

STATE OF TEXAS

COMMISSIONERS COURT
MEETING MINUTES

COUNTY OF COLLIN

JANUARY 3, 2011

On Monday, January 3, 2011, the Commissioners Court of Collin County, Texas, met in Regular Session in the Commissioners Courtroom, Jack Hatchell Collin County Administration Building, 4th Floor, 2300 Bloomdale Road, City of McKinney, Texas, with the following members present, and participating, to wit:

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

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

1. Judge Self called to order the meeting of the Collin County Commissioners Court at 1:00 p.m. by welcoming everyone to the first Commissioners Court of 2011, and by welcoming the two new commissioners: Cheryl Williams from Precinct 2 and Duncan Webb from Precinct 4. The meeting recessed into the Collin County Health Care Foundation at 1:05 p.m.

President Self called to order the meeting of the Collin County Health Care Foundation at 1:05 p.m. and adjourned the meeting at 1:05 p.m.

President Self called to order the meeting of the Collin County Toll Road Authority at 1:05 p.m. and adjourned the meeting at 1:06 p.m.

President Self called to order the meeting of the Collin County Housing Finance Corporation at 1:06 p.m. and adjourned the meeting at 1:07 p.m. The meeting of the Collin County Commissioners Court was reconvened at 1:07 p.m.

FYI NOTIFICATION

1. AI-33068 Budget amendment in the amount of \$10,000 to establish a budget for the 2011 Enforcing the Underage Drinking Laws (EUDL) Block Grant, Auditor.

Judge Self asked Cynthia Jacobson, Human Resources, to come forward and answer some questions relating to Enforcing the Underage Drinking Laws Block

Grant. He said this requires stringent overtime requirement reporting and he asked if we were okay with that. Ms. Jacobson said we can do overtime reporting without an issue. Judge Self asked Sheriff Box to come forward. He referred him to page 48 and said these are expected outcomes. Sheriff Box said yes; we've had this grant in previous years and it's worked very well for us and for the state. We do all enforcement and participate with activities related to selling to minors. Judge Self asked about some strange alcohol products, such as Whipahol. Sheriff Box said that is one and there are other energy type drinks that have alcohol in them. Judge Self asked if that was all covered. Sheriff Box wasn't sure but said he would check with TABC and report back to the Court. (Time: 1:11 p.m.)

2. Public Comments.

Roy Serpa, Fairview, Texas, came forward and said Happy New Year. He welcomed the new Commissioners to the Commissioners Court. Mr. Serpa stated as a taxpayer he expects this to be a full-time job, and he expects the Commissioners to treat County employees with respect and fairness and to represent the taxpayers of the County. He said he is available as a retired senior citizen to assist the County in any way he can. Mr. Serpa then resigned from his position on the Efficiency Committee so Commissioner Williams could select someone from her precinct. (Time: 1:03 p.m.)

Chuck Molyneaux, Parker, Texas, stated the citizens of Collin County are anxious for the Court to stay in touch with their constituents. He asked that they be put on email lists and he said there are numerous opportunities for the Commissioners to visit throughout the county to express their beliefs, feelings and where they are headed. Mr. Molyneaux continued, saying in 2011-12 a lot of things will happen in government. He said we look forward, as a silent majority, to becoming involved. He asked that the Court not provide us with a bloated government, that they keep fiscal responsibility in their minds, and most of all that they represent their constituents. (Time: 1:05 p.m.)

Judge Self recessed the Commissioners Court meeting at 1:05 p.m. and convened the meeting of the Health Care Foundation.

3. Presentation/Recognition.

4. Consent agenda to approve: Judge Self asked if any member of the Court or any member of the audience had an item they wanted pulled from the consent agenda for individual consideration. He then pulled items FYI 1 and 4c1 for discussion and stated item 4f1 would be pulled off entirely for a correction. Commissioner Shaheen made a motion to approve the balance of the consent agenda. (Time: 1:07 p.m.)

Motion by: Commissioner Matt Shaheen
Second by: Commissioner Duncan Webb
Vote: 4 - 0 Passed

a. **AI-33084** Disbursements for the period ending December 17, 2010, Auditor.
COURT ORDER NO. 2011-001-01-03

b. **AI-33071** Tax Refund totaling \$322,799.51, Tax Assessor Collector.
COURT ORDER NO. 2011-002-01-03

c. **Award(s):**

1. **AI-33059** Services: Post Employment Benefit Trust (RFP No. 07336-10) to First Southwest, Auditor.

Judge Self said he pulled this item in order to have the Auditor go through it. He said this is a major policy decision, \$9.2 million currently that's been set aside for the retiree medical program. The Court went forward with the RFP to put the \$9.2 million in an irrevocable trust so that it would be fenced and locked for its purpose in the out years. Judge Self then asked Jeff May, County Auditor, to brief the Court on the program.

Mr. May said the vendor selected would allow them to join a program called The PEB (Post Employment Benefits) of Texas. This is an organization that is run by governments that can select professionals to participate in the program. The types of services they would provide would be financial advisors, auditing of funds, and legal counsel. The vendor we selected is hired by this organization. This is a fairly new program and we would be one of the newest members. Mr. May said he was hoping to participate as a board member. He said this will help reduce our long-term liability as we are required to report by GASB 45. What this will do for us, if we can invest this \$9.2 million, it will reduce our liability by much more than that. Currently our liability is around \$40 million. Mr. May said we are not required to do this at this time, but we are required to report this in our financial statements and it will protect this County in the future from an increase in liability. Judge Self asked about fees; he said with \$9.2 million it looks like there will be a minimum of \$165,000 a year just in fees. Mr. May said it depends on how much we have invested and depends on investments earnings. The fees will cover all the things discussed earlier and are calculated on the back end of

the investment earnings. Judge Self said they won't impact our budget, but might impact our principal. He asked Mr. May if he was confident we would protect our principle. Mr. May said he was confident that we will but there is always risk when you're investing. Additionally, he said we are going to have an investment advisor and we will have guidelines on hand. He said that he, as an investment officer, and Budget Director Monika Arris plan to monitor it to reduce risks.

Judge Self asked what we were making on our other constrained investments. Mr. May said right around 1%. With these investments, we will invest longer term. Current investments are short-term investments, two years or less. On long-term investments, the interest rates will be much higher. If we join the trust, we will have a lot more investment options which could increase our risks but we plan to monitor that. Judge Self said he didn't feel the funds were very conservative. Mr. May said the proposal had mutual funds in it but since we're investing a high amount of money, we probably won't invest in mutual funds but will invest in actual investments. He said the investment advisor has a constant eye on the market and should be able to make good recommendations based on the guidelines.

Commissioner Shaheen asked for more explanation about the types of investments. He thought the investments looked aggressive and he wanted to know what type of investments we will be putting our \$9.2 million in. Mr. May said this money will be going in a different direction because we're looking at more long-term. What they were doing was taking the money and investing it into a bunch of mutual funds and different investments for multiple governments. Rather use that approach, we will invest directly into the investments themselves rather than a group of investments. Commissioner Shaheen asked what type of investments. Mr. May said municipal bonds, that type of thing, maybe some more aggressive investments but he plans to be very conservative. The idea is to mix it up with the types of investments to have reduced risks. Commissioner Shaheen said our policy with the County was to invest in things that are principal preservation. Mr. May said yes, but when you go long term, you are always going to risk principal. For example, if you invest in a government bond and the interest rates go up, your bond drops. Commissioner Webb said that is if you don't hold the bond. Mr. May said that's right; it's a paper loss. Judge Self wants to see an initial risk analysis. He asked that this item be held for one week to make sure we understand the risk involved in the future.

Commissioner Webb asked Mr. May if we were under any state law restrictions related to the investment of this money. Mr. May said county money is restricted by the Public Funds Investment Act, but this money will follow a different law and it will allow us to invest in things we're not allowed to invest in with other money. Commissioner Webb asked for an example. Mr. May replied right now we have length of investment restrictions and that type of thing. This will allow us to invest in other things and equities which we can't do now. Judge Self said the fees look like they are for active management. If we were tied to an index, that will reduce

risk but also reduce trading, he asked if that would reduce fees. Mr. May said he would look into that. Judge Self asked if anyone had a problem holding it. The Commissioners responded no. Commissioner Shaheen wanted a sense of how Mr. May was going to articulate to the Commissioners Court what the risk is. He said unless someone is following thousands of mutual funds, it's hard to grasp what the risk might be. Mr. May said he would do that. (Time: 1:21 p.m.)

HELD

d. Amendment(s):

1. **AI-33028** No. 3 to the Interlocal Agreement with the City of Anna for Animal Control Services to set the rate and extend the agreement for one (1) year through and including September 30, 2011. Payments will be made in quarterly installments for an annual amount of \$31,742, further authorize the Purchasing Agent to finalize and execute same, Development Services.

COURT ORDER NO. 2011-003-01-03

2. **AI-33027** No. 4 to the Interlocal Agreement with the City of Anna for the Facility Construction and use of Animal Shelter Services to set the rate for FY2011 in equal quarterly installment payments for an annual amount of \$20,135 effective October 1, 2010 through and including September 30, 2011 and further authorize the purchasing Agent to finalize and execute same, Development Services.

COURT ORDER NO. 2011-004-01-03

3. **AI-33026** No. 4 to the Interlocal Agreement with the City of Frisco for the Facility Construction and use of the Animal Shelter Services to set the rate for FY2011 in equal quarterly installment payments for an annual amount of \$261,263 effective October 1, 2010 through and including September 30, 2011 and further authorize the Purchasing Agent to finalize and execute same, Development Services.

COURT ORDER NO. 2011-005-01-03

e. Receive and File, Auditor:

1. **AI-33076** 4th Quarter Investment Report for FY2010.

COURT ORDER NO. 2011-006-01-03

2. Final Audit Result(s):

a. **AI-33085** Engineering (3rd Quarter FY2010).

COURT ORDER NO. 2011-007-01-03

b. **AI-33086** Justice of the Peace, Precinct 4 (3rd & 4th Quarter FY2010).

COURT ORDER NO. 2011-008-01-03

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

1. **AI-33064** December 6, 2010

HELD

g. Miscellaneous

1. **AI-33049** Appointment of Keiffer Harwell to serve as Collin County representative on all boards currently being represented by Steve Deffibaugh who is retiring January 31, 2011, Homeland Security.

COURT ORDER NO. 2011-009-01-03

2. **AI-33073** Acceptance of a BuyBoard Cooperative Purchasing rebate check in the amount of \$4,568.74 to be deposited into account no. 001-0310-381-5941 for the Human Resources Employee Incentive/Reward Program, Purchasing.

COURT ORDER NO. 2011-010-01-03

GENERAL DISCUSSION

5. **AI-33007** FY2011 Compensation Plan, Human Resources.

Cynthia Jacobson, Human Resources, came forward to submit the 2011 Compensation Plan. She stated they did not put any market movement on any of the positions for this year as discussed in the budget. Commissioner Shaheen made a motion to approve. (Time: 1:22 p.m.)

Motion by: Commissioner Matt Shaheen
Second by: Commissioner Duncan Webb
Vote: 4 - 0 Passed

COURT ORDER NO. 2011-011-01-03

6. **AI-33092** Board/Committee Appointments, Commissioners Court.

Judge Self asked for any Board/Committee appointments. Commissioner Williams appointed Shepherd Stahel to the Collin County Planning Board and Lolisa Laenger and Pamela Nishimoto to the Historical Commission. (Time: 1:23 p.m.)

Motion by: Commissioner Cheryl Williams
Second by: Commissioner Matt Shaheen
Vote: 4 - 0 Passed

COURT ORDER NO. 2011-012-01-03

7. Potential 82nd Legislative items, Commissioners Court:

a. AI-31816 Discussion of legislative priorities,

Judge Self asked if there was any discussion of legislative priorities. Commissioner Shaheen said he will be in Austin on Thursday to meet with the Conference of Urban Counties to discuss legislative priorities. He said they are supporting a number of our legislative priorities as far as making transportation funding a priority and the slaughterhouse rule and supporting TCDRS. Commissioner Shaheen said he would report back after that meeting. Judge Self said he spoke to the NTTA Board as a whole a couple weeks ago, and they are having a meeting with us a week from today to negotiate the primacy first option language and he said that is moving toward a positive conclusion. Commissioner Shaheen said he was encouraged by the statements from the board at the NTTA meeting. (Time: 1:24 p.m.)

NO ACTION TAKEN

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

EXECUTIVE SESSION

There being no reason to recess into Executive Session and no further business of the Court, Judge Self adjourned the meeting at 1:24 p.m.



Keith Self, County Judge

Matt Shaheen, Commissioner, Pct. 1

Cheryl Williams, Commissioner, Pct. 2

Not Present

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