) to Participate in ERCOT Program (RFP No. 2016-163), Facilities.

COURT ORDER NO. 2016-388-06-13

2. AI-41600 Professional Services, Appraisal Services (RFP No. 2016-241), Special Projects.

COURT ORDER NO. 2016-389-06-13

c. Award(s):

1. AI-41665 Image Archive Expansion (RFP No. 2016-185) and budget amendment in the amount of \$5,000 for same, Information Technology.

COURT ORDER NO. 2016-390-06-13

d. Agreement(s):

1. AI-41666 Memorandum of Understanding - Closed POD (Point of Dispensing) Site Agreement with Intel to dispense medical countermeasures to Intel employees and family members in the event of a public health emergency, Homeland Security.

COURT ORDER NO. 2016-391-06-13

e. Contract Renewal(s):

1. **AI-41612** Fire Alarm/Fire Sprinkler Inspections, Testing, Maintenance and Repairs (RFP No. 2015-052) with Convergent Technologies, LLC to extend the contract for one (1) year through and including September 30, 2017, Facilities.

COURT ORDER NO. 2016-392-06-13

2. **AI-41611** Services: Exterminator Pest Control and Termite Prevention Treatment (IFB No. 2014-175) with Collin County Pest Services to extend the contract for one (1) year through and including September 30, 2017, Facilities.

COURT ORDER NO. 2016-393-06-13

3. **AI-41609** Services: Vending (IFB No. 2015-150) with Vend Pro to extend the contract for one (1) year through and including September 30, 2017, Facilities.

COURT ORDER NO. 2016-394-06-13

4. **AI-41650** Supplies: Janitorial (IFB No. 2015-148) with Eagle Brush & Chemical, Inc. to extend the contract for one (1) year through and including September 30, 2017, Facilities.

COURT ORDER NO. 2016-395-06-13

5. **AI-41658** Supplies: Janitorial (IFB No. 2015-148) with Infinity Supply & Service, Inc. to extend the contract for one (1) year through and including September 30, 2017, Facilities.

COURT ORDER NO. 2016-396-06-13

6. **AI-41657** Supplies: Janitorial (IFB No. 2015-148) with Pollock Paper Distributors to extend the contract for one (1) year through and including September 30, 2017, Facilities.

COURT ORDER NO. 2016-397-06-13

f. Budget adjustment(s)/amendment(s):

1. **AI-41638** \$12,465 to reallocate funds for the Spay/Neuter Program, Development Services.

Judge Self said since the inception of the Spay/Neuter Program donations received total \$521,654 with \$99,144 received so far in 2016. The Judge stated he trusts the county will eventually get to the point where foster children donations will equal those of the Spay/Neuter Program. With no further discussion, a motion was made to approve the item. (Time: 1:34 p.m.)

Motion by: Judge Keith Self

Second by: Commissioner Cheryl Williams

Vote: 5 – 0 Passed

COURT ORDER NO. 2016-398-06-13

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

1. **AI-41662** May 23, 2016.

COURT ORDER NO. 2016-399-06-13

h. Miscellaneous

1. **AI-41604** Re-designation of County Road 461 to E Monte Carlo Blvd (with no rural address updates), GIS/Rural Addressing.

COURT ORDER NO. 2016-400-06-13

2. **AI-41673** Re-designation of Private Road 5633 to Mango Court (with associated address updates), GIS/Rural Addressing.

Commissioner Webb pulled items 4h2 and 4h3 because only one person, Tim Bennett, signed off on changing the names of the roads when there are 30 addresses affected. Caren Skipworth, CIO, said this is a motorhome park and Mr. Bennett is the sole owner of all the lots. With no further discussion, a motion was made to approve items 4h2 and 4h3. (Time: 1:35 p.m.)

Motion by: Commissioner Duncan Webb
Second by: Commissioner Susan Fletcher
Vote: 5 – 0 Passed

COURT ORDER NO. 2016-401-06-13

3. **AI-41674** Re-designation of Private Road 5634 to Rebel Circle (with associated address updates), GIS/Rural Addressing.

COURT ORDER NO. 2016-402-06-13

4. **AI-41620** 2014 Grant Adjustment Notice for the FY 2014 Homeland Security Grant Program (HSGP) Urban Area Security Initiative (UASI) LETPA Grant with the Texas Department of Public Safety for grant close out of the FY 2014 DFWA UASI LETPA Grant, Homeland Security.

COURT ORDER NO. 2016-403-06-13

5. **AI-41617** 2014 Grant Adjustment Notice for the FY 2014 Homeland Security Grant Program (HSGP) Urban Area Security Initiative (UASI) Grant with the Texas Department of Public Safety for grant close out of the FY 2014 DFWA UASI Grant, Homeland Security.

COURT ORDER NO. 2016-404-06-13

6. **AI-41688** Personnel Appointments, Human Resources.

COURT ORDER NO. 2016-405-06-13

7. **AI-41689** Personnel Changes, Human Resources.

COURT ORDER NO. 2016-406-06-13

GENERAL DISCUSSION

5. AI-41639 TCDRS 2016 presentation, Human Resources.

Amy Bishop, TCDRS (Texas County & District Retirement System), gave an update on TCDRS and the County's TCDRS plan. TCDRS serves more than 700 employers across the state which includes 270,000 members and retirees. TCDRS is 89% funded with a 9.6% 35-year return making it one of the best funding retirement systems in the nation. TCDRS does retirement right with savings-based benefits, responsible plan funding and flexibility and local control.

Ms. Bishop discussed savings-based benefits. Collin County members put a portion of their pay into an account at TCDRS every paycheck which grows at 7% annually. At retirement the savings account balance plus the employer matching is converted to a lifetime benefit based on age and the payout option chosen. Last year TCDRS paid out \$1.2 billion in benefits in the state. Benefits sent to Collin County addresses totaled \$21,819,342. The average age of an active Collin County employee participating in the plan is 44 years old with 11 years of TCDRS service. The average account balance is \$49,733. On average Collin County retirees retire at the age of 62 with 17 years of service and receive approximately \$26,300 of TCDRS benefits annually. Collin County's plan of benefits include: an employee deposit rate of 7% each pay period; an employer match of 200% at retirement; vesting at eight years of service; retirement eligibility options; partial lump-sum distribution; and group term life for active employees and retirees. Because County employees put in money in advance and because the County is funding in advance the plan is getting the maximum power of investment earning compounding over time. When paying out benefits \$0.77 of every dollar is coming out of investment earnings, \$0.13 comes from employer contributions and \$0.10 comes from employee deposits. TCDRS has a fully diversified portfolio constructed to achieve 8% over the long-term with an acceptable level of risk. Ms. Bishop reviewed TCDRS's investment returns which showed they are meeting or exceeding long-term goals out to 35 years. In 2015 the return was flat at -0.7%. They are exceeding industry standard benchmarks over all periods. The portfolio has performed as expected with the exception of the recession of 2008 and subsequent recovery in 2009.

Ms. Bishop reviewed responsible plan funding. TCDRS takes a snapshot of the County's plan every year to estimate the benefits which will be paid out for current and future employees and calculate a rate as a percentage of payroll. The employer rate for 2017 is 6.22% of payroll. Collin County currently elects to have a rate of 8% of payroll meaning the County is paying a little more than what is required which gives a buffer. The rate is doing two things: 1) investing for your current employees' future benefits; and 2) paying down the unfunded liabilities within 20 years. Ms. Bishop explained why the 2017 rate increased from the 2016 rate of 5.71%. The reason for the rate change was due to the investment return being lower than the 8% as well as a one-time change to the mortality assumption rate. The application of how the 8% investment return assumption is applied was changed to be slightly more conservative.

As for the mortality assumption, a mortality study was completed which showed people are living longer which in turn costs more to provide benefits; therefore, the mortality rate assumption increased. This is mainly for those people who are already in the payout process. At retirement a transfer to an annuity was done for retirees which was assumed to be sufficient but because they are living longer the County has to absorb any change in the annuity structure. This is because the County underwrites the annuities that are paid out of TCDRS. They are not purchased from a third party. The updated annuity purchase rates should stay in place a very long time. The previous annuity purchase rates had been adopted 30 years ago.

TCDRS provided a funding status for the County which shows the plan liabilities and assets for an overall accrued actuarial liability. The County's plan is 103.1% funded with an overfunded accrued actuarial liability of approximately \$12 million. Ms. Bishop provided the Court a reconciliation report of the overfunding and then reviewed a comparison with fund value of assets on an immediate asset recognition basis.

Each year Collin County can make the call to increase or decrease benefits. If the County makes any changes it needs to be submitted to TCDRS by December 15th. Any rate changes will go into effect on January 1st.

Judge Self presented a slide to illustrate the required and actual rate of return from 2005 – 2015. This showed the return was down \$13,000 over the last 11 years. The Judge asked how much of the \$0.77 return on investment is from employees who leave and how much is from the taxpayer. Ms. Bishop explained the \$0.77 is purely investment earnings on the capital received. She said \$0.10 of every dollar going out is from employees and \$0.13 is from the employer. TCDRS has been moving its portfolio slowly over time which is why the asset allocation looks different than other plans. They are not the traditional 60/40% mix. The portfolio is projected to return 8.2% percent over the next ten years. This goal is looked at every four years. The next discussion on the return on investment assumption will be in 2017. TCDRS works very hard to earn the 8.0% every year but it is known that it will not happen every year. Judge Self said the TCDRS benchmark is whatever the market is, but the Court's benchmark is 8.0% and it will be made every year. He asked why TCDRS is so different from other entities around the nation who say they cannot make 8.2%. Ms. Bishop said TCDRS has a consistent measured process where they look at the forecast for each asset allocation and build the portfolio in order to meet the goal. (Time: 2:03 p.m.)

NO ACTION TAKEN

6. AI-41606 Amendment No. 4 to Inmate Telephone Services (RFP No. 03191-12) with Securus Technologies, Inc. to reduce the monthly commissions by \$11,158 each month with the commission rate remaining the same at 81.1% effective June 20, 2016 and further authorize the Purchasing Agent to finalize and execute same, Sheriff.

Josh Conklin, Vice President of Sales for Securus Technologies, came forward to explain the issues with the new FCC (Federal Communications Commission) guidelines to inmate phone companies regarding hidden fees and calling rates. Securus is in the process of implementing the second notice of proposed rulemaking from the FCC which must be in place on June 20, 2016. The intention of the FCC is to limit the ability for counties and states to generate commissions from the contracts. Securus and its peer companies have challenged the new guidelines in court. The 12th District in Washington D. C. has put a stay on portions of the ordered guidelines. It is expected for Securus to be heard in the court of appeals in October with a ruling possible in December on the stayed portions.

The portions of the ordered guidelines that were not stayed and must change include: 1) no longer charging a flat rate for calls; 2) no longer charging surcharges per call that are not tied to an increment of usage; and 3) capping funding fees at \$3.00 for automated transactions and \$5.95 for operator necessitated transactions. Securus is having discussions with all of its customers to determine the best way to handle the situation until the court has the opportunity to rule on the case. The options presented to Collin County are: 1) billing adjustment which entails moving the fees into a per minute rate which would keep users paying the same amount in aggregate and the facilities and Securus receiving the same amount of commission and profit; 2) decommission a portion of the current calling rate that would not go to the County; or 3) make a cash deduction of \$11,158.00 per month from the county commissions.

Randy Clark, Deputy Chief, Sheriff's Office, came forward to express the position of the Sheriff's Office on this issue. The Sheriff's Office does not want to pass on any more expenses to the friends and family of the inmates. The whole basis of the inmate phone system is to keep staff from having to make the phone calls. The goal is to keep the phones on an automated system and service them. This system also aides in investigations by the intelligence gathered from the calls.

Discussion followed regarding the decrease in commission with options two and three and the reasons why there is no option for Securus to take less money. Mr. Conklin explained \$0.81 of every dollar generated from calling revenue goes back to the County with the remaining \$0.19 going to Securus. From the \$0.19 Securus has to pay its operating costs. If the \$0.19 is reduced Securus would not stay afloat. Purchasing was asked if the contract with Securus can be changed midstream and what legal basis Securus has to bring such changes to the Court. Michalyn Rains, Purchasing, said changes can be made to the contract with the Courts' approval. There is a provision in all the contracts which allows for a possible price redetermination that is mutually agreeable by both parties.

Ms. Rains said there is one year left on the contract so the County will be rebidding the system. At that time the County will know more on the court case and/or more from other vendors. If the Court takes no action on the options presented Securus could initiate the 30-day out which is in the contract for either party. This would be a difficult situation for the jail because Securus provides the infrastructure for the phone system. They have the right to remove all the equipment from the jail if they utilize that option which would create at least a four-month period of time without a system until one is bid, approved and put in place.

Deputy Chief Clark said the Jail Commission requires the jail to provide a phone plan for the inmates. If the current system is removed there will have to be a manual system put in place and a new plan would have to be submitted to the Jail Commission. The Jail Commission expects a liberal plan for inmate access to an outside caller and a manual system may not meet the standards accepted. Having a manual system would be a strain on the staff with 1,000 inmates making calls. There is no equipment to do this as the jail infrastructure was designed for an automated system. Deputy Chief Clark said the County is better with any of the options presented rather than the possibility of a party opting out of the contract. Discussion continued on rates and cutting commissions down. It was the consensus of the Court that this is an area where the County should not be making revenue. It was suggested that Securus bid the commission down during the next bid cycle. With no further discussion a motion was made to approve option two. (Time: 2:40 p.m.)

Motion by: Commissioner Cheryl Williams
Second by: Commissioner Susan Fletcher
Vote: 5 – 0 Passed

COURT ORDER NO. 2016-407-06-13

7. AI-41659 Personnel Changes, Human Resources.

Cynthia Jacobson, Human Resources, came forward to discuss a personnel change in the Juvenile Probation Department. Human Resources has been working with this department for a few months now because there are some individuals who are in supervisory positions that do not supervise anyone. Juvenile Probation has two levels of positions. Level ones do the work and level twos supervise. There was a level two position which was not a supervisory position that opened up in the court system working for the juvenile judge. Currently there is a level one and a level two position in this area. When the level two position became vacant Human Resources wanted to correct the problem of having too many level twos and reclassify the vacant level two position to a level one. This would put two level one positions working in the court system. However, the Juvenile Probation Department has a court order from the Juvenile Board of Collin County to promote a level one employee into the vacant level two position. Judge Self said they have the money and the position in their budget and the Court cannot change it. The Judge agreed the position does not meet the criteria of a level two position.

Ms. Jacobson said a job study was performed on the level two position. The job description of the court position was sent to comparable counties to match with positions of similar duties. Based on the information received Human Resources still classified the position as a level one position from a compensation standpoint. Discussion continued.

Lynn Hadnot, Juvenile Probation, said there will not be an additional level two position. They will fill the vacant level two position, which is in the budget, with a current level one employee and then look to fill the vacant level one position. Mr. Hadnot will continue to work with Human Resources to present a restructure proposal to the Juvenile Board for consideration for the upcoming fiscal year. Commissioner Hill asked if the Juvenile Board is aware of the concerns with the position levels. Mr. Hadnot could not speak for the Board but did say Judge Cynthia Wheless, 417th District Court and Board Chairman, is aware and is concerned with making any significant changes to the approved budget which could be unlawful. Commissioner Hill asked if Mr. Hadnot, the Board and the employee understand that it is a possibility they are promoting a person into a position that could be reclassified. Mr. Hadnot does understand and the employee will be aware of the circumstances.

Commissioner Fletcher asked Mr. Hadnot why he feels the position should remain at a level two position when it is not in a supervisory role. Mr. Hadnot said having performed that position himself and having firsthand experience with other counties he feels it is a uniquely different position. He does not believe the responsibility and expertise required to successfully perform the duties is comparable to other counties. The Commissioner asked what additional responsibilities there will be for the level two position that were not performed as a level one. Mr. Hadnot said this employee was performing the court piece at the Juvenile Detention Center and will now be performing the court piece at the District Court level. The job duties are similar but are driven by a different set of codes and statutes. The employee will not be in a supervisory role; therefore, the position may need to be reclassified all together. With no further discussion, Judge Self recessed the meeting into Executive Session. (Time: 3:02 p.m.)

NO ACTION TAKEN

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

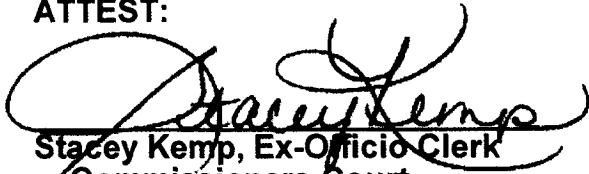
EXECUTIVE SESSION

Judge Self recessed Commissioners' Court into Executive Session at 3:02 p.m. in accordance with Chapter 551.074, Personnel to discuss item 7 under General Discussion.

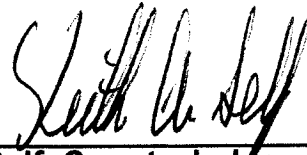
Judge Self reconvened Commissioners' Court at 3:15 p.m. There being no further business of the Court, Judge Self adjourned the meeting at 3:15 p.m.



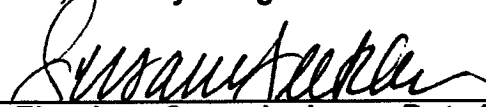
ATTEST:



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



Keith Self, County Judge



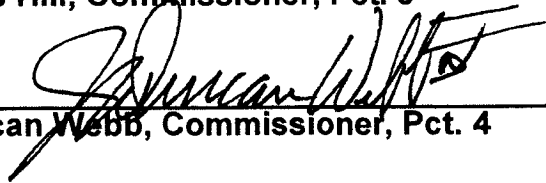
Susan Fletcher, Commissioner, Pct. 1



Cheryl Williams, Commissioner, Pct. 2

Not Present

Chris Hill, Commissioner, Pct. 3



Duncan Webb, Commissioner, Pct. 4