

STATE OF TEXAS

COUNTY OF COLLIN

COMMISSIONERS' COURT
MEETING MINUTES
NOVEMBER 25, 2013

On Monday, November 25, 2013, 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 Matt Shaheen, Precinct 1
Commissioner Cheryl Williams, Precinct 2
Commissioner Chris Hill, Precinct 3
Commissioner Duncan Webb, Precinct 4

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 1:31 p.m. and adjourned the meeting at 4:33 p.m.

President Self called to order the meeting of the Collin County Housing Finance Corporation at 2:07 p.m. and adjourned the meeting at 2:20 p.m.

President Self called to order the meeting of the Collin County Health Care Foundation at 4:33 p.m. and adjourned the meeting at 4:33 p.m.

DECISIONS MANDATED BY LEGAL ENTITIES OUTSIDE OF COMMISSIONERS COURT AUTHORITY:

1. AI-37682 Personnel Appointments, Human Resources.

FYI NOTIFICATION

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

2. AI-37670 Addendum No. 1 to Construction, Bridge: County Road 419 Over Brinlee Creek (IFB No. 2013-271) to provide various changes to the bid specifications, Purchasing.

3. AI-37681 Electronic Records Management and Destruction Plan, District Clerk.

4. AI-37667 P-Card Disbursements, Auditor.

2. Public Comments. Comments were heard under General Discussion Item 8.

3. Presentation/Recognition.

4. Consent agenda to approve:

Judge Self asked for comments on the consent agenda. Commissioner Webb pulled the disbursement to Schindler Elevator and items 4c1, 4f2, 4g2 and 4g3. Hearing no others, a motion was made to approve the remainder of the consent agenda. (Time: 4:21 p.m.)

Motion by: Commissioner Matt Shaheen

Second by: Commissioner Chris Hill

Vote: 5 - 0 Passed

a. AI-37692 Disbursements for the period ending November 19, 2013, Auditor.

All disbursements with the exception of Schindler Elevator were approved with the consent agenda vote.

COURT ORDER NO. 2013-969-11-25

A motion was made to approve the disbursement to Schindler Elevator. Commissioner Webb did not participate in the vote. (Time: 4:21 p.m.)

Motion by: Commissioner Chris Hill

Second by: Commissioner Cheryl Williams

Vote: 4 - 0 Passed

Abstained: Commissioner Duncan Webb

COURT ORDER NO. 2013-970-11-25

b. Agreement(s):

1. **AI-37607** Interlocal Agreement with the City of Allen for the engineering and construction of Exchange Parkway from Alma Drive to US 75 and SH 5 to Allen Heights Drive (Bond Project No. 07-00-24) and further authorize the County Judge to finalize and execute same, Engineering.

COURT ORDER NO. 2013-971-11-25

2. **AI-37688** Interlocal Agreement with the City of Plano for funding through the 4th Series-2007 Parks/Open Space Project Funding Assistance Program (Bond Project No. 07PG56) for land acquisition along the Rowlett Creek Greenbelt addition and further authorize the County Judge to finalize and execute same, Special Projects.

COURT ORDER NO. 2013-972-11-25

3. **AI-37689** Interlocal Agreement with the City of Plano for funding through the 4th Series-2007 Parks/Open Space Project Funding Assistance Program (Bond Project No. 07PG57) for construction of the West Rowlett Creek Three Cities Regional Trail Connector and further authorize the County Judge to finalize and execute same, Special Projects.

COURT ORDER NO. 2013-973-11-25

4. **AI-37691** Interlocal Agreement with the Town of New Hope for funding through the 4th Series-2007 Parks/Open Space Project Funding Assistance Program (Bond Project No. 07PG55) for Phase IIIC park improvements to Town Park and further authorize the County Judge to finalize and execute same, Special Projects.

COURT ORDER NO. 2013-974-11-25

c. Amendment(s):

1. **AI-37668** No. 2 to Mental Health Managed Counsel Program (AGR. No. 08350-12) with Alyse Ferguson to provide various changes, extend the contract for one (1) year through and including September 30, 2014 and further authorize the Purchasing Agent to finalize and execute same, 296th District Court.

Commissioner Webb questioned the reason for the increase in cost on the contract with Alyse Ferguson from \$4,000 to \$5,118 monthly.

Jeff May, County Auditor, explained that a portion of this increase is money paid to Ms. Ferguson for additional required insurance. The county pays Ms. Ferguson and she in turn pays the insurance.

Ms. Ferguson clarified that the increase is for travel and training expenses and for additional required vehicle insurance coverage that was not anticipated under the original contract. This includes professional liability and a broad form general liability. These changes brought the cost to approximately \$4,000 annually.

A motion was made to approve the item. (Time: 4:24 p.m.)

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

COURT ORDER NO. 2013-975-11-25

d. Ratification of the County Judge's prior approval:

1. **AI-37694** Budget amendment in the amount of \$60,000 for remediation of services at the 900 East Park Boulevard Building, Construction & Projects.

COURT ORDER NO. 2013-976-11-25

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

1. **AI-37566** \$490 to cover FY2013 travel expenditures, Homeland Security.

COURT ORDER NO. 2013-977-11-25

2. **AI-37677** \$13,180 to reallocate funds for the Spay/Neuter Program, Development Services.

COURT ORDER NO. 2013-978-11-25

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

1. **AI-37674** October 28, 2013.

COURT ORDER NO. 2013-979-11-25

2. **AI-37671** November 4, 2013.

Commissioner Webb noted a change needed to be made to the minutes on item e1, second paragraph, line six. The word "gage" should be replaced with the word "gauge." With that correction, a motion was made to approve the minutes. (Time: 4:25 p.m.)

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

COURT ORDER NO. 2013-980-11-25

g. Miscellaneous

1. **AI-37641** Contract to accept funding through the Texas Indigent Defense Commission/Office of Court Administration in an amount NTE \$1,800 for reimbursement of travel costs associated with participation in the Indigent Defense Workshop held October 28 – 29, 2013 in Austin, Texas and further authorize the County Judge to finalize and execute same, 296th District Court.

COURT ORDER NO. 2013-981-11-25

2. AI-37735 Utilization of the Bloomdale Courthouse and the Central Jury Room by Commissioner, Precinct 1 on December 2, 2013, Commissioner, Precinct 1.

There was a brief discussion on the legalities of an employee or commissioner utilizing the use of the central jury room for resignations in the case of inclement weather. There was question that if it goes beyond use for resignations can this legally be done. The building and use policy allows for this purpose if the Commissioners' Court approves a request. There is currently no precedent for the specific purpose and nothing prohibiting it. If the Court approves this item, the Court could not prohibit such use or other uses in the future. This created concern of the Court.

Following discussion, Commissioner Shaheen pulled this item. (Time: 4:24 p.m.)

PULLED

3. AI-37703 Acceptance of a private offer from Marc and Donna Reinoehl in the amount of \$500 for property located at County Road 919, Nevada, Texas (Lot 2B, Lake Lavon Highlands Addition, Volume 564, Page 579) as recorded in the Collin County Deed Records (Account No. R0766000002B1) and further authorize the County Judge to finalize and execute the associated documents, County Judge.

Commissioner Webb pulled this item because there was no deed attached and no division of proceeds posted. Normally when there is a sale of struck off property those materials are included. The judgment was \$9,521.81 and the offer is for \$500. Why is this item different from others that have been reviewed.

Bill Bilyeu, County Administrator, addressed this concern stating that the \$500 offer will not quite cover the court costs so there will be no proceeds left over to be distributed. The property has a negligible value at this point due to the state of condition. The adjacent neighbor is looking to purchase the property. Typically there is not a warranty deed until a school district has given approval because they usually have the largest lien against it. The Judge usually receives the warranty deed after a court action, but if the school has already approved it the Judge receives the warranty deed from the beginning. The Community School District has been holding off on approval for a while because of the low offer.

Judge Self asked Mr. Bilyeu to share the efforts being put in place for struck off properties. Mr. Bilyeu shared that they are working on a focus location for the consolidated listings to be available on the county's website. The idea is to have a link on the homepage that connects to a list of all properties on the struck off list. Judge Self said that making this list available will create good competition in the sale of struck off properties. Commissioner Williams agreed with the improvement in getting this publicized.

Commissioner Webb asked what is the value of the lot in question. Mr. Bilyeu said the value is \$5,000 on the appraisal district and it will cost \$10,000 to \$15,000 for the removal of a collapsed trailer that is on the lot. It is estimated to cost \$15,000 to \$20,000 to clean up the lot.

A motion was made for the approval of this item. (Time: 4:33 p.m.)

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

COURT ORDER NO. 2013-982-11-25

4. **AI-37704** Sale of Struck Off Property located at 916 North Church Street, McKinney, Texas (Lot 81A, Block 12, Coleman Addition) as recorded in Instrument 20080313000302670 of the Collin County Deed Records to the McKinney Independent School District in the amount of \$19,000 and further authorize the County Judge to finalize and execute the associated documents, County Judge.

COURT ORDER NO. 2013-983-11-25

5. **AI-37705** Sale of Struck Off Property located at 1402 Anthony Street, McKinney, Texas (Block 12, Lot 44, Russell #3 Addition) to the McKinney Independent School District in the amount of \$15,500 and further authorize the County Judge to finalize and execute the associated documents, County Judge.

COURT ORDER NO. 2013-984-11-25

6. **AI-37708** Personnel Appointments, Human Resources.

COURT ORDER NO. 2013-985-11-25

7. **AI-37709** Personnel Changes, Human Resources.

COURT ORDER NO. 2013-986-11-25

GENERAL DISCUSSION

5. **AI-37661** Comprehensive review of the State of the Collin County Judicial District Court, 296th District Court.

Judge John Roach, Jr., 296th District Court came forward to provide background and to update the Court on the state of the Collin County Judicial District Courts.

Article III, of the U.S. Constitution, states that the judiciary is created by the Constitution and is designed to stand guard between an overpowered government and the people. The mission statement of the district court is: To efficiently, impartially and fairly manage and resolve the variety of controversies and jurisdiction of the court. The jurisdiction of this court is determined by the constitution and statute. It is subject to change and alteration by the legislature, but generally speaking, the jurisdiction includes felony criminal cases, civil cases with higher amounts of controversy, family law matters, and cases involving Child Protective Services (CPS).

The District Court Judges serve on several boards throughout the county. The Board of District Judges (BODJ) is responsible for the appointment of officers in the departments of Auditor, Community Supervision and Corrections Department (CSCD), Purchasing and Juvenile. It is actively involved in the policies and procedures of all these departments except the Auditor's department. With assistance from the Human Resources Department, the Information Technology (IT) Department and the public service officers, a survey was sent out to evaluate the departments that report to the BODJ. From the survey the BODJ and department heads have been able to go through and better address concerns and hold employees accountable. It is planned to perform the evaluation every one to two years to ensure that proper response is given to county officials, county employees and the public at-large.

There are nine general jurisdiction courts in Collin County that serve the following: four courts that are locally designated to hear all CPS cases, one felony drug court, one juvenile drug court, one veteran's court and one crimes against children court.

Judge Roach reported on the District Courts successes, and accredited various county departments with assisting in the success. Employee and court staff Wi-Fi has been established throughout the courthouse. Consistent tracking of old criminal cases has been set up in conjunction with the Sheriff's office and the District Attorney's office to resolve cases in a just and quick manner. Criminal judgments have been streamlined with the assistance of Judge Jill Willis, 429th District Court, and Greg Willis, District Attorney. District Court files have been audited to get an accurate number of pending cases. It was recognized after transferring to the new Odyssey system that 1,400 old cases were showing up as open cases. Judge Roach and Andrea Thompson, District Clerk, met and decided to hand compare the cases and resolve the issue. A video visitation system has been implemented at the courthouse and the jail. This speeds up attorney and client communication resulting in cases being resolved faster. This system is funded by the inmate trust account. The Mental Health Manage Counsel (MHMC) and Crimes Against Children appointed attorney wheel have been created.

Court Administrator successes were also reported. The successes include: the MHMC and the Texas Indigent Defense Commission (TIDC) grants, technology upgrades in the courtroom and jury room, iPads for the judges, indigent defense project and the Office of Court Administration (OCA) liaison aiding the BODJ.

New procedures have been implemented. One is the monitoring of expenditures from visiting judges, substitute court reporters, and interpreters. Second is the monitoring of court efficiency which includes administrative transfers, motions to recuse and CPS transfers. Third is the monthly evaluation of the OCA stats to ensure case load balance between the courts.

Judge Roach talked about the innovative programs and grants awarded which include: the MHMC program, Veteran's Court, pleas done from jail using the video teleconferencing equipment, attorney and client video visitation, CAC Court and the eManagement software for indigent defense. Over the last two years close to \$1 million in grants has been brought into Collin County saving millions by implementing these programs. Judge Roach thanked the Court for their support of the grants.

One of the grants is with the Drug Court Coordinator that oversees the District Court Drug Court, the County Court Drug Court and the Veteran's Court. It is recognized that a small fraction of individuals create a larger portion of the other criminal dockets because they are repeat offenders. Those individuals are identified and are directed to the drug courts. Over time this will reduce recidivism and reduce costs to the taxpayer.

Another grant is the TIDC eManagement system. This grant program will streamline the way lawyers are appointed and paid. This again will reduce costs to the taxpayer.

Judge Roach went on to explain the comparison of the Collin County District Courts to other similar sized counties in Texas by number of courts, county population and the average number of people per court. Collin County is in the lower end of number of courts per county, ranks average in population, yet has the highest number of people per court in the State of Texas. Collin County also has a very active pending case load but is edged out by El Paso County. Collin County appears to be the most efficient in the State of Texas based on performance measures. Performance was measured by the number of cases disposed plus cases placed on inactive status divided by the number of cases added each month. More judicial officers will be needed in Collin County to remain efficient. It is anticipated that the request for one or two additional District Courts will be made to the Court in the near future.

Judge Roach thanked the county for their time and support. Commissioner Shaheen said that the Court is grateful for the hard work of the District Courts. The Commissioner went on to say that as the Court looks at the reports of the case loads, they see a decline in cases and it needs to be explained why there is a need to increase the number of District Courts. Judge Roach agreed to sit down with the Commissioner and go over the report numbers to reconcile the need of more courts.

Commissioner Williams asked Judge Roach to clarify the amount of money it costs a day to house an inmate. Judge Roach stated the cost to house an inmate is \$69.72 per day. This begins to add up and that is why it is important to speed up the process consistent with justice and the safety of the community.

Commissioner Webb asked when the performance measures were evaluated and if the effectiveness of the newly installed judge monitoring system was included in the stats. Judge Roach said these stats were pulled from mid-summer and that it would be hard to pinpoint the effectiveness. Now the judge can pull the case up from the bench and monitor how long someone is in jail. This is much more efficient because it is electronic and automatically tells how long the inmate has been in jail. The Commissioner requested to go back four years to show the increase of efficiency. The Commissioner also asked, given the push to go paperless, what happens when the system is down. Judge Roach explained that if the Odyssey system is down, it causes a shut down. The Court Coordinator documents everything and is now printing docket sheets the day before to have a backup if this issue does arise.

Judge Self thanked Judge Roach for the presentation and for the move toward technology. Judge Self stated that there is a great partnership between technology and efficiency. (Time: 1:56 p.m.)

NO ACTION TAKEN

6. AI-37662 Mental Health Managed Counsel Program status update, 296th District Court.

Judge Roach introduced Alyse Ferguson, Mental Health Managed Counsel. The mission of MHMC is to seek systemic solutions to get and keep mentally ill defendants out of the criminal justice system. One objective has been to streamline coordination of defendant competency restoration or stabilization preventing the yo-yo effect of an individual being deemed competent and then decompensated before they could be processed through the court system.

The grant goals that were set have mostly been completed before the target date. Most recently the defender data software has been set up. It is lacking a component that communicates with the Odyssey system. Currently the cases are being manually entered into the system. IT should have communication in place in a few months.

It was determined that there was a need to increase the number of specialized attorneys to 25 as opposed to the previous six to ten attorneys to manage the case load. These attorneys are provided regular training as well as a full day seminar. The case coordinator began in July and is actively providing services to the defendants to move forward on bonds and increase case dismissals, thereby saving taxpayers money.

Since the start of this program, in December 2012 until now, approximately 17,200 inmates have been booked into the Collin County Jail. 4,108 individuals were identified by the continuity of care system, self-report, or observation as having mental health issues. Through the system 788 individuals out of 1,358 cases were served by MHMC.

In the area of competency for 2012, the average number of inmates was 16 for transport and the average number of days from arrest to transport was 131.9. In 2013 the average number of days for transport was 61 for 19 inmates.

The average number of days for inmates returned to jail from the state hospital in 2012 was 64.2 and now in 2013 the average is 27.6 days. This is a reduction of 36.6 days. As for the competency process, the average number of days it took from the time of a court ordered evaluation until the individual was actually evaluated was 40.86 days in 2012. In 2013 the average for an individual that is in the program was 6.75 days and 48.8 days for individuals not in the program. There were attorneys that requested assistance for individuals and that average was 8.2 days. These numbers show that the procedures that have been set up are effective and are reducing time.

The Mental Health Bond has been established. Under the statute, if a person has a mental health diagnosis and meets other specific elements, they are eligible for a mental health personal recognizance bond. Court for these cases are held on Tuesday and Thursday with Judge Smith and Judge Baxter. The mental health bond has saved the county \$104,964.16 by reducing the number of days an inmate is housed.

Goals for the next review have been set. One is to coordinate with the jail contractors to develop a treatment plan and begin competency restoration within one week of incarceration. Next is to increase the number of case dismissals for nonviolent defendants with mental illness by 15%, and, finally, decrease the average length of stay for mental health defendants by 35%.

Judge Self asked if a formulary is available in the jail contractor to restore competency. Ms. Ferguson explained that there is a formulary available but this will need to be looked into further for specific medications and to ensure those medications are on hand. There is a meeting on November 27, 2013, with jail administration and jail medical to discuss this issue. Commissioner Webb was very pleased by this grant and the information brought to the Court has shown accountability. (Time: 2:07 p.m.)

NO ACTION TAKEN

7. AI-37700 Health Care Reform requirements relating to out of pocket maximum, Human Resources.

Cynthia Jacobson, Human Resources, addressed the Affordable Care Act (ACA). It will now be required that employee co-payments, deductibles, and co-insurance count towards the out-of-pocket maximum. Currently the county's plan does not apply these to the out-of-pocket maximum. Actuarial statistics from United Health Care recommend that the County increase plan costs to maintain the current employee contribution levels. The recommendation is to increase the out-of-pocket maximums for the Advantage Plus Plan from \$2,000 per individual to \$3,000 per individual and \$4,000 per family to \$6,000 per family. The change also effects the Advantage Plan; increasing the individual out-of-pocket cost of \$3,000 per individual to \$4,500 per individual and \$6,000 per family to \$9,000 per family. If the County makes these changes, it will keep benefit levels at the same place they are now.

Commissioner Shaheen asked why we are increasing the maximums. Ms. Jacobson stated, for example, right now under the Advantage Plus Plan there is a \$250 deductible that does not count toward out-of-pocket maximum expenses. Under the new provisions of the Affordable Care Act the deductible will be counted. Normally there would be a \$250 deductible plus a \$2,000 out-of-pocket maximum. If the change is not made, it will reduce what the County gets from the employees by subtracting the \$250 deductible from the \$2,000 out-of-pocket maximum. If the changes are not made, it essentially increases the benefit levels. The recommended changes keep the benefit level the same as what is in place now.

Commissioner Webb asked if there were calculations on what the cost would be if the plan is left the same. Ms. Jacobson stated that there are 3,300 employees, 99% utilization, that are covered. If most are on the Advantage Plan, that would be in the ballpark of a \$300,000 cost if the change is not made.

Commissioner Hill asked when a decision is needed to be made by the Court. Ms. Jacobson said that open enrollment is currently being held. Enrollment has to be completed by the end of the year. This decision of the Court needs to be made at least two weeks before the end of the year to be able to notify employees in the required time frame to make necessary changes. This is not the end of the changes that will be made.

Ms. Jacobson said that the average employee, actuarially, should not see any difference in cost for the plan and the County should not see any benefit. This is set to actuarially make the County whole due to changes that occurred outside of our control by the ACA. If there is an employee with many prescriptions, that employee will benefit; if there is an employee with very few prescriptions, that employee will pay more. Overall from the County standpoint the recommended change is all that can be done under the provisions of the Act to make the County whole on the coverage. This was actuarially calculated to provide no loss or no gain by redistributing the cost.

Commissioner Hill asked if the changes have to be made to remain in compliance. Ms. Jacobson said no, if it is not approved the benefits will remain as listed resulting in a reduction of funds. The percentage differential between employer and employee will be modified to show that the employer will be responsible for a larger portion. Regardless of approval it will still be required that the employee co-payments, deductibles, and co-insurance count towards the out-of-pocket maximum by the ACA.

Commissioner Shaheen made a motion to adopt the recommended changes. Hearing no second the item was held. (Time: 2:32 p.m.)

NO ACTION TAKEN

8. AI-37686 TCDRS authorization for annual plan provisions, County Judge.

Judge Self led the discussion. The Court has moved in the direction of Commissioner Webb's plan. A one-plan constant yearly county contribution to TCDRS (Texas County and District Retirement System) is being considered, and not the two plan system previously considered. The employee contribution would remain at 7% with the county match at 2:1. The Court needs to determine the percentage needed to fully fund the plan moving forward with the information at hand. The plan will be overfunded this year because the amount to fully fund TCDRS was \$2.4 million and \$11 million to fully fund GASB (Government Accounting Standards Board) was actually paid. The required rate for 2014 is 6.88%.

Judge Self had the Court look at projection products provided by TCDRS. The first product was from 2011. It was a projection with a \$44.2 million lump sum and no future elected rate, which means the County would fully fund the plan and have no elected rate for the future. For 2011 and 2012 the rate was high with 10.59% and 11.50%. Then it dropped down to 7.32% for 2013. The county paid in \$55 million to not only fully fund TCDRS but also fully fund GASB.

The second product looked at from TCDRS was dated August 28, 2013. Plan one of this proposed product showed the 2014 required rate of 6.88%. This would again cause the County to be overfunded next year. Judge Self compared the two products side-by-side and showed that they are consistent. This is fully funded, however, does not include COLA (cost of living adjustment). This is the 7% county contribution at a 2:1 match and is consistent with TCDRS' 8% return on the market.

Commissioner Williams stated she is open to an approach where the plan is more like a defined contribution plan, having COLA not included. This would be similar to an IRA (Individual Retirement Account). Judge Self agreed, COLA goes to the bottom line immediately and would have to be funded separately.

Commissioner Webb was expecting to have an actuarial study to review. The Commissioner appreciates the hard work on this but would like to see numbers from TCDRS on what was done with the \$55 million payment by the County and where the County is on the plan. The Commissioner would be willing to repay more than \$100 million in a lump sum to keep the plan funded but proposed to go to \$55 million and spread some risk to employees. This would keep the county from having to pay the full \$55 million if the market down turns. Again there is no data from TCDRS that gives assurance of the correct rate. The Commissioner would have liked to have the data to make an informed decision on the plan and questioned why the Court is not waiting to receive it from TCDRS.

Judge Self reconfirmed that the Court does have consistent historical data of fully funded plans from TCDRS to move forward with a decision. There are only a couple of ideas to put forth on where the 8.5 % was derived. One idea is that TCDRS realizes that if the County moves to a constant County contribution of 7.5%, they will no longer have a blank check for unlimited taxpayer dollars. The second would be that this is a very litigious society and they may be looking at a litigation risk.

There was brief discussion on developing a competitive retirement plan to retain and recruit quality employees. It was suggested that a system be devised to share the risk with the employees. This plan is the same as the plan today of 7% and a 2:1 match.

Commissioner Williams stated that if we are trying to adjust for market risk and not decrease benefits, then a percentage is needed that creates a buffer for the years when there are poor returns. This would at least reduce the possibility of having to cut the match or the percentage one year that could result in creating an unfunded liability. It is important to choose a number that will work for years and not have to revisit this issue every year.

Judge Self agreed with Commissioner Williams' point. The fully funded percentage is what the Court wants, whether it is 7.4%, 7.5%, 7.6 % or somewhere around those numbers. The Judge believes there was an actuary from TCDRS that said the County would not get down to 4%. The minimum legal level is 4% with a 1:1 match which is higher than in the private sector. It is not expected that the county would ever be that low.

Judge Self asked Bill Bilyeu, County Administrator, where the 8.5% was derived. Mr. Bilyeu explained that TCDRS understood that the county wanted to adopt a rate that would allow for fluctuation in the market. TCDRS used 8.5% to be in the middle of the range when looking at projections for 6.5% to 10%. The 7.5% was pulled from the scenario because if it was used, there would be no room to go down or go up because the study could only be run once.

There was a discussion on the fluctuation of the market to determine a proper percentage rate to set a policy. The mandated rate is 8%; 7% with a 1% administration fee. This is a reasonable consideration, however, if a percent is chosen that is under 8%, there will be a time when the rate will be forced to be cut if it is not earning at an 8% return. If the county shares the risk of the down turns with employees, a balance is needed to determine where the shared risk begins. An appropriate rate would buffer the years when the return is low and surplus the years when the return is high reducing the risk. The shared opinion of the Court is the rate needed should be able to be sustained through the years and be consistent for the employees' expectation of benefits. This would help reduce the need for the Court to reevaluate the rate every year, yet give the option to do so if necessary. There is a fear that 7.5% would not cover the UAAL (Unfunded Actuarial Accrued Liability). Therefore, a higher percentage rate would be beneficial to cover the UAAL. It was pointed out that the plan as it is, is fully funded in TCDRS. The constant contribution in the future will either put money in surplus, pay down, or will lower benefits; theoretically there will be no UAAL.

The discussion turned to recruitment and retention of employees. Commissioner Webb's proposed plan is a combination of benefits at 2:1 with a 7% guarantee except in a catastrophic year and a contribution of a certain percentage of payroll by the County to eliminate the need for the County to make large lump sum payments when there is a massive market drop. If the amount of payroll put in is at a narrow number, a constant tweaking will occur. For example, departments will not have a definite policy to present to current and potential employees, making it hard to retain and recruit against the county's competitors.

Commissioner Hill posed the question: what rate is needed to fund the current level of benefits in an average market. If the Court sets the rate at 8%, the plan would start out at a surplus. How much money does the Court want to build up in that surplus?

Judge Self asked for further discussion. Hearing none, he opened the Court to public comments. (Time: 3:19 p.m.)

Michael Rumfield, President of the Collin County Deputy Association, came forward to express the Association's support of Commissioner Webb's proposal based on its format. There have been other programs in Collin County that were well thought out with great intentions but failed to meet the goals and expectations for which the program was originally designed. PFP (Pay for Performance) is one of those programs. PFP is consistently underfunded and for that reason does not work. Employees do not look to the 2% PFP program as the basis for exceeding. Employees' performances are based on pride in doing a good job for the citizens, for their peers and for the elected officials. If the PFP program were properly funded, Mr. Rumfield believes this would enhance the quality of new hires.

The design of the new Retirement Program is simplistic and, therefore, has less potential for failure. Employees will assume some risk with the market. Mr. Rumfield represents the 45% that cannot have a private sector comparison. He is worried if the plan is not appropriately funded, there will be retention and recruitment problems which will eventually be a citizen's problem. The caliber of deputies and detention officers will not be what it is today, and there will be legal ramifications resulting from employees in charge of public safety not making good decisions. For this reason, Mr. Rumfield asked the Commissioners to consider a rate of 8% as suggested by Commissioner Williams instead of 7.5%. This will allow the County to continue to recruit and retain qualified professional employees. (Time: 3:23 p.m.)

Cynthia Walker, District Attorney's Office, came forward to address the Court regarding the Retirement Program which is an important concept to both herself and her fellow prosecutors. She likes Commissioner Webb's plan and believes it is fair and comparable to other counties and neighboring police and city agencies. As a Felony Prosecutor, Ms. Walker is the supervisor for the legal interns who come to work for Collin County every summer. Many of these interns invariably ask Ms. Walker if she would recommend working for Collin County. While the county has beautiful facilities and the DA's office has great leadership and an excellent staff, there are the underlying issues of cutting benefits. Ms. Walker looks at the retirement plan as part of her compensation and, as a prosecutor, realizes she will never earn as much as her counterparts in the private sector. A good retirement plan attracts good prosecutors and keeps good prosecutors. Many employees work evenings and weekends for CAC Court (Crimes against Children) and receive no extra pay for this. The retirement plan is part of their compensation and something they count on. (Time: 3:26 p.m.)

Bob Hughes, CSCD Director, (Community Supervision and Corrections Department), came forward to show his support for Commissioner Webb's proposal for the retirement plan. He appreciates the healthy dialogue regarding the plan, supports the spirit of the plan and feels it is fair to the taxpayers, employees and is a good tool for retention and recruitment of good people. The CSCD staff enjoys working for the County and has a great reputation all over the state.

Mr. Hughes does not understand why there would be a problem with a market-driven surplus for the good years to help get through the lean years. Judge Self explained "fully funded" refers to long term and not just one year. (Time: 3:29p.m.)

Judge Barnett Walker, County Court at Law No. 2, stated his views had already been expressed by previous speakers and, therefore, did not come forward to speak. (Time: 3:29 p.m.)

Sam Fritcher, Plano, came forward to explain he has spent the last three years doing detailed analysis of pension plans throughout the United States, the State of Texas and particularly TCDRS. Mr. Fritcher has testified before congressional committees and met with the Board of Directors for TCDRS. He gave a brief history of the five public pension plans in Texas before 1995. He then appealed to the Court to not delay the vote thereby sending a message for TCDRS to do better. (Time: 3:33 p.m.)

Terry Box, Collin County Sheriff, came forward to explain Collin County's recruitment competes with the McKinney, Plano, Frisco and Wylie Police Departments. Their plans are 7% with a 2:1 match while Denton County is even higher with a 2.5:1 match. Department heads and elected officials in Collin County are some of the best in Texas and it would be a shame to lose that for half a percent. There have been several applicants who have backed off from applying to Collin County because of the potential reduction in the pension plan. Sheriff Box would encourage the Court to adopt the 8% proposed. (Time: 3:36 p.m.)

Judge Self showed employer rates for other counties and the neighboring cities of Allen (13.74%), Frisco (13.39%), McKinney (15.49%) and Plano (18.58%). They are paying 7% interest on their unfunded liability while Collin County is making just under .5% on our investment. At some point these other counties and cities will not be able to hire good people because they are so far in debt. That is the opposite side of this coin. These counties and cities have not chosen to put their money into their system and are paying the price now. Under GASB they will no longer be able to claim the TCDRS level of unfunded liability and are going to have a much higher level of unfunded liability.

Judge Corrine Mason, County Court at Law No.1, thanked the Court for considering the issue so carefully. The Judge was under the impression there would be two more Commissioners' Court sessions before a vote would be taken on the pension plan and questioned the rush to vote. Judge Self explained the actuarial information had already been gathered and feels the numbers on page 603 are more trustworthy than the numbers which will be received on Wednesday from TCDRS. There was a brief discussion regarding the reliability of the numbers from the TCDRS independent actuary. People are living longer and this is already reflected in the cost employers are paying for current employees. (Time: 3:42 p.m.)

Judge Greg Willis, District Attorney, came forward and stated there is great value to the employees and the long-term viability of the County in deliberating the TCDRS issue. While there are differences of opinion, Judge Willis appreciates the Court's desire to make the most prudent decision. The Judge went on to say everything good that happens in Collin County government happens because there is a Collin County employee accomplishing that task, idea, concept or project. If we are unable to get the best people then the value we will return to the citizens will be inferior. The better the value provided, the greater the return on investments. He would appreciate it if the County could be at a level as not to be at a disadvantage to competitors. Those competitors tend to be Dallas, Tarrant, Denton and sometimes Rockwall Counties. Judge Self asked the Judge if he would be happy with a fully-funded 7% employee contribution matched 2:1 which is what is currently being addressed. Judge Willis said he would be happy with that. (Time: 3:47 p.m.)

Judge Barnett Walker, County Court at Law No. 2, decided he would like to address the Court. The Judge said he felt employees would be satisfied with a fully-funded 2:1 match at 7%. However, there are employees whose lifestyles will be affected by even very small differences in what they earn. If the match does not come in at 2:1, it makes a significant difference to these people. Three years ago these employees took a 20% reduction in their pension plan. Judge Self explained eventually there will be a shared version of risk. Judge Walker asked how much would be put aside to guarantee there wouldn't be fluctuations in the match. Commissioner Shaheen asked the Judge if his issue was with the percentage or the structure. Judge Walker would like to have some certainty that surpluses will be set aside for the years when the market does not perform and feels 8% will be more likely to ensure this. Commissioner Shaheen stated TCDRS guaranteed the 7.5% is sufficient for the 7% guarantee.

Judge Walker asked why, the budget being as healthy as it is and with the concessions the plan has given to the taxpayers, there is resistance to put it at 8% to increase the likelihood there is a surplus. This amount can then be reduced if TCDRS is correct and 7.5% is enough. If TCDRS is wrong, employees will not be made whole. (Time: 3:58 p.m.)

Commissioner Williams had suggested the 8% because there is a 7% guarantee requirement and 1% administration cost. Anything less than that is dependent upon the lump sum funds to earn the additional .5%.

Andrea Stroh-Thompson, District Clerk, stated funding at 7.5% does not give enough of an opportunity to build up a surplus. The upside to 8% is we are not losing the money and can set some aside. What level is not too much of a burden on the taxpayers but fulfills the Court's goal of providing a cushion to fund against those catastrophic years. Ms. Thompson feels setting the rate at 7.5% will not give the plan the opportunity to succeed. (Time: 4:02 p.m.)

Commissioner Hill stated he was very encouraged with the parameter of the discussion and that Collin County is not in a situation like California, Illinois or New York. The Commissioner is ready to vote and hopes no one would accuse him of trying to muscle through a number. People can disagree with the number but not the process by which it was determined. The Commissioner is content with a number between 7.5% and 8%.

Commissioner Williams made a motion to set the policy at a constant 8% recognizing the Court may have to visit this every year. Commissioner Webb seconded the motion and Judge Self agreed with the motion.

Commissioner Hill asked for clarification and input from Court members. Commissioner Webb stated he thinks the rate should be between 7.5% and 8.5% but is happy to look at it every year. For today's discussion the Commissioner is satisfied with 8%. Commissioner Williams said the Court will have to have discussions every year because they cannot commit future Courts to their decisions. Commissioner Williams is comfortable with 8%. If the Court starts to see a surplus, they can reevaluate the rate.

Judge Self stated the purpose of the discussion was to come up with a policy for a constant contribution. The Court needs to decide what the policy will be. Commissioners Williams and Webb wanted certainty for the employees. Judge Self noted there would be a separate discussion on COLAs. Commissioner Williams reiterated that in order to better mirror the private sector so that this begins to look more like a defined contribution plan that there will be no COLAs. The Commissioner will not vote for COLAs in the future. Judge Self looked at the most recent funding projection summary showing the contribution rate above 7.55% until 2026. These rates are not expected to hold until 2026. As a result, the Judge would prefer a rate of 7.75%.

Commissioner Williams made a motion to set the policy for a static 8% contribution each year to TCDRS with COLAs to be determined separately. (Time: 4:10 p.m.)

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

COURT ORDER NO. 2013-987-11-25

Judge Self recessed the meeting of the Commissioners' Court at 4:10 p.m. The meeting was reconvened at 4:20 p.m.

Judge Self asked for a motion to be made for zero COLA for this year. Commissioner Webb made the motion. (Time: 4:20 p.m.)

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

COURT ORDER NO. 2013-988-11-25

9. AI-37733 Board/Committee Appointments, Commissioner Court:

a. Planning Board.

Judge Self reappointed Stan Sewell to the Planning Board. (Time: 4:20 p.m.)

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

COURT ORDER NO. 2013-989-11-25

10. AI-35285 Medicaid 1115 Waiver, Regional Health Partnership, Administrative Services.

NO ACTION TAKEN

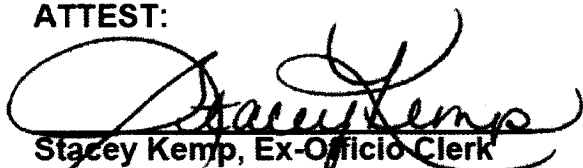
11. Possible future agenda items by Commissioners Court without discussion.

EXECUTIVE SESSION

The Court did not recess into Executive Session. There being no further business of the Court, Judge Self adjourned the meeting of the Commissioners' Court at 4:33 p.m.

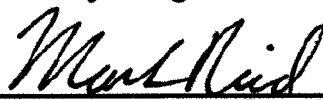


ATTEST:


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

Not Present

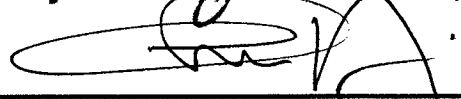
Keith Self, County Judge



Mark Reid, Commissioner, Pct. 1



Cheryl Williams, Commissioner, Pct. 2



Chris Hill, Commissioner, Pct. 3



Duncan Webb, Commissioner, Pct. 4