

STATE OF TEXAS
COUNTY OF COLLIN

COMMISSIONERS' COURT
MEETING MINUTES
APRIL 23, 2018

On Monday, April 23, 2018, the Commissioners' Court of Collin County, Texas, met in Regular Session in the Commissioners' Courtroom, Jack Hatchell Collin County Administration Building, 4th Floor, 2300 Bloomdale Road, City of McKinney, Texas, with the following members present, and participating, to wit:

Judge Keith Self
Commissioner Susan Fletcher, Precinct 1
Commissioner Cheryl Williams, Precinct 2
Commissioner John Thomas, Precinct 3 (via video conferencing)
Commissioner Duncan Webb, Precinct 4

Judge Self led the Invocation.
Commissioner Fletcher 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 1:30 p.m. and recessed the meeting at 1:55 p.m. The meeting was reconvened and immediately recessed into Executive Session at 1:56 p.m. The meeting was reconvened and recessed at 2:14 p.m. The meeting was reconvened at 3:00 p.m. as a Workshop and adjourned at 4:10 p.m.

President Self called to order the meeting of the Collin County Health Care Foundation at 1:55 p.m. and adjourned the meeting at 1:55 p.m.

President Self called to order the meeting of the Collin County Toll Road Authority at 1:56 p.m. and adjourned the meeting at 1:56 p.m.

DECISIONS MANDATED BY LEGAL ENTITIES OUTSIDE OF COMMISSIONERS COURT AUTHORITY:

1. AI-44780 Personnel Changes, Human Resources.

FYI NOTIFICATION

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

2. **Public Comments.**

3. **Presentation/Recognition.**

4. Consent agenda to approve: Judge Self asked for comments on the consent agenda. Hearing no comments, a motion was made to approve the consent agenda. (Time: 1:32 p.m.)

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

a. **AI-44736** Disbursements for the period ending April 17, 2018, Auditor.
COURT ORDER NO. 2018-321-04-23

b. **AI-44737** Indigent Defense Disbursements, Auditor.
COURT ORDER NO. 2018-322-04-23

c. Advertisement(s):

1. **AI-44701** Specifications and advertise for Construction, Road: Dallas North Tollway Southbound Frontage Road, US 380 to FM 428 (IFB No. 2018-203) and budget amendment in the amount of \$18,862,710 for same, Special Projects.
COURT ORDER NO. 2018-323-04-23

d. Award(s):

1. **AI-44762** New Camera Installation and Intercom System Upgrade at Collin County Detention Facility (IFB No. 2018-150) to Sigma Surveillance, Inc. DBA STS360, budget amendment in the amount of \$10,000 and further authorize the Purchasing Agent to finalize and execute the Construction Contract, Construction & Projects.
COURT ORDER NO. 2018-324-04-23

e. Agreement(s):

1. **AI-44750** Lake Patrol Contract for 2018 and Amendment to the Solicitation/Modification of Contract (to extend the receipt date to April 27, 2018) with the United States Army Corps of Engineers, Fort Worth District to provide additional patrol of Lake Lavon, Sheriff.
COURT ORDER NO. 2018-325-04-23

f. Amendment(s):

1. **AI-44747** Amendment No. 1 for Assistance to Obtain Federal Financial Participation for SCAAP Funding (Contract No. 2017-198) with Justice Benefits, Incorporated to extend the contract for one (1) year through and including May 7, 2019 and further authorize the Purchasing Agent to finalize and execute same, Sheriff.
COURT ORDER NO. 2018-326-04-23

g. Change Order(s):

1. **AI-44752** No. 1 to Collin County Adventure Camp Pool Resurface (COOP No. 2018-168) with Sunbelt Pools, Inc. to modify the main drains and sumps, budget amendment in the amount of \$6,754 and further authorize the Purchasing Agent to finalize and execute same, Construction & Projects.

COURT ORDER NO. 2018-327-04-23

h. Contract Renewal(s):

1. **AI-44765** Services: Pest Control (IFB No. 2017-217) with Graham Pest Control, Inc. to extend the contract for one (1) year through and including September 30, 2019, Facilities.

COURT ORDER NO. 2018-328-04-23

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

1. **AI-44788** Discretionary exemption to the bid process per VTCA LGC 262.024(a)(2) "an item necessary to preserve or protect the public health or safety of the residents of the county" to assist IT with network and systems restoration, Purchasing.

COURT ORDER NO. 2018-329-04-23

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

1. **AI-44735** \$98,602 to reallocate funds to correct the negative balance in the City of Frisco's 2007 Bond Project No. 07-024, El Dorado from Preston to Custer, Engineering.

COURT ORDER NO. 2018-330-04-23

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

1. **AI-44761** April 2, 2018.

COURT ORDER NO. 2018-331-04-23

l. Miscellaneous

1. **AI-44768** Early Voting Calendar of locations, dates and times for the May 22, 2018 Primary Runoff Elections, Elections.

COURT ORDER NO. 2018-332-04-23

2. **AI-44706** Purchase 146 Laserfiche Forms Licenses for Jail Standards Compliance and budget amendment in the amount of \$21,102 for same, Information Technology.

COURT ORDER NO. 2018-333-04-23

3. **AI-44767** Acceptance of the donations of artifacts to the Collin County Farm Museum and add items into inventory as property of Collin County, Special Projects.

COURT ORDER NO. 2018-334-04-23

4. **AI-44781** Personnel Appointments, Human Resources.

COURT ORDER NO. 2018-335-04-23

5. **AI-44782** Personnel Changes, Human Resources.

COURT ORDER NO. 2018-336-04-23

GENERAL DISCUSSION

5. **AI-44769** **Public Hearing** – Consideration and any action for the issuance of a Mass Gathering permit for the Vintage Market Days 2018 event on May 11 – 13, 2018 at Myers Park & Event Center in accordance to Health and Safety Code Chapter 751, Special Projects.

Judy Florence, Parks Manager, came forward to request a public hearing for the consideration and issuance of a Mass Gathering permit for the Vintage Market Days event on May 11 – 13, 2018. Judge Self opened the public hearing at 1:33 p.m. and asked for comments. Hearing none, Judge Self closed the public hearing at 1:33 p.m. A motion was made to approve the item. (Time: 1:33 p.m.)

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

COURT ORDER NO. 2018-337-04-23

6. **AI-44728** Acceptance of the Comprehensive Annual Financial Report for the fiscal year ended September 30, 2017, Auditor.

Jeff May, County Auditor, introduced Chris Pruitt, CPA, with the auditing firm of Pattillo, Brown & Hill to present the CAFR (Comprehensive Annual Financial Report) for the Court's acceptance. The CAFR has three sections: the introductory section, the financial section and the statistical section.

Collin County has received the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for 38 consecutive years. Mr. Pruitt said this year's CAFR meets the criteria and he is confident the County will receive its 39th consecutive award later in the year.

Mr. Pruitt said his firm has issued an unmodified opinion, also known as a clean opinion, which means the financial statements have been audited and are free of any material misstatements. He went on to point out areas of interest in the CAFR and said the Management's Discussion and Analysis is a great summarization of the financials.

The County's fund balance is very healthy at \$178 million. The long-term net pension liability is actually not a liability but rather an asset. This is rare because most governments have pension liability. This shows conservative budgeting. Mr. Pruitt said everything within the budget looks good and there are positive variances for revenues and expenditures.

The final section of the CAFR is the statistical section comprised of five different kinds of ten-year trend data. There are schedules on financial trends, revenue capacity, debt capacity, demographic information and operating information. These schedules are labeled as "unaudited" because they are ten years presented and the auditing firm only did the one year audit. Mr. Pruitt said the firm did look at the schedules to make sure the numbers for the current year did agree to the financial statements.

Commissioner Webb referred to the Governmental Activities Revenues by Source chart on page 289 of the Court Packet to express concern on the Charges for Services category which shows a decrease for 2017. Mr. May said the Modified Accrual Section actually shows an increase instead of a decrease. The reason this section shows a decrease is due to a change in how funds receivable are calculated. This caused a little variation, but Mr. May felt the number was more accurate. This is a full accrual statement which is how a corporation would look and it would not be used to budget. Mr. May will provide Commissioner Webb more details on this matter.

Commissioner Thomas said there was \$1.2 million less in the building superintendent budget which was largely in part to being under budget by \$977,000 with the electric bill. The Commissioner asked if this was a budgeting error. Mr. May said the electric bill is budgeted a little on the high side because of fluctuations of power usage especially when there is a hot summer. A motion was made to approve the item. (Time: 1:45 p.m.)

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

COURT ORDER NO. 2018-338-04-23

7. AI-44729 Acceptance of the Juvenile Probation Department Financial and Compliance Audit Reports for the year ended August 31, 2017, Auditor.

Chris Pruitt, CPA, with the auditing firm of Pattillo, Brown & Hill, said the Juvenile Probation audit is a state required audit. Mr. Pruitt said his firm has issued an unmodified opinion, also known as a clean opinion, which means the financial statements have been audited and are free of any material misstatements. The notes section of this report expands on the financials and is similar to the large CAFR (Comprehensive Annual Financial Report).

A GAS (Government Auditing Standards) letter, also known as the Yellow Book Report, is included in the report which discusses the internal control of financial reporting and compliance with various laws, grants and regulations as it relates to the Juvenile Probation Department. This report was filed with the state on February 28, 2018. A motion was made to approve the item. (Time: 1:47 p.m.)

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

COURT ORDER NO. 2018-339-04-23

8. AI-44730 Acceptance of the Community Supervision and Corrections Department Financial Statements and Supplementary Information for the year ended August 31, 2017, Auditor.

Chris Pruitt, CPA, with the auditing firm of Pattillo, Brown & Hill, said the audit for CSCD (Community Supervision and Corrections Department) is a state mandated audit. His firm has issued an unmodified opinion, also known as a clean opinion, which means the financial statements have been audited and are free of any material misstatements. The report includes a combined statement of financial position. There is roughly \$3.7 million of assets, a little over \$1 million in liabilities and a fund balance of \$2.7 million. A GAS (Government Auditing Standards) letter is included in the report followed by an audit checklist of 88 questions. This report was filed with the state on February 28, 2018. A motion was made to approve the item. (Time: 1:50 p.m.)

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

COURT ORDER NO. 2018-340-04-23

9. AI-44732 Acceptance of the Single Audit Report for the year ended September 30, 2017, Auditor.

Chris Pruitt, CPA, with the auditing firm of Pattillo, Brown & Hill, said because the County received more than \$750,000 in federal and state awards it was required to have a federal and state Single Audit. This is a process of identifying the high risk grant programs or large grant programs and perform additional test work on those grants. Two letters which must be issued in conjunction with this are a GAS letter and a letter on the grants chosen to have additional test work on. The federal grant chosen was the WIC (Women, Infants and Children) grant and the state grant was the AirCheck Texas grant. There were no findings for either grant. A motion was made to approve the item.

Following the motion, Judge Self asked why the \$25,468 from TxDOT (Texas Department of Transportation) is in this report when state transportation expenditures are outside of this process.

Jeff May, County Auditor, said this is related to a grant of RTR (Regional Toll Revenues) dollars from NCTCOG (North Central Texas Council of Governments) for the Outer Loop. It is required for the County to report it as a grant in the Single Audit. With no further discussion, the motion carried. (Time: 1:55 p.m.)

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

COURT ORDER NO. 2018-341-04-23

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

Judge Self recessed the meeting at 1:55 p.m. and called to order the meeting of the Collin County Health Care Foundation followed by the meeting of the Collin County Toll Road Authority at 1:56 p.m. Judge Self reconvened the meeting at 1:56 p.m.

WORKSHOP 3:00 P.M.

1. AI-44758 Update to Subdivision Regulations, Engineering.

Bill Bilyeu, County Administrator, introduced the topic of the Workshop: the update to Subdivision Regulations. The purpose of the Workshop is to discuss a proposal to change the policy of the Court to no longer accept roads in new subdivisions for maintenance in unincorporated Collin County. In March the Court entered into a contract to look at making proposals and changes to the Subdivision Regulations. As part of the process, the County's attorney will look over any changes the Court makes, rewrite the language and bring it back to the Court to agree on. This would be followed by public hearings and then Court approval. Engineering has highlighted sections of the current policy that would need to be changed related to this specific issue if the Court decides to make changes.

Mr. Bilyeu explained a spreadsheet on page 658 of the Court Packet which showed different cities and special districts in Collin County and who provides fire, police and EMS (Emergency Medical Services) to those areas. In the past it was thought that overtime county services would decrease because the cities would be annexing areas; however, during the last legislative session the involuntary annexation policy changed. The voluntary annexation policy is still the same and developers can still go into the cities. If development is pushed into special districts, the question is who will provide services. Light Farms is a great example. When it was developed it entered into a developmental contract with Celina for services. Every time the contract comes up it is a battle of whether they will stay in the contract. This is because there is nothing to force a special district to stay in a contract with an entity. A special district does not mean it will get services from an entity other than the county or that it will pay the county for those services.

Commissioner Webb led off the discussion. When he took office eight years ago the average cost per year to maintain subdivision roads was \$520,000. Now the cost is up to \$1.4 million a year. He questioned if there was a better way of doing this versus the County taking on more residential street responsibility. He noted the cost in his precinct has been zero.

Commissioner Thomas said one option could be the developer or the community provide a maintenance bond for a period of time based on the average maintenance cost per mile per year. The average maintenance cost of a two-course penetration road is approximately \$13,000 per mile per year. This number was provided to Commissioner Thomas by Public Works. For example, a five-year bond for a one-mile two-course penetration road would be approximately \$65,000.

Commissioner Williams explained what cities typically do in regards to gated communities who have to maintain their own streets. There are extensive requirements the communities must meet. For example, it is mandatory to have an HOA (Homeowners Association), build roads to cities' standards and maintain a bond to cover the cost of maintenance indefinitely. She questions whether a county has the authority to require that kind of bond. Most counties in the state with rural areas have road commissioners because counties were often set up to provide roads to residences; therefore, the Commissioner sees this as a core function of the Court. Special districts have enough density and typically have a required HOA, required by an entity other than the county, to maintain their own roads. This Court opposes special districts, but Commissioner Williams does not. She said typical county development of small subdivisions will not be able to create enough dollars over time to maintain roads.

Judge Self asked if the Court has authority to require what Commissioner Williams described. Clarence Daugherty, Engineering, said legal opinion would be needed. State law provides for a county to set up subdivision regulations and require developments to comply with them. It could be possible to say within those regulations that it is required to have an HOA and a maintenance bond, but the attorney would need to determine if it is legal. There is not a statute that gives the authority to require an HOA.

Commissioner Webb asked where the two-year maintenance bond came from which is in the current regulations. Mr. Daugherty said it was a judgement call made by Engineering. A one to two-year maintenance bond is common practice with municipalities. The Commissioner asked if a bond could extend to three, four or five years. Mr. Daugherty said it could, The Court recently approved a contract with a developer for a service road along the Outer Loop with a five-year maintenance bond. Commissioner Webb asked Mr. Daugherty to explain the impediment to requiring concrete roads before the County accepts them. Mr. Daugherty said state law says a county cannot require a developer to build a road at a higher standard than the roads a county builds. A typical county road is a base and a two-course service treatment; therefore; it would be hard to require a developer to build a concrete road.

Commissioner Webb said one concept he has thought about is having the same parameters as the current regulations and still require approval, but at that point the road would remain private. If the developer wants the County to accept and take over maintenance of the road, it then would have to be concrete. This would be an extra standard to meet. Commissioner Williams said the Court must think about the unintended consequences that would bring. A developer could leave it up to the residents who may not be able to come up with the money to maintain the road. This would leave a road the County has refused to maintain and residents who can't afford to maintain it. Meanwhile someone has to provide emergency services to that area.

Mr. Bilyeu said the statute states the limit on how long a bond can be held is within a reasonable time set by Commissioners' Court. Commissioner Williams said another consequence to having a very extended time period on a bond could be a reduced number of developments. The Commissioner is not in favor of providing greater regulations resulting in people being unable to use their property. Commissioner Webb does not want this either; his concern is he does not want taxpayer dollars used to supplement the developer's infrastructure. Commissioner Williams said taxpayers in every city are on the hook for public streets and the County is on the hook for public streets. These roads are public streets even if they are in a neighborhood.

Commissioner Fletcher said because of the changes in annexation and because the properties in the unincorporated areas are less likely to be annexed, the County's costs will continue to increase. When people choose to move into the unincorporated areas they are not paying the city tax that would normally cover the maintenance cost of the roads around their homes. She understands that problem and is trying to balance it with the fire, police and EMS who have to travel to the unincorporated areas on roads not built to the same standards as they are in cities. The roads tear up their equipment. Ultimately she wants to do the right thing for the taxpayers. Judge Self said the change in the annexation law will slow annexation down dramatically which will mean the roads will be in the County for a long time. One of the unintended consequences of the annexation law is that counties will have more county roads.

Kent Adams, Celina, who is the developer of the Hills of Lone Star came forward. He said the timing of a bond is a good question. About two years is when you begin to see if there will be bigger problems on the roads other than maintenance. Two years is reasonable, but if it needs to be extended a little longer he is in favor because he wants to build good roads. It's easy to think the developer goes in, builds the roads, makes money and leaves, but they are giving and contributing hundreds of thousands of dollars for very low density. He does not see how an indefinite bond would be possible because of the low density of residents. There will never be enough money. There is a tradeoff here with turning \$2.00 an acre tax base land into something that is substantially more. Requiring the developer to do things on the front end of the road maintenance to make the roads hold up better is worth looking at.

Commissioner Webb asked if moving the bond period from two years to four years will give enough time to determine if there will be issues with the roads. Mr. Daugherty said if there is a problem with how the road was built, it should show up within the first two years, but that doesn't mean something wouldn't show up later. Jon Kleinheksel, Public Works, agreed and said four years would be better than two years because more issues could be identified.

Mr. Daugherty said there are a few examples of roads which came out of the recession where the development went bankrupt and the roads were left stagnant. Mr. Kleinheksel agreed those were a byproduct of some of the higher costs of road maintenance. Some of the roads were stagnant from 2008 – 2012 and are now being addressed. The main share of the high cost for 2017 in Precinct 3 is the Ticky Creek area where 26 roads were worked on.

Gerald Vokolek, Plano, past president of the Collin County Association of Realtors and a current member of the Collin County Planning Board came forward. Mr. Vokolek said whether roads are maintained or not will be reflected at the property value within that subdivision. To some extent, a well maintained county road will keep property values current or increasing and will provide taxes that might not have been there if the road was not maintained. Concrete roads will last longer and possibly cost less to maintain over a given period of time. If there is a way to create an incentive for developers to do concrete roads it could reduce the total expense overall and maintain the value.

Commissioner Fletcher said the cost of concrete roads versus the cost of the County's standard is significantly different. Commissioner Williams added, the County does not have the capacity for maintaining concrete roads.

Mark Cope, McKinney, a developer with Cope Equities, LLC came forward. Mr. Cope agreed road maintenance is the proper role of government. He said there is a tremendous demand for non HOA subdivisions. It is one of the main reasons people move out of the city and into rural areas. He would like to see incentivizing developers by shortening the bond period for concrete roads and lengthening it for other roads. If the Court moves forward with changes he would like to see where the revenue stands against the expenses that come from increased taxes. If there is going to be a change he would like to see a grace period for developers who have entered into fiduciary obligations on planned projects where there is no HOA in mind because it would change their market position. It would also cause developers to rethink further development in Collin County.

Judge Self said the change in the annexation law is key. These will be county roads so why would we push to have concrete roads when the County doesn't repair or build them? Maintenance for concrete roads would be contracted out in the future. The Judge asked what it would take to incentivize a developer to put in a concrete road. Mr. Daugherty wasn't sure because the cost put in may be far beyond the value since the developer will not be there over a long period of time.

It may be a possibility to subsidize it somewhat in order to get them to build concrete roads and to be privately maintained. Commissioner Webb is interested in seeing the tax value before the development versus the current tax value to see what it produces in income. Discussion continued.

Mr. Bilyeu informed the Court that \$10 million in value brings approximately \$20,000 in taxes to the County.

Commissioner Thomas said when the ground shifts and concrete roads break the repair is more expensive than on normal county roads. Therefore, it can't directly be said that putting in concrete roads would be cheaper in all locations. Mr. Daugherty said a concrete road will bridge problem areas better than asphalt roads, but will eventually catch up and the repair will be a more expensive operation.

Commissioner Webb asked if there is another way to structure regulations to give better protection for the escalating cost or incentivize developers to have less cost long-term by taking on the roads. This may mean going from a two-year bond to a four-year bond.

Commissioner Fletcher asked when on average the County has to go back and make repairs on these roads. Mr. Kleinheksel said there are too many variables, but there is a seven-year life on two-course roads. He is trying to extend this with different seals. Commissioner Williams said we can require the developer to do what the County does on roads, so if the County has improved the way in which it builds roads, then the same can be required of the developer, but not anything greater.

Mr. Kleinheksel said typically for subdivision roads the average would be 14 years before FDR (Full-Depth Reclamation) is done. This includes annual maintenance, fog seals, patching and lateral shoulder work. Maintenance begins as soon as the maintenance bond is over. Commissioner Williams said more analysis needs to be done to determine exactly what is causing the increasing costs. Commissioner Webb said if the County is looking at a 14-year life span on these roads and if this is escalating the number of roads taken in, the Court should begin reserving funds.

Mr. Adams came back to the podium to address the options. It would be reasonable to do a study on what could be required as an annual checkup within the bond period to get the roads in the very best condition for when they are handed over to the County. Also, if there are areas showing more difficulty, like where a subdivision road is tied into an existing county road, it wouldn't be unreasonable to require a concrete apron or structure to bear the brunt of traffic. Mr. Adams said some thought needs to be given to a grandfather provision for developers who have been working under the current regulations.

Mr. Daugherty said even if development is stopped today, the County is full of subdivisions which are 10, 20, and 30 years old reaching the repair or rebuild point. Those will continue to increase the costs. The costs will not run up initially with continued development. The first years of new development will not have a lot of costs with them.

They aren't driving the numbers today, but eventually those will need maintenance. Judge Self said if costs accelerate then we need to put money away.

Judge Self listed requested documents needed for the Court: 1) tax value of the development versus agricultural value; 2) number of miles and projects added each year in each precinct from 2009-2017; 3) legal advice on what is reasonable for bonds; 4) what is the longest bond period in the state; and 5) what the County can legally require a developer to build. (Time: 4:10 p.m.)

EXECUTIVE SESSION

Judge Self recessed Commissioners' Court into Executive Session at 1:56 p.m. under paragraph 551.071, Legal to discuss a claim by Suzanne Wooten.

Judge Self reconvened the meeting at 2:14 p.m.

AI-44744 Claim by Suzanne Wooten, Administrative Services.

NO ACTION TAKEN

Judge Self recessed the meeting at 2:14 p.m. until the 3:00 p.m. Workshop.

Judge Self reconvened the meeting at 3:00 p.m. for discussion on Workshop Item 1.

There being no further business of the Court, Judge Self adjourned the meeting at 4:10 p.m.



Keith Self

Keith Self, County Judge

Susan Fletcher

Susan Fletcher, Commissioner, Pct. 1

Cheryl Williams

Cheryl Williams, Commissioner, Pct. 2

John B. Thomas

John B. Thomas, Commissioner, Pct. 3

Duncan Webb

Duncan Webb, Commissioner, Pct. 4

ATTEST:

Stacey Kemp

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