

STATE OF TEXAS

COMMISSIONERS' COURT
MEETING MINUTES
MAY 11, 2015

COUNTY OF COLLIN

On Monday, May 11, 2015, the Commissioners' Court of Collin County, Texas, met in Regular Session in the Commissioners' Courtroom, Jack Hatchell Collin County Administration Building, 4th Floor, 2300 Bloomdale Road, City of McKinney, Texas, with the following members present, and participating, to wit:

Judge Keith Self
Commissioner Susan Fletcher, Precinct 1
Commissioner Chris Hill, Precinct 3
Commissioner Duncan Webb, Precinct 4

Absent: Commissioner Cheryl Williams, Precinct 2

Commissioner Hill led the Invocation.
Commissioner Webb led the Pledge of Allegiance.
Judge Self led the Pledge of Allegiance to the Texas Flag.

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

President Self called to order the meeting of the Collin County Health Care Foundation at 2:08 p.m. and adjourned the meeting at 2:08 p.m.

President Self called to order the meeting of the Collin County Toll Road Authority at 2:09 p.m. and adjourned the meeting at 2:09 p.m.

President Self called to order the meeting of the Collin County Housing Finance Corporation at 2:09 p.m. and adjourned the meeting at 2:11 p.m.

FYI NOTIFICATION

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

2. Addenda:

a. AI-39852 No. 1 to Installation of Detention Center Walk-In Freezer (IFB No. 2015-154) to make various changes to the Invitation for Bid, Purchasing.

b. AI-39837 No. 1 to Construction, Bridge: County Road 317 over Wilson Creek (IFB No. 2015-156) to make various changes to the Invitation for Bid, Purchasing.

c. **AI-39857** No. 2 to Construction, Bridge: County Road 317 over Wilson Creek (IFB No. 2015-156) to make various changes to the Invitation for Bid, Purchasing.

2. Public Comments.

3. Presentation/Recognition:

a. **AI-39861** Proclamation declaring May 2015 as Motorcycle Safety and Awareness Month in Collin County, Commissioner, Precinct

Commissioner Fletcher invited those in attendance who drive a motorcycle to come forward. Commissioner Fletcher presented the motorcyclists with a proclamation from Commissioners' Court designating May 2015 as Motorcycle Safety and Awareness Month in Collin County. (Time: 1:31 p.m.)

4. Consent agenda to approve: Judge Self asked for comments on the consent agenda. Commissioner Webb pulled items 4g2 and 4g3. With no further comments, a motion was made to approve the remainder of the consent agenda. (Time: 1:32 p.m.)

Motion by: Commissioner Chris Hill
Second by: Commissioner Susan Fletcher
Vote: 4 - 0 Passed

a. **AI-39840** Disbursements for the period ending May 5, 2015, Auditor.
COURT ORDER NO. 2015-252-05-11

b. Advertisement(s):

1. **AI-39776** Network Infrastructure Expansion for Elections Office (RFP No. 2015-181), Information Technology.
COURT ORDER NO. 2015-253-05-11

c. Agreement(s):

1. **AI-39811** Tyler Professional Services Agreement for the Texas Indigent Defense Commission (TIDC) Indigent Defense Grant and further authorize the Purchasing to finalize and execute same, Information Technology.
COURT ORDER NO. 2015-254-05-11

d. Amendment(s):

1. **AI-39831** No. 1 to Law Enforcement Services with the City of Lucas (AGR No. 2015-149) to extend the contract for one (1) year through and including September 30, 2015 and further authorize the Purchasing Agent to finalize and execute same, Sheriff.
COURT ORDER NO. 2015-255-05-11

e. Receive and File, Auditor:

1. **AI-39838** Investment Report (1st Quarter FY2015).

COURT ORDER NO. 2015-256-05-11

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

1. **AI-39849** April 20, 2015.

COURT ORDER NO. 2015-257-05-11

g. Miscellaneous

1. **AI-39814** Broker/Dealer list for 2015, Auditor.

COURT ORDER NO. 2015-258-05-11

2. **AI-39706** Indemnification of the District Clerk in the amount of \$1,567.72, Auditor.

Commissioner Webb pulled this item to gain clarification on how the amount of loss was calculated. This loss was not an issue of missing money. It was a loss in terms of interest which would have been gained if not miscoded. Jeff May, County Auditor, stated the \$1,567.72 was calculated based on the interest rate if the funds would have been invested in a certificate of deposit. The interest rate at the time the funds should have been invested was 0.80%. Commissioner Webb asked if Mr. May is satisfied with the procedures and process put in place to avoid this in the future. Mr. May said there have been changes which will help prevent this problem from reoccurring. Commissioner Webb made a motion to approve the item.

Following the motion Judge Self asked where the funds will come from to pay for the loss and where will they be placed. Mr. May said the money will be moved from the general fund into the District Clerk's account. Andrea Thompson, District Clerk, stated as soon as the funds are received they will be deposited into the investment account for this case. With no further discussion, the motion carried. (Time: 1:34 p.m.)

Motion by: Commissioner Duncan Webb
Second by: Commissioner Susan Fletcher
Vote: 4 – 0 Passed

COURT ORDER NO. 2015-259-05-11

3. **AI-39818** Purchase magnetic markings for an unmarked 2015 Taurus Police Interceptor, Constable, Precinct 4.

Commissioner Webb does not support this item. Commissioner Fletcher said she is fine with the magnetic markings for modular use. There are times when markings are needed and times when they are not needed. Commissioner Webb went on to state why he is opposed.

The magnetic markings could easily be stolen or could fall off. Commissioner Fletcher accepted Commissioner Webb's concerns. Judge Self asked for a motion. No motion was made. (Time: 1:36 p.m.)

NO ACTION TAKEN

4. **AI-39845** Professional Design Services proposal from Halff Associates, Inc. for a Clean Agent Fire Suppression system in the Courthouse Data Center for the amount of \$37,700, Construction & Projects.

COURT ORDER NO. 2015-260-05-11

5. **AI-39854** Utilization of the parking lot at the Jack Hatchell Administration Building for the City House, Inc. Collin Classic Bike Rally on Friday, June 12, 2015 from 6:00 p.m. to 7:00 p.m. and Saturday, June 13, 2015 from 7:00 a.m. to 4:00 p.m. and further request waiver of fees and insurance, Facilities.

COURT ORDER NO. 2015-261-05-11

6. **AI-39863** Personnel Appointments, Human Resources.

COURT ORDER NO. 2015-262-05-11

7. **AI-39864** Personnel Changes, Human Resources.

COURT ORDER NO. 2015-263-05-11

GENERAL DISCUSSION

5. **AI-39722** Special Districts by the Central Appraisal District, County Judge.

Bo Daffin, Chief Appraiser for Collin Central Appraisal District (CAD), came forward to discuss special districts. Mr. Daffin said his office is beginning to see special districts in the form of water control and MUD (Municipal Utility District) districts that are going to levy a property tax. His office does not get involved during the creation of the districts, but does receive field notes which are a list of properties and documentation that a special district has been created.

There are currently three special districts that are going to levy a property tax, one of which was created and organized with the intent of creating a property tax in the near future. It will likely levy in 2016. This does not include Seis Lagos which has been around since the 1970s. With the exemption and evaluation structures in place, Seis Lagos is acting more like a city than a municipal utility district or water control district.

The three districts Mr. Daffin will focus on are McKinney MUD 1 which is primarily the Light Farms development, the Water Improvement District on the shores of Lake Lavon, and the two involving Trinity Falls which are McKinney MUD 1; the expansion of Trinity Falls is McKinney MUD 2.

Mr. Daffin wanted to bring to the attention of the Court the potential effects on property owners. Once his office is involved, Section 23.20 of the Tax Code allows the developer to file a waiver on a single jurisdiction, which means they can file it on the MUD District or the Water Control District and instruct his office to appraise the property at market value, not at agricultural or inventory value. At the same time, the CAD can leave the agricultural value and the underlying Section 23.12 lot inventory value appraisal for the school district, the college district and the county. There will be two appraisal records the first year, if in the first year of creation, the developer owns the property on January 1st, they plat 500 lots and begin selling them. The downstream effects of this once you start looking at the closing of properties, escrows and ultimately tax bills, is two different appraisal notices with two different values. One will show the lot at market value and the other will show the lot at a discounted value. When property owners get their tax bills in the fall, there will be two bills. Mr. Daffin's concern is the confusion this will cause at closings with escrow accounts, appraisals and tax bills. His job is not to speak for or against these special districts. His job starts after the special districts are created and his office has to appraise them. Mr. Daffin's office has been in communication with the Tax Assessor-Collector's office and will be working with them. Mr. Daffin is trying to create ways to tell the property owner what is going on. Legal descriptions will be cross indexed. When a property changes hands, his office sends out a buyer's letter to confirm the sale. The buyer's letter would now be duplicated because there are two tax parcels which the software would pick up. Mr. Daffin said his office is working with programming staff now to send out a notice in the same envelope saying the property will have two appraisals and two bills in order to save on postage. The customer service staff has begun scripting the letters because what are several hundred lots now will be several thousand lots in the near future.

It is important that everyone understands the waiver of Section 23.20 in the tax code will be put in place on the property for 20-30 years. This waiver is very strong, binding all successors and interest. For example, if the developer transfers the lots to the builder, that builder, who is a successor, is now bound by the same waiver. The waiver will follow the property the entire time it is being developed. It will also affect agricultural land. There has been a section added to the code that states filing this waiver does not constitute a roll back so the property will have to be followed separately to see if there will be a roll back due.

Along with the concern of the appraisal records, Mr. Daffin is also concerned with the tax bills because if escrow is not done correctly at the time of closing there will be property owners and taxpayers who will draw light on their escrow. If a person draws light on their escrow for year one in a market that is inclining, taxes will go up because the previous year was under escrow and because the market value has increased. Mr. Daffin would like to get on the front side of this to inform buyers of the possible issue.

Judge Self asked Mr. Daffin to explain what happens in year two if the exemption is made for the MUD in year one and everything else is with the agricultural appraisal. Mr. Daffin said if the agricultural appraisal comes off in year two, it would fall on the developer because it will not be in agricultural appraisal when the property hits the end user.

Agricultural appraisals may be at \$70 to \$100 per acre based on calculations in the tax code. Market appraisals on residential developed land may be \$2-3 a square foot. This would take the appraisal from \$80 an acre to \$800,000 an acre. The most likely scenario of a new buyer seeing the change will be under Section 23.12 inventory value that a developer can have at the school, county or college district. The appraisal is typically 20-25% lower than the market value appraisal. The school district tax rate is historically the highest tax rate. If the school taxes go up 25% because the inventory level comes off, there will be an 18-20% minimum built-in increase in year two. The taxes could be 18-20% higher before market appreciation.

Judge Self also asked how this information can be made available to people considering purchasing in Collin County. Mr. Daffin said the Central Appraisal District is considering putting a notice on their webpage in addition to sending out mailings. Customer service staff will be trained properly in what buyers need to know up front in order to avoid tax delinquencies.

Commissioner Webb suggested sending this information to the title companies as everything residential will close through them. The title companies can put a notice with the closing packets to solve one piece of the equation of informing the buyer. Judge Self also suggested Mr. Daffin talk to Stacey Kemp, County Clerk, because her office works with title companies. (Time: 1:55 p.m.)

NO ACTION TAKEN

6. AI-39800 Bond Presentation, approval to authorize the sale of \$43.488 million in Road Bonds and \$2.3 million in Parks & Open Space bonds for a Total Bond Sale of \$45.788 million and further authorize advanced refunding on eligible portions of 2006 and 2007 Unlimited and Limited Tax Issues, Budget.

Monika Arris, Budget, came forward to give the bond presentation. Ms. Arris began with the history and update of previous bond sales. Older bond issues remaining total \$2.25 million. Of that, \$1.48 million is budgeted and allocated on various projects including \$1.15 million remaining on outdoor camp projects and \$0.33 million remaining on road projects. There is also \$0.77 million remaining in the road contingency.

Tax notes or short-term debt have not been issued since 2006. These are monies used to fund projects such as the court imaging system, the web project, the VoIP (Voice over Internet Protocol) phone system, the ERP (Enterprise Resource Planning) financial system and the judicial system. Of the outstanding tax note projects, \$9.38 million is budgeted and allocated. This is split between the ERP for \$5 million and CIJS (Common Integrated Justice System) for \$4 million. The remaining \$.038 million is on various projects.

The 2003 bond authorization was for \$229 million which was split between roads, parks and open space and facilities and has all been issued. There is \$6.4 million budgeted and allocated remaining on projects. This includes \$5.9 budgeted for road projects, \$488,205 budgeted on facilities projects and \$32,122 on open space projects.

The 2007 bond authorization was for \$328.9 million which was also split between roads, parks and open space and facilities. The road funds were then split into city projects as well as county projects. The initial plan for the facility bonds was for the expansion of some of the County's buildings. This has been put on hold. The original plan for the parks and open space bond funds was to issue over five years.

The 2007 bond funds began being issued in 2008. There has been a request to have money in 2015 which is before you today. The 2017 money has been moved to 2016 for one final issue in 2016 using all of the road money and open space money. The only money left will be facilities which will be held until the need to expand the building. Of the 2007 bond authorization the current outstanding projects include \$70.8 million budgeted and allocated.

Currently \$68.8 million is budgeted and allocated on road projects, \$1 million budgeted and allocated on open space projects and \$1 million budgeted and allocated on facilities projects. Funds remaining in completed projects are to be returned to contingency unless requested for another project. There is \$13.3 million remaining in contingency for road projects and \$1.3 million remaining in contingency for parks and open space projects.

Ms. Arris requested approval to authorize the bond sale totaling \$45,788,000 of which \$43,488,000 will be for transportation funding divided among Frisco, Plano, Sachse, Wylie and Collin County and \$2.3 million for parks and open space funding. The certified estimate was provided April 30, 2015, from the Central Appraisal District. The net taxable increase from last year's certified value is 10.5% and the adjusted taxable value is estimated to increase 10% from last year's certified value. Ms. Arris also requested the approval to authorize refunding on eligible portions of the 2006 and 2007 limited and unlimited tax issues.

Ms. Arris reviewed the tax rate analysis chart showing accelerated principal to maintain the tax rate and keep it from dropping too fast which could affect the truth-in-taxation. Currently the debt-service tax rate is \$0.05773 with a projected rate of \$0.055 desired by the Court to maintain during these bond issues. This pushes the major decrease in the tax rate out to 2019-2020 assuming no further bond sales after the present authorization.

However, that would change if the decision is made to go to the voters for another bond election. With no further discussion, a motion was made to approve the authorization of the bond sale. (Time: 2:04 p.m.)

Motion by: Commissioner Susan Fletcher
Second by: Commissioner Duncan Webb
Vote: 4 - 0 Passed

COURT ORDER NO. 2015-264-05-11

7. AI-38856 84th Legislative Agenda for 2015, Commissioners Court.

Judge Self gave an update on Commissioner Williams' trip to Austin. The Court has stopped the aggressive work to make sure that NorthStar changes. We have been assured change will occur and it is believed the conference will go to committee. The numbers are estimated to be anywhere from \$13 million to \$15 million. LifePath says that amount will be acceptable. We are relying on the conferees for the time being. (Time: 2:06 p.m.)

NO ACTION TAKEN

a. AI-39559 Bills of Interest

SB 1139 relates to the operation and administration of and practice in courts in the judicial branch of state government and the composition of certain juvenile boards. Judge Self stated this bill has been referred to the Judiciary and Civil Jurisprudence Committee, but has yet to move in the committee. (Time: 2:08 p.m.)

NO ACTION TAKEN

b. AI-39893 HB 549

HB 549 relates to certain duties of the Commission on Jail Standards regarding visitation periods for county jail prisoners. This bill would force personal visitations in the detention center. Judge Self is opposed to this bill because this would be a major reconstruction for the County as there are no facilities set up for personal visitations. The Judge wrote a letter and encouraged the Court to also write letters or call opposing the bill. Representative Matt Shaheen is working with the author of the bill to find a solution which could result in a bracket bill or grandfather bill. Commissioner Fletcher suggested passing a resolution as a Court. A motion was made to pass a standard resolution opposing HB 549. (Time: 2:07 p.m.)

Motion by: Commissioner Susan Fletcher

Second by: Commissioner Chris Hill

Vote: 4 – 0 Passed

COURT ORDER NO. 2015-265-05-11

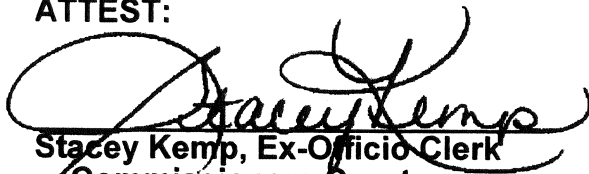
8. Possible future agenda items by Commissioners Court without discussion.

EXECUTIVE SESSION

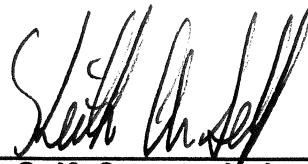
The Court did not recess into Executive Session. There being no further business of the Court, Judge Self adjourned the meeting at 2:08 p.m.



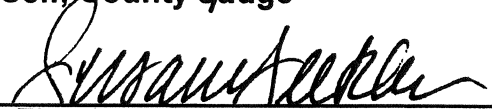
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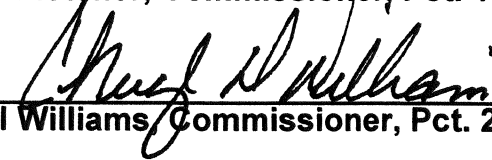
Stacey Kemp, Ex-Officio Clerk
Commissioners Court
Collin County, T E X A S



Keith Self, County Judge



Susan Fletcher, Commissioner, Pct. 1



Cheryl Williams, Commissioner, Pct. 2

Not Present

Chris Hill, Commissioner, Pct. 3



Duncan Webb, Commissioner, Pct. 4