

STATE OF TEXAS

COMMISSIONERS COURT PUBLIC HEARING
SPECIAL SESSION MEETING MINUTES

COUNTY OF COLLIN

SEPTEMBER 7, 2010

On Tuesday, September 7, 2010, the Commissioners Court of Collin County, Texas, met in Special Session for a Public Hearing in the Central Jury Room of the Collin County Courthouse, 2100 Bloomdale Road, City of McKinney, Texas, with the following members present, and participating, to wit:

Present: Judge Keith Self
Precinct 1 Commissioner Matt Shaheen
Precinct 2 Commissioner Jerry Hoagland
Precinct 3 Commissioner Joe Jaynes
Precinct 4 Commissioner Kathy Ward

Commissioner Hoagland led the Invocation.
Commissioner Jaynes led the Pledge of Allegiance.
Commissioner Ward led the Pledge of Allegiance to the Texas Flag.

1. Judge Self called to order the meeting of the Collin County Commissioners Court Special Session at 1:30 p.m.

Judge Self welcomed everyone to the second of two public hearings for the Collin County Budget for FY2011. He asked Monika Arris, Budget Director, to come forward with a briefing of the recommended budget under General Discussion Item No. 3.

2. Public comments were heard following General Discussion.

GENERAL DISCUSSION

3. AI-32466 Public Hearing – Proposed Fiscal Year 2011 Tax Rate and Budget, Budget.

Monika Arris, Budget Director, came forward to discuss the tax rate. Collin County has not raised taxes since 1993. The current tax rate is \$0.2425 per \$100 valuation while the proposed tax rate is \$0.2400 per \$100 valuation. Ms. Arris stated out of all 254 counties in Texas, Collin County is one of only six that has an AAA rating.

The 2010 Adjusted Taxable Value is \$71.2 billion which is down 1.6% from the previous year. The presentation shows lower values but the final numbers should be coming in from the Central Appraisal District soon. Judge Self asked what the

maximum difference that this percentage might change. Ms. Arris stated 1.4% would be the highest it could change.

Ms. Arris said that currently the average home in Collin County for 2010 tax year is valued at \$231,192. The average homeowner will pay \$527.12 in County taxes for the 2010 tax year with the tax rate at \$0.24 as well as the Homestead Exemption. This is a decrease of \$11.02 from last year.

The General Fund Budget for 2011 is \$153.2 which is an increase of 0.2% from last year. The County does not use the full amount it has budgeted each year and the expenditures have been coming in lower than the revenues and therefore this is the cause of the growth in the fund balance over the years. For 2011, the projected revenues are \$152.3 million and a proposed expenditure budget to use \$500,000 of the fund balance where the County is sitting on approximately 300-plus days of reserves. At this time, the projected budget for end of 2010 has Collin County with 327 days of fund balance and with the proposed 2011 budget, if using all of the budgeted funds, will reduce this fund balance to 308 days including the reserves.

The proposed Road and Bridge Fund Budget is \$19.2 million which is a 1% decrease from last year. Ms. Arris stated they have not allocated any tax funds for the Road and Bridge fund for FY2011. She said in order to reduce fund balance they are allocating tax dollars into the General Fund and using \$3.8 million in reserves to cover the remaining in the Road & Bridge fund.

The proposed Operating Budget, which consists of General Fund, Road and Bridge Fund, Jury Fund and Permanent Improvement Fund, is \$174.2 million which is a decrease of 0.6% from last year.

Ms. Arris said items cut from the proposed FY2011 budget that were previously included in the FY2010 budget are \$5.7 million from various non-departmental accounts, \$0.2 million from capital replacement, \$0.4 million from TIF zone participation, \$1 million from position reductions, \$4.7 million from various departments and \$0.3 million from unemployment insurance. She stated they added a \$1.2 million increase for Pay for Performance, \$5 million one-time to TCDRS and \$5 million one-time for other post employment benefits such as GASB 45.

Ms. Arris said the combined funds budget for proposed FY2011 is \$271.2 million which is a 0.4% increase from last year. She stated \$14.1 million of the budget will be reserves.

She discussed truth-in-taxation which showed the adopted tax rate versus the rollback tax rate and effective tax rate for FY2010 and proposed FY2011. She said the effective tax rate is based upon buildings and properties that were included in both tax years and what rate it would have to be to raise the same

amount of revenues for both years. The rollback rate takes the effective rate and adds 8% for general administrative expenses and daily operations.

Ms. Arris concluded by saying at the next Court on September 13th they will adopt the proposed FY2011 budget and tax rate. (Time: 1:45 p.m.)

Commissioner Hoagland asked Jeff May, County Auditor, if the budget cuts he proposed weeks prior were included in the proposed FY2011 budget. Mr. May stated the cuts were included. (Time: 1:45 p.m.)

Amy Bishop, Chief Customer Officer for Texas County and District Retirement Systems, came forward. She stated TCDRS provides to over 600 different employers in districts and counties across Texas. TCDRS does not receive state funding; they operate off the investment earnings created in the system.

Ms. Bishop stated they provided numbers to Collin County back in April at Collin County's request that showed what the benefits would be if every single employee retired at age 60. She said these numbers were not meant to be a study of projected benefits that Collin County would actually pay. These numbers showed an average amount of time for the employee to be employed was approximately 27 years when the fact is only one in four Collin County employees will retire and will have an average of 18 years in service. She stated she brought actual numbers to show an example of what an employee will really receive.

Ms. Bishop explained how the retirement plan works. She said each employee puts in 7% of their paycheck and this money is put into an account with TCDRS and it earns 7% interest. This interest amount is governed by the State legislature.

She stated the 250% match is being met at the back end and not the front. The employee does not see this match until they retire and agree to take a monthly benefit. At retirement, TCDRS takes the amount in the account and matches it 2.5 to 1 and then calculates a monthly benefit to life for the individual. She stated the term "vested" in TCDRS is unlike the term used for a 401K. When the term is used in TCDRS it means that person is eligible to receive the match when they reach retirement age of 60 years old. This plan is also unlike a 401K in that you cannot take a loan out on the account. If you choose to withdraw your money, you cannot pay it back.

Ms. Bishop discussed how benefits are funded primarily by investment earnings. She stated the TCDRS growth from 1967 through 2009 was 11% employee deposits, 13% employer deposits and 76% investment earnings.

She stated as of December 31, 2009, the average age of a current Collin County retiree was 62. Their average service years at retirement were 18. The average

current annual benefit, including cost of living adjustments adopted by Collin County, is \$22,000, while the average annual benefit at retirement is \$18,000. She stated based on the average annual benefit at retirement and final salary as available, the retiree will only make an average of 39% of their previous salary in retirement.

Ms. Bishop showed a graph which demonstrated the percentage of final salary replaced by Collin County retirement benefits for a new hire that retires at age 65. She gave different scenarios regarding years of service and matches at 250%, 200% and 150%. She stated at this time if an employee had a deposit rate of 7% into TCDRS and an annual salary increase using the graded valuation salary scale, the employee would have a salary replacement of fewer than 60% when they retire in 18 years.

Ms. Bishop discussed the projection of Collin County required rate regarding cost under the current plan and the proposed plans. She said the rates drop off after 20 years due to the plan the County has. The rate is calculated by two things: the amount that needs to be paid to fund the current employees' benefits over their career and any unfunded liabilities. Unfunded liabilities are created if the County passes a benefit increase that has not been funded in advance or if the investment return is lower than expected. TCDRS has a 20-year closed amortization period. If Collin County pays the required rate for the next 20 years, they will pay off all of their unfunded liabilities. At this time Collin County pays 12.8% out of the elected rate, which is 13.5%. Commissioner Jaynes asked how Collin County would rank with other counties with which TCDRS does business. Ms. Bishop said she feels Collin County has been a model plan because they have been paying the elected rate and lump sums to bring down the unfunded liabilities. Commissioner Jaynes asked if she knew if Collin County had any employees right now that would retire with six figures and she said there are none.

Ms. Bishop discussed the funded ration, which are the projected assets in relationship to the projected liabilities. If they contribute \$5 million and drop the match to 200%, then they will reach a 100% funded ration by 2024.

She stated the differences between a 401K plan and the TCDRS plan regarding the interest rates and the assumed risks. She said the employee cannot outlive their savings in TCDRS. Commissioner Jaynes asked about the difference between the municipal systems in comparison. Ms. Bishop said the difference is like apples to oranges and their benefits are different. They have a defined benefit formula as well as different funding and benefit structures.

Judge Self asked Mr. May what rate they are receiving on the County investments today. Mr. May said at this time they are lucky to see a 1% return on investments. Ms. Bishop stated the TCDRS return rate is higher due to their program being long term. (Time: 2:26 p.m.)

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

5. **AI-32558** Ratification of the County Judge's prior approval of an Order Prohibiting Outdoor Burning in the unincorporated areas of Collin County in accordance with Local Government Code 352.081, Fire Marshal.

Steve Deffibaugh, Fire Marshal, came forward to discuss the burn ban. He stated there are two times in the year when burn bans are likely, in the dead of summer when the drought index is high and in the middle of winter when the ground has moisture but the vegetation is dry. Mr. Deffibaugh said Collin County had a burn ban in effect in 2005 from June through March, while in 2007 there were no burn bans issued. He stated in 2010 the drought index was over 400 in May and topped 500 in June and remained high until July 2nd. He said the rain coming at that time was needed but despite the moisture in the ground the vegetation was still dead and dry and could still catch fire. He also said the mud can cause major issues with fire trucks and fire fighters. He suggested keeping the burn ban in effect and once a certain amount of rain is received to drop the drought index to below 500, the burn ban can be lifted. Commissioner Hoagland made a motion to approve. (Time: 1:52 p.m.)

Motion by: Commissioner Jerry Hoagland

Second by: commissioner Joe Jaynes

Vote: 5 - 0 Passed

COURT ORDER NO. 2010-661-09-07

Judge Self opened the public hearing at 2:35 p.m. He stated the speakers will alternate between pro and con and each speaker will have three minutes to speak. Judge Self said because of the number of speakers, he will call three people up at a time.

1) Robert Chambers, Frisco, stated he was at the last public hearing and expressed his concerns for the retirement benefits issues. He said he requested total benefits cost numbers from the County and received no response. He said he keeps hearing various people say Collin County is a rich county but what does that mean. He asked if that meant they should give it all away to the employees. He knows this is a difficult and complicated issue and he doesn't mean to belittle the budget but he believes to satisfy the publics' questions and to retain their trust then they should do more. He stated he believes the Commissioners Court should investigate the pay and benefit levels of the private sector and the public sector and bring them into a competitive rate between the two. (Time: 2:39 p.m.)

2) Zeke Fortenberry, McKinney, works in the District Attorney's office and stated he was at the last meeting but was unable to speak. He said what he first learned was this debate regarding employee benefits was more about facts than policy.

He felt the information given to the public was misleading and stated you cannot talk about county benefits without discussing county salaries. He stated in the District Attorney's office an attorney starts out making \$54,000 a year which is much less than the private sector. He felt the salary for law enforcement should be much higher. Mr. Fortenberry said on August 17th the Sheriff's Office had the courthouse on lockdown due to a gunman a mile away and were protecting the citizens and the employees and they should be rewarded for doing such things. He claimed Judge Self and Commissioner Shaheen were using a hatchet to cut the employees' retirement and he feels they should be using a scalpel instead to make precise cuts that are needed and necessary. He stated he doesn't want them to use their hatchet and he doesn't want to be their headline on their next campaign. He addressed Commissioner Hoagland and Commissioner Jaynes and thanked them for their support. He addressed Commissioner Ward and stated he knew she was the swing vote on this issue and praised her for being a communicator. (Time: 2:43 p.m.)

3) Jody Rushton, Plano, stated she was extremely distressed because of the condition the county is in right now and is upset because they have been fed information that is not entirely correct. She said she was at the last meeting and noticed the people who were so upset on both sides. She stated according to the Texas County and District Retirement System, the actual match is not what was presented to the public previously. She said the Tea Party was upset and pointing fingers due to being given the wrong information. She was appreciative of the deputies who came to the previous meeting in uniform and never felt threatened in any way. She stated she sat for five hours at the previous public hearing and heard people ask Judge Self for compassion but she was not here today to ask for compassion but to ask him to be a strong leader and stand up for the employees. The employees were promised a certain percentage and it is not right to pull that out from under them. She said the voters voted him in to make Collin County strong and to be a strong leader and asked him to build Collin County strong rather than make it look flimsy. (Time: 2:46 p.m.)

4) Wayne Richard, Plano, stated he appreciated the fact that the Court has allowed the review of the issue of benefits. He stated he has lived in Collin County for a long time and has owned his own business for over 20 years. He said his sister retired recently from a county in New York and she spoke to him about her retirement plan. She was a lower level employee and their conversation consisted of him asking her what she would do when her pension ran out. He has heard the discussions and he has seen a lot of red flags go up. He stated if the returns are not met as expected then it will be the taxpayer who has to step up to cover the costs and make up the difference. He has friends who work in Collin County and he would hate to see them go through the same issues his sister is going through. He asked the Court to look at the retirement plan and evaluate it to make sure the money is there when these individuals retire in 20 years or so. (Time: 2:49 p.m.)

5) Dickie Thomas, Sheriff's Office, has heard a lot of conversation regarding the private sector. He said back in the 1950's his father was a deputy sheriff in Collin County. He was four years old at the time and his father was shot in the line of duty while approaching a house in Plano. He said that is public service, not private enterprise. He stated when he made the decision to enter law enforcement himself Collin County was only paying about \$600 per month while the City of Richardson was paying \$841 per month, so he made the choice to go there because of his family. He served in Richardson for 25 years and then made the decision to move to Collin County where he has served for almost nine years. He would like to think if one of his children were to enter the law enforcement field in Collin County, he would see them paid a reasonable living wage. (Time: 2:51 p.m.)

6) Marvin Brooke, Collin County resident, stated he missed the other hearing and is currently retired and has worked for several employers in the past and has never had a match of more than 1%. His wife is currently employed and is under the same circumstances. He feels the County employees should have their benefits more in line with private sectors. He would hate to see Collin County be like other states and entities where they are out of touch for budgets. He stated he heard the recent investment return rate is 3% and said there are not a lot of people who can predict what their rate will be in the future. (Time: 2:53 p.m.)

7) Jared Clark, McKinney, presented a PowerPoint presentation to the Court. He said he is an employee and a Collin County citizen. He said he went over every single minute of every hearing regarding the benefits and salaries. On August 9th Judge Self gave his recommendations for cutting the budget and then gave his justifications for these cuts. Mr. Clark gave the Commissioners previous comments to Judge Self's presentation. He stated that despite the presentation by TCDRS today there is still information they would like to see. He suggested taking time to study the benefits and make that information available to the public and then make the decision. (Time: 2:57 p.m.)

8) George Ray, Richardson, asked if anyone in the room was not an American. He stated he has been managing money for 30 years. He said there are huge problems ahead due to the economy. He does not believe they can earn 8% a year. He stated nobody is back up to where the market was. He said he is a Tea Party member but everyone is still an American and they should all be on the same side. (Time: 3:00 p.m.)

9) George Varghese, Flower Mound, has been an employee for 10 years. He stated he drives 35 miles one way every day for the benefits and the people he works with. He has had the opportunity to work with all offices and Collin County is made up of outstanding employees and he feels they deserve the benefits they have right now. When he was hired, he was promised a percentage of retirement. He has a family to support and he would hate to see families hurt and dreams shattered due to the cuts. He understands the Judge wants to be a great

leader, but all great leaders fight for the people and their benefits. He prays that the Lord will give them the guidance to make the right decision to make the County a better place and pleads to not hurt the employees. (Time: 3:04 p.m.)

10) Andrew Piziali, Parker, thanked Amy Bishop from TCDRS for her presentation. He wanted to remind the Commissioners that they represent the taxpayers. He said there are approximately 400,000 citizens in Collin County and only about 2,000 employees. He thinks the retirement system is a golden plated system and needs to be brought in line with the private sector. A benefit that occurred to him is that the County employees are being given a financial advisor to watch over their benefits. He said comparing the salary averages of a Collin County citizen to the Collin County employee is like comparing apples to oranges because you do not have neurosurgeons working for the County. He said projecting numbers in 25 years is ludicrous. He asked the Court to look at the data carefully and recognize that this is a generous retirement plan. There are 33,000 unemployed Collin County residents in line to take these jobs. (Time: 3:06 p.m.)

11) Andrew Vanderryst, Plano, stated he is a Collin County resident who has mixed emotions regarding the benefits issues. He believes people work hard for the County and they should be able to feed their families without having to get a second job. He felt the County should match a dollar for a dollar and then let the employee be vested with rights. He stated this would cost the County a lot less money and the County would have less responsibility. He stated nobody can guarantee anybody anything. He believes in seeing the money up front. (Time: 3:10 p.m.)

12) Mike Openshaw, Plano, stated the Commissioners answer to the voters first. He said he supports Commissioner Ward seeing as how she is the swing vote. He has gone through the presentation and would have loved to see the diagrams with a 150% match. He feels the County will not see an improvement by leaving the match at 250%. He said the 7% to 8% return is the point that makes the plan unsustainable. He stated it is important to realize there are two types of employees in the County: the ones who are comparable to the private sector and the ones who are not, such as law enforcement. He said the 8% is only guaranteed out of the pockets of the taxpayers. (Time: 3:13 p.m.)

13) Angie Mossolle, Plano, was at the previous meeting and noticed a lot of finger pointing. She stated one thing that has not been brought up is that the employees do not have the option to have someone manage their retirement. She said part-time employees have no other benefits other than retirement. They do not receive PTO time or any other perks. She works in the Tax Office in Plano. The County and the State change their laws almost weekly and the knowledge to keep up with the laws is not comparable to a title clerk in the private sector. She feels if the match is not kept, there will be employees that leave and the cost of training new hires would be more. She said it is hard to

keep up the morale in the office when the laws continue to change for the taxpayers. She stated the private sector has more options with their retirement than the Collin County employees. (Time: 3:17 p.m.)

14) Cindy Meyer, Parker, stated she has lived in Collin County for 37 years and after hearing both sides of the story she wanted to respond to both. To the employees, she realizes the changes are hard to accept but if they look around they will see plenty of people struggling to make ends meet. She stated these employees should be aware the taxpayers pay their salaries and benefits. She said the County employees are asking the citizens to pay for their cushy retirement benefits. She stated there are thousands of people who would line up to take the jobs of the employees and she feels a one to one match is acceptable. She addressed the Commissioners and said they were voted in to make hard decisions and the employees should be paid competitively. She feels the one to one match is competitive. (Time: 3:20 p.m.)

15) Diane Ketchison-Fox, Plano, has been a County employee for over eight years and works in the Plano Tax Office. She stated every day they have customers thank them for the good job they do and say they are the nicest office they have ever been in. She said they have a lot of hard working and good people in the Plano office. They do not feel appreciated because they have been compared to blood sucking leeches. She is proud to say she is a County employee. Her husband is retired and she provides benefits for her family. If they cut the benefits, she will undoubtedly have to go somewhere else to work. She ended by saying she feels Collin County is a great place. (Time: 3:22 p.m.)

16) Anita Denker, Plano, has been a Collin County resident for over 35 years. She worked in the public sector and is a nurse and has been for over 20 years. She stated her 401K was \$0.50 to the \$1. She saved money and was able to do well but they ended up selling the hospital where she worked and took away her 401K. She asked Ms. Bishop previously what the average county matches were in all the counties. The response was 200%. She said everyone is taking tremendous cuts. The public is not asking the employees to take a large cut but in the private sector they are all taking cuts or having to look for other jobs. She said the public appreciates the employees. (Time: 3:26 p.m.)

17) Lisa King, Plano, has been an employee with the District Attorney's office for 10 ½ years. She stated prior to moving to Collin County she was a prosecutor in another state up north. She said the economy was bad at that time but never once did they try to slash the employee benefits because that county believed it was only as good as its employees. She loves being a prosecutor and when she decided to come to Collin County her deciding factors were the pay and the benefits. She sees the young people coming in the D.A.'s office right out of college and she is excited because they are the ones who want to stay in Collin County. She feels the County cannot keep talented and qualified people with the benefit cuts. The prosecutors sign up for lower pay at the beginning as compared

to the private sector but in the end they know they will make up for it with their retirement. (Time: 3:29 p.m.)

18) Gail Leyko, McKinney, came and thanked Commissioner Jaynes and Commissioner Hoagland for their continued support to the County employees. She stated her family has lived in Collin County for years, including her extended family. She's been a prosecutor in the District Attorney's office for 17 years. She said after the births of her children people kept asking her to go into the private sector because she would make more money and have more free time. She came back to the County because she felt it was the best decision for the future of her family. It was the benefits plan that attracted her to this job and has kept her here. The plan is what has kept the career prosecutors working in the D.A.'s office. She stated Commissioner Jaynes pointed out earlier the tax cut would only save the taxpayer approximately \$5 per year. She feels this \$5 is more vital to the employees than the taxpayer. (Time: 3:32 p.m.)

19) Beth Gibson, Plano, stated she attended the first public hearing and came to express her opinions on the benefits issue. She has lived in Collin County and paid taxes for 13 years. She said she left the first meeting feeling ashamed of the people who represent the County as employees as there was a room full of deputies in uniform intimidating the public. She said the comments directed at Judge Self were rude and the disrespect for the public set the tone of arrogance and entitlement. She said the County employees have lost sight of the fact the taxpayers pay their salaries. She stated the private sector has experienced layoffs and cuts as well. (Time: 3:35 p.m.)

20) JoDee Neil, McKinney, stated this was her third time to address the Commissioners Court regarding the retirement issue. She said after her first time to address the Court, she was insulted in an e-mail which called the employees "the privileged class" and "liberal". She grew up in Collin County and she used to go to the tax office to run errands for her father before her employment. She said it takes a village to raise a child and it takes a village to raise a county. When she was growing up she never saw Collin County in the news and rarely in the headlines for crimes or anything else. Everyone knows what is going on in Dallas County as far as crime rates, and if the prosecutors and deputies begin leaving, then Collin County will begin to see issues like Dallas County. She believes in the County and she believes in its future and that is why she chooses to stay. She said change in the D.A.'s office is not a good thing because change means you are losing qualified people. (Time: 3:38 p.m.)

21) Richard Smith, Prosper, stated he believes the budgeting process is a difficult one but it is what keeps an organization vital. He said this process is even more difficult when the decision involves people and their futures. He suggested the salaries need to be competitive with the private sector. He feels the fact that the County has an unfunded liability right now means that despite

the extra money that was put into the account, there is still a problem. (Time: 3:41 p.m.)

22) Curtis Howard, McKinney, stated he has been with the County for 13 years and he has seen more animosity come out of this process than ever before. He feels the animosity comes from the employees because they had no voice or input. He thinks the idea for a committee to study salaries and compare them is great. Mr. Howard said in 2008 the Commissioners decided to give law enforcement and prosecutors a pay raise to bring up the salaries to the middle grade. He said the biggest competitor for them to bring in the best straight out of law school is the private sector. He stated he tried a murder case last month and he only made \$55 per hour on the case while the defense attorney was paid \$107 per hour. (Time: 3:45 p.m.)

23) Paul Petkoff, Frisco, stated the Commissioners were doing a good job to keep the County out of pension Armageddon. He said he agrees with all of the points Judge Self has previously made. He does not feel lowering the match is too far fetched. He asked Judge Self if it was true they are trying to lower the property tax rate. Judge Self said yes. Mr. Petkoff suggested leaving the tax rate as it is or even raising it to avoid the economic downfall that is expected to come and put this extra money towards road and bridge funds or towards prosecutor salaries. Commissioner Shaheen stated the tax reduction is because of the fund reserves and the AAA bond rating. He said there is \$38 million in budget for road and bridge. (Time: 3:48 p.m.)

24) Cynthia Walker, McKinney, stated she is a prosecutor in the District Attorney's office and knows they have lost approximately 55 prosecutors in the last five years. She said it was difficult at that time because the case loads were backing up because people were leaving and they had to move experienced prosecutors to other cases. She stated having the prosecutors' salaries compared to the private sector would be ideal but the benefits are what make up for that loss. She said the lower paid County employees are the ones who will really suffer from the benefit cuts. (Time: 3:52 p.m.)

25) Chuck Molyneaux, Allen, said the Commissioners represent a conservative constituency during a time when fiscal irresponsibility is running rampant through the federal government as well as state and local. He believes the residents of Collin County have expectations the Commissioners will look into competitive salaries for the employees. He said it is not the Tea Party against the employees; they are all citizens and are looking for fiscal responsibility. He stated looking for a job in the private sector comparable to law enforcement isn't relevant but there are jobs in the private sector that are very dangerous. (Time: 4:06 p.m.)

26) Marie Driskill, McKinney, said her husband died in active duty in the Marine Corps so she is familiar with the willingness to lay your life on the line and she feels the Sheriffs Department is willing to do that. Their organization is clean and

you never hear about them being corrupt or committing crimes. She believes they are excellent and outstanding and have recently been recognized nationwide. She stated this excellence will only continue if the manpower is provided and the benefits are there; otherwise, they will begin to leave. She said if the benefits are cut and the manpower is decreased then crime will increase. The deputies have to be on the streets regardless of the holiday or the time of day. She said if you cut the resources, then you cut the willingness of the people who are willing to lay their lives on the line. (Time: 4:09 p.m.)

27) Debbie Piziali, Parker, stated there are a lot of misconceptions about a Tea Party member and a Collin County employee because they are all taxpayers and the animosity between the two doesn't start with the Commissioners Court. She said everyone is in the same situation and have certain things they need to cut back on. She wants them to consider the debt per capita thanks to the federal, state and local debt. She suggested the Court consider reducing the match. (Time: 4:12 p.m.)

28) Judge Paul Raleeh, McKinney, wanted to thank everyone for coming because he felt it was important to get the views out. He stated there are approximately 52 departments in the County and there are 35 elected officials that are very frugal with the taxpayers' money. There is not one elected official that does not give money back they have saved from their budget. He believes everything happened because they heard these numbers from Judge Self and everyone was concerned where the Judge got his numbers. Judge Raleeh said he feels the 2.5 match is too high and that a two to one match would be okay. He thinks if Judge Self would have come to the elected officials and talked to them before having these discussions they could have compromised and gone to Austin to see what was needed to get things changed. He feels they need another retirement system. (Time: 4:15 p.m.)

29) Kelly Cooper stated she has been very involved in politics in recent years. She doesn't think what she is hearing today is as strong as the previous hearing. She appreciates the Collin County employees and the Sheriffs office. She also appreciates the citizens of Collin County and doesn't believe anyone is above the other. She feels no one area of the working population deserves to be protected more than another. She said the retirement package and the 250% match is great but the bottom line is everyone needs to try and meet in the middle. (Time: 4:18 p.m.)

30) Jerry Higgins, Allen, said he is glad to work for the County and he wants to continue to work here. He likes the retirement package he has now and he wants to keep it. He stated he was out of work for almost a year in his younger years and he had to figure out how to put food on the table for his family. He changed jobs and went into the accounting field to provide for his family. He knows there are times everyone has to come together and face difficult decisions. He would not mind being on a panel and looking into what is fair between the two sides. He

knows he would make more money in the private sector and he sees a benefit cut coming. He ended by asking the Commissioners to do a good job. (Time: 4:22 p.m.)

31) Moe Kramer thanked the law enforcement for putting their lives on the line and he felt they do not get enough appreciation for what they do. He believes if someone was willing to put their life on the line they deserve great benefits and good pay. He thinks benefits for those that do not put their lives on the line should not be as good. He said you have to prepare for bad times rather than waiting until the last minute. (Time: 4:23 p.m.)

32) Sheriff Terry Box stated that at the previous meeting the Sheriffs office never told anyone to leave the building regardless of what the public said. He stated he knows where the taxpayers' money goes because he has been cutting his budget for the past 30 years. This year they voluntarily cut six employees because he knew the County was looking for more money. Eight years ago the pay for the department was less than the surrounding cities and they finally got a study done so they could compete. He said at that time they implemented Pay for Performance while the cities were still using their Five-Step Program. He said the cities have a 200% match and are vested within five years while the County isn't vested until eight years. He asked the Court to take into consideration that he is losing employees to the surrounding cities and not other counties. (Time: 4:26 p.m.)

33) Roy Serpa, Fairview, said he was pleased with what he heard today and was disgusted with the previous meeting. He felt this meeting was a much more business-like and civil environment. He feels it is necessary to take steps to be more efficient. He thought the previous people had said enough so far and made very good points. He stated he was in California recently and he read an article that was published concerning the government salaries and benefits from that area. He is interested in having a fully funded retirement for the employees. (Time: 4:30 p.m.)

34) Tracy Hancock, Allen, thanked the Court for the opportunity. She said she is proud to be a citizen and is proud to be here. She said she has been asking a lot of questions of numerous individuals and getting their opinions on the issues. She suggested a committee be formed to explore all the options prior to changing the employee pension plan. She feels the committee would also look into salaries. She stated she sees the reality of the economy and has seen it reduce salaries and benefits for people in the private sector. (Time: 4:33 p.m.)

35) P. Coleman, Plano, thanked everyone on their civility from both sides and applauded all firemen and deputies. He feels they eliminated the issue of it being the Tea Party against the employees. He feels the issue that has become a non-issue is if the employees do not get the match, they will have a cut in staff. He stated this was not a valid argument because there are people that will work just

as hard, if not better. He said business projections are saying if people don't back off of spending then they will end up with very little in the end. He cannot blame the employees for trying to negotiate the best deal for themselves but they cannot blame the employer for trying to save themselves money. (Time: 4:36 p.m.)

36) Hugh McClellan, McKinney, stated he is a Sheriffs office employee. He left the highway patrol in 1985 due to the benefits that Collin County offered. He stated he is in Crime Prevention. His job is to monitor neighborhood crime watches and work with National Night Out. They do programs inside the cities and outside the cities along with home security surveys. They do services that other cities do not provide. He asked under the new proposed insurance benefits, if he has to go to someone out of network, does the cost come out of his pocket. Cynthia Jacobson, Human Resources, stated United Healthcare is offered nationwide so there are in-network providers located everywhere. She said a point was brought up previously about a situation if you are on a cruise and there is no way possible to be in-network then there are exceptions. (Time: 4:41 p.m.)

37) Max Bowen, Lucas, stated he has been a Collin County resident for 15 years and stated he supports Judge Self's recommendations. He stated he appreciates all the Commissioners and how they have worked to keep the tax rate down. (Time: 4:42 p.m.)

38) Bertti Dunkel, Howe, is a Sheriff's Office employee who works in the detention center. She stated she brought copies of her retirement statement for anyone who would like to see it. She said she has not seen a 5% raise in three years since they went to Pay for Performance. She said in her job they are exposed to diseases every day and go to work knowing they could be stabbed and deal with fights hour to hour. She has a disabled husband who she provides for. She worked at Texas Instruments for 23 years where she had a 401K, but isn't comparing her job now to that one. She said this match is important. If the County is going to be so conservative with salaries, then there are other positions that make huge amounts of money and they also receive the same retirement as well as longevity pay. She said she will take her cut but maybe they need to take theirs as well. (Time: 4:45 p.m.)

39) Rosalind Bowen, Lucas, stated she was not at the last meeting but watched the video and said this meeting was much calmer and a more agreeable session. She stated she had heard most points mentioned regarding the 250% match and asked if employees were still receiving a cost of living adjustment. Judge Self clarified and said the payment was only for current retirees. She thinks a nice compromise would be to make the retirement plan match 200%. (Time: 4:48 p.m.)

40) David Smith, Plano, suggested making no change to the retirement match due to some misinformation received from the past meetings. He said there is no

compelling reason to make a change at this time. He stated they learned this is a back end match. The General Fund is in great shape, enough to make a tax rate reduction. There is no reason to make a change at this time to the retirement. They should not punish the County employees. His second recommendation was to walk back through the healthcare premium co-pay changes before this upcoming Monday's meeting. (Time: 4:51 p.m.)

41) Albert Cervantez, Melissa, is an assistant superintendent of the Juvenile Detention Center. He came to Collin County in 2001 and has been in public service for the past 17 years. He feels the employees are here because they feel a strong sense to serve the public and take pride in the work they do for the community. He stated 41% of the employees at the Detention Center have been there for five to ten years, 33% have been there two to five years and 10% have been there for over ten years. The experience of these deputies is better to work with the broken children who are at the center. He believes the lack of benefits will only drive employees away, therefore, upping the cost of recruitment and training new hires. He asked the Court to keep the match as is and also consider a focus group to study the benefit packages. (Time: 4:54 p.m.)

42) Wayne Owen, McKinney, stated he was in the private sector for 50 years, has lived in six states, worked for eight companies and has laid people off as well as been laid off. He said the County employees should not be compared to the private sector unless they get paid like the private sector because the County cannot have it both ways. As a resident of Collin County he feels good here. He said when he lived in Dallas County, he never felt safe. He said Collin County has the finest employees and they do their job well. He wants to feel safe for the rest of his life. (Time: 4:57 p.m.)

43) Michelle Voirin, McKinney, is a prosecutor for the District Attorneys office in the Crimes Against Children division. She stated she recently finished a jury trial in which a grown man offered \$5 for the body of a child. She asked how many people in the room would give their last dollar to keep this man away from this child. She said the citizens on the jury, the taxpayers, thought this child was worth more than that \$5 and are spending their tax dollars to give the man free room and board for the rest of his life to keep him away from children. She has been a lawyer for 20 years and began her career in a civil law firm in the private sector and has been a prosecutor for the past 16 years. She said this past year she billed out less than what she made 20 years ago as a 25-year-old lawyer who could not find a courtroom. She said the strength of the community is how they treat the weaker members. (Time: 5:01 p.m.)

44) Tom Brennan, Parker, stated he could bring up all the differences between the sectors but it isn't worth his time. He said he has seen a lot of his fellow citizens unemployed and lose their benefits. He supports the reduction of the retirement match to 100%. He feels the citizens are worried about 10 to 20 years from now and are looking at the issue long-term. He agreed with the

recommendations to have a council to look at what is proposed for retirement and salaries. (Time: 5:05 p.m.)

45) Johnnie Newton, McKinney, stated he went to work in 1962 for the Dallas Police Department. He retired in 1996 because they lowered the standards and he could tell what would happen in his department. He doesn't want to see this happen in Collin County. When he retired he went into the Constable's Office. When Constable Todd makes policies, he carries them out. Mr. Newton asked Sheriff Box how many jail inspections he has failed and he replied none. He asked the Commissioners to not lower the standards of the County by lowering the benefits so that what happened in Dallas County does not happen here. He ended by giving his full support to Commissioner Jaynes. (Time: 5:09 p.m.)

46) Bhawna Oberio, Parker, is a Collin County taxpaying citizen. She said everyone contributes to the county and community and nobody's job is better than anyone else's. She said in the private sector you do not know what is going to happen to your benefits until it has already happened and you don't have an option. She said the county is already dipping into the reserves and the money will eventually run out. She stated the unemployment rate is increasing, not decreasing. No one will leave their job if it is putting food on the table. She said it is not that the public does not appreciate the employees, they just cannot afford it. (Time: 5:12 p.m.)

Commissioner Ward asked Monika Arris, Budget, to come forward and clarify the budget statements made by Ms. Oberio. Ms. Arris stated there is no shortfall in the budget funds. She said the reserve funds were being used because they have over 300 days in the reserves at this time and the monies are being used for specific things. (Time: 5:15 p.m.)

47) Fred Moses, Plano, stated he believes the Commissioners have done a great job. He would like the Commissioners to stick true to the facts regarding the budget issues. He was glad to see the TCDRS come and talk about the issues and clarify some of the numbers for the public. He feels that as taxpayers and as a county they would want a competitive benefit package and salaries for employees so they will continue to do a good job. (Time: 5:19 p.m.)

48) Deborah Hyatt, McKinney, is a taxpaying resident of Collin County. Upon hearing different people speak she appreciates the Commissioners' fiscal responsibility. She said she and her husband have lived in Richardson for over 16 years and they pay over \$100,000 in taxes every year and have had a significant drop in their income and their benefits. She said she remembers growing up with a father who was a working class employee and her mother was a government employee. Her mother always had the security of a pension when she retired from her job. She stated she does not want to receive public service from disgruntled and stressed employees because of a contract that has been ripped out from underneath them. The interaction she has had thus far with the

employees has been pleasant and professional. She said she gives the Commissioners permission to increase her taxes to do whatever it takes to keep the employees happy. (Time: 5:22 p.m.)

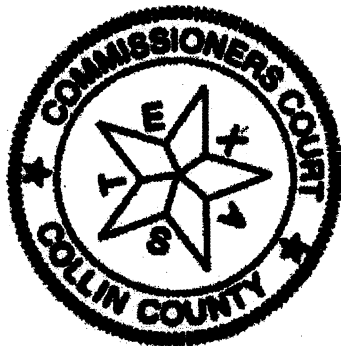
49) Betty Sharp, Anna, stated she does not want to see any change in the current employee benefit plan. She said she heard many reasons from both sides on the issue and doesn't see a reason to reiterate any of them. She said everyone coming to speak seems to think things can only get worse but she believes things can get better. She said even if things do get worse that is when they depend on government employees more. She feels the private sector needs to work on itself rather than bringing the public sector down. (Time: 5:26 p.m.)

50) Kathy Schroeder, Farmersville, brought up a bag of groceries to show what the taxpayers could buy with the \$11 they would save on their property taxes. This is what they would be trading for experienced County employees. (Time: 5:27 p.m.)

51) Nina Barrett, Allen, stated she keeps hearing the comparisons are apples and oranges. She said the retirement system is more of risk insurance than a pension. She stated if she works for the County for 30 years and dies before retirement then her family will not receive the match and will only receive what she contributed. She asked they suspend this decision for a reduction until they can get better facts and figures. She said she keeps hearing the taxpayers asking what they are getting for their money. She stated the County employees have done an extremely good job and are the vanguards for the beautification of the County. Thanks to Collin County they don't have bars on their windows and can drive down the road and feel safe. (Time: 5:31 p.m.)

EXECUTIVE SESSION

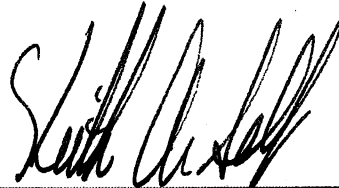
There being no reason to recess into Executive Session and no further business of the Court, the meeting was adjourned at 5:31 p.m.



ATTEST:



Stacey Kemp, Ex-Officio Clerk
Commissioners' Court
Collin County, T E X A S



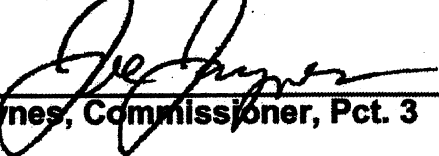
Keith Self, County Judge



Matt Shaheen, Commissioner, Pct. 1



Jerry Hoagland, Commissioner, Pct. 2



Joe Jaynes, Commissioner, Pct. 3

Not Present

Kathy Ward, Commissioner, Pct. 4