

Policy Issues

The following items are presented for consideration March 7 as part of the proposed FY 2006-07 budget. The items result from presentations and concerns expressed during hearings January 11-13 and February 21, and are in accordance with court directions.

1. Financial Policies

- a. Expenditures are to be budgeted and controlled so that at the end of the fiscal year the minimum undesignated fund balance for the general fund and other operating funds will be no less than 15% of fiscal year expenditures.
- b. Full disclosure and open lines of communications will be provided for rating agencies. A continuing goal is continuation of and a possible upgrade in the county's AA+ debt rating. Decisions on financial matters are to consider this goal.
- c. Tax anticipation notes for annual cash flow purposes will be issued for the general operating fund. A recommended order will be presented to the court as an agenda item.
- d. Ad valorem tax requirements for operations and debt service are to be analyzed in conjunction with projections of taxable values by the Appraisal District. A recommended tax rate schedule will be presented to the court in September. Funding plans will be considered for Harris County, Harris County Flood Control District, Port of Houston Authority, and the Harris County Hospital District.
- e. The court will consider capital improvement plans and financing requirements at a review session to be held at 9 a.m. Tuesday, June 20.
- f. The Mid-Year Review will be held at 9 a.m. Tuesday, September 26.

2. Salaries, Allowances, and Positions

- a. **Cost of Living.** If the court agrees, a 3% cost of living salary adjustment would be effective with the pay period that begins September 2. The approximate cost to the general fund will be \$9 million this fiscal year, FY 2006-07, and \$19.2 million in the subsequent fiscal year, FY 2007-08. The court said the increase would apply to all positions except appellate, district, and county court judges.
- b. **Allowances.** Allowances for FY 2006-07 should remain as follows: 44.5¢ per mile reimbursement for use of a personal vehicle on county business, subject to a maximum of \$630 per month; maximum monthly car allowances of \$525 for law enforcement officers, and, subject to court approval, elected officials and appointed department heads, and \$395 per month for other non-law enforcement personnel. These amounts will be reviewed and a recommendation regarding any necessary changes will be given to the court at the Mid-Year Review in September. The procedure for reporting mileage expense is in review.

The cellular phone allowance of not to exceed \$50 per month for authorized staff should not be changed at this time.

- c. **Positions.** Management Services is reviewing the list of department position requests and will present recommendations to the court as agenda items after determination that funds are available. Lists of temporary, part-time, and model positions are attached for approval.

The average annual cost of a full-time position in the county is \$63,312, including salary of \$46,200 and benefits of \$17,112. The total requirement for salaries and benefits in the general fund, with 11,980 full-time equivalent positions, is \$758.6 million, which is about 71% of operating costs. Departments in the general fund have requested 533 new positions.

- d. **Salary Studies.** Recommendations have been prepared and are attached for approval of salary adjustments for detention officers and medical staff for the jail and peace officer salaries and incentives. Salary levels for judges and other elected officials were prepared as directed by the court and are shown in an attached table. Other position and salary studies and reclassifications and salary equalization requests for officials, departments, and functions will be presented as completed for consideration of the court as regular agenda items or at Mid-Year Review.

- e. **Group Health and Related Benefits.** A status report by the director of Human Resources & Risk Management is enclosed for your review and reference. The total annual cost for employees, retirees, and dependents is projected to be \$148.5 million, an increase of \$16.8 million. Retirees and their dependents represent 12.6% of the total group, but account for 22% of the total projected increase. The county's portion of the cost will be \$115.6 million, or 78% of the total.

The county's policy for basic coverage remains unchanged, with 100% of the cost for the employee and qualified retiree paid by the county plus 50% of the cost for dependents. A second option allows the employee or retiree to pay a higher premium for another level of benefits.

Effective March 1, 2006, the medical provider, Aetna Inc., began the third year of a five-year agreement.

Staff of the Office of Human Resources & Risk Management are working with the Auditor and County Attorney to review new requirements of the Government Accounting Standards Board regarding financial disclosure and funding requirements for retiree health care and related benefits. An actuarial determination of cost and alternatives will be presented to the court as an agenda item.

- f. **Travel and Training.** An analysis by the Office of Budget Management of travel and training costs for the period of FY 2002-03 through FY 2005-06 shows the following.

<u>FY</u>	<u>Total Cost \$</u>	<u>In Houston and Texas Cost \$</u>	<u>% of Total</u>	<u>Out of Texas Cost \$</u>	<u>% of Total</u>
2005-06	2,913,073	1,946,425	66.8	966,648	33.2
2004-05	2,270,823	1,581,867	69.7	688,956	30.3
2003-04	1,994,850	1,422,036	71.3	572,814	28.7
2002-03	1,776,415	1,092,901	61.5	683,514	38.5

As requested by the court, Management Services is preparing an agenda item for consideration that would strengthen control of travel and training expenses.

3. **Departments**

Funds are balanced against the Auditor's final estimate of revenue. The estimate for available resources for the general fund for FY 2006-07 is \$1,228,100,653, which is \$58,840,858 more than the adjusted revenue estimate for FY 2005-06 of \$1,169,259,795, and \$7,159,472 less than the estimated actual amount that became available for FY 2005-06 of \$1,235,260,125.

Requests from all departments for positions and funds to meet priorities will be considered for recommendations to the court. The following provides a summary of issues and recommendations for various departments and operations.

a. **Public Infrastructure**

The Toll Road Authority requested 49 new positions for customer service and technical and analytical assistance, and these positions will be recommended for approval, subject to budgetary transfers.

A recommendation will be prepared for consideration concerning indirect cost charges to cover the cost to the county for support services provided for operation of the toll road system. This subject will be reviewed with the PID director and the Auditor before presentation to the court.

The court on January 24, 2006 authorized a study to proceed for development of financial and operating alternatives that could be available for the future of the toll road system. The results of the study are to be presented to the court at the capital improvements review session on June 20.

The Flood Control District's operations and maintenance budget is balanced against the Auditor's revenue estimate for available resources in the amount of \$135.4 million. The director requested 15 new positions for engineering, technical, and administrative work, and these positions will be recommended as part of the new budget. Salary reclassifications will also be recommended.

Capital project spending during the period of FY 2000-01 through FY 2005-06 totaled approximately \$450 million. The district has \$164 million available for continued work, and has listed candidate projects in the amount of \$482 million. The projects listed and a schedule of funding that may be available will be reviewed with the court at the capital improvements meeting on June 20.

PID Engineering Division has requested 16 new positions and 11 reclassifications for administrative services, contract administration, contract compliance, capital projects, infrastructure, construction, architecture, and permits at an approximate cost of \$1.5 million. The director estimates that if new staff is approved he will need additional office space, and he has developed an interim plan to accommodate this need. This request is under review and a recommendation will be given to court.

- b. **Facilities & Property Management**. The FPM director is requesting funds for maintenance of additional facilities, increased rents for leased facilities, repairs at various annexes and parking areas, utility costs, computer software upgrades, and salary increases for management staff. Funds have been provided for certain of these items, and further evaluations will be done.

Various departments have requested use of vacated space that could be made available when staff and operations move to the new Juvenile Justice Center and Civil Courthouse. The FPM director requested, and the court agreed, that a moratorium on such moves will be in place and that FPM is authorized to review all such requests as to their actual necessity and costs. A report will be given to the court at the capital improvements meeting in June when the court will consider revisions in the master plan for the downtown complex. A factor in the court's review will be whether there should be construction of a new Administration Building.

- c. **Courthouse Security**. Judge Don Stricklin, of the 337th District Court, as a representative of the district courts, requested that Commissioners Court seek analysis and recommendations for a reorganization of courthouse security. The FPM director recommended that such a study be authorized. Constable Abercia, Precinct 1, requested that the court authorize 24 additional positions and a bomb dog for coverage of the new Juvenile Justice Center and Civil Courthouse.

At this time, the Sheriff's Department assigns deputies for courtrooms, Constable Abercia assigns officers for patrol in and around the downtown complex, and FPM has a contract with Weiser Security to provide personnel for operation of metal detectors. FPM also provides for issuance of badges for county personnel and, with an oversight committee, the Frequent Courthouse Visitors Badge Program. There is no official or department that is in charge and accountable for all aspects of courthouse security.

The court requested that Management Services have a study prepared for recommendations that can be considered. Such an item will be placed on the court's agenda.

- d. **Courts**

1. **Justices of the Peace**. A recommendation for implementation of a staff career ladder plan with training and skills assessment for justice court personnel will be presented as an agenda item.

Justice court desktop computers will be replaced at an approximate cost of \$620,000. A new justice court technology fee fund will be used to help with the cost. A life cycle plan for technology will be provided for the courts.

Management Services and the County Courts Manager will study alternatives that can be recommended to cope with the increasing caseloads of JP Precincts 4 and 5; ways to lessen problems associated with juvenile truancy cases in the justice courts; and a uniform travel and training policy.

2. **Probate Courts**. The County Courts Manager and Management Services will review caseloads and staffing requirements for the four probate courts and a recommendation will be prepared.
3. **District and County Courts**. The court has authorized a collaborative plan for a Court Data Warehouse that will produce timely management information reports. Consultant services will be requested to help develop the plan at an approximate cost of \$260,000. The cost will be covered by budgets of the district and county court administrators.

- e. **Juvenile Probation.** The department initially requested 160 new positions at an approximate cost of \$8.6 million. Of that number, 107, or 67 %, would be for institutional care, including the Detention Center on W. Dallas where the population is over capacity. The new Juvenile Justice Center is scheduled to open in March. The Juvenile Board requested that the court at that time begin the process for design and construction of a replacement for the W. Dallas facility, and that an additional 278 positions be approved at an approximate cost of \$12.8 million to keep the existing facility operational for holding juveniles. The board also requested that the court authorize the new Juvenile Justice Center to be dedicated for use of the juvenile courts, Juvenile Probation, and related offices, and that the building not include facilities for the Constable of Precinct 1 and Justice of the Peace 1.2.

A recommendation regarding positions will be presented. The court said the space for the Constable and JP in the JJC, which opens this spring, would remain vacant and a decision on its use would be made at the CIP review meeting on June 20. Also to be considered at that time will be replacement of the W. Dallas center and a proposal for a girls detention facility.

- f. **MHMRA.** The director requested an increase of \$3.5 million for a psychiatrist, relief physicians, and additional staff for the mental health program in the jail, and salary adjustments for various positions at the jail and NeuroPsychiatric Center. Recommendations to be considered are in the policy issues portion for the Sheriff's Department in connection with jail operations.

The Texas Department of State Health Services made a change in policy effective February 1, 2006 that reduces the number of state mental health facilities, from 10 to five, that will accept criminal court commitments of mentally ill defendants. MHMRA is evaluating the impact. The change could increase cost for the Sheriff's Department as there will be longer periods for housing of those defendants in jail and their eventual transportation to state hospital facilities, if allowed, could be at further distances than have been required for such travel in the past.

Commissioners Court at the Mid-Year Review last September approved a recommendation that emergency psychiatric operations of MHMRA's NeuroPsychiatric Center and the Ben Taub Psych ER be merged. A report will be prepared for the court concerning the status of the merger plan and an approximate date when the process should be completed.

- g. **Library.** The Library director has requested that \$4,927,576 be made available for payment to the North Harris Montgomery Community College District for the Tomball Community Library. The payment is to cover construction and maintenance costs. These funds will be made available as required during the fiscal year.

- h. **Administration of Justice**

- 1. **Positions.** A total of 320 positions were requested by departments in the Administration of Justice category. They included 123 by the Sheriff, 81 by the Constables, 60 by the Medical Examiner, 16 by the courts, 14 by the Fire Marshal, 10 by the County Attorney, nine by the County Clerk, and seven by the District Attorney. Recommendations will be provided to the court.

2. **Constables**. During the last fiscal year, various constables requested that Management Services review the need for support staff for the constables. Objections were raised as to the current arrangement which places two systems management positions in the department of one constable. As authorized by the court, a review of this matter will be conducted and a recommendation will be given to the court.
3. **Patrol**. Management Services will review the status of patrol needs and will provide a recommendation to court. The contract patrol program will be included in the study.
4. **Jail**. Management Services is preparing recommendations for the Sheriff's Detention Bureau and related functions that affect jail operations and inmate population, including detention officers and medical and psychiatric services. A list of proposed items is attached.
5. **Processing Center**. A report from the architect for the planned Inmate Processing Center, Hermes Architects, Inc., is scheduled to be ready for court review in May. Design of the building would take approximately one year, allowing construction to begin in the summer months of 2007 and completion to be in late 2009.

Planning continues between the Sheriff's Department and the Houston Police Department. An attached memorandum from Major Don McWilliams provides information on the question of where a person would be taken by HPD officers if an arrest occurs within Houston's jurisdiction in another county.

- i. **Legislative Services**. The court authorized a transfer of the Office of Legislative Relations to the County Attorney's Department. The County Attorney will designate Asst. County Attorney Cathy Sisk, currently the Environmental Division Chief, to direct the new office. A recommended plan and positions for the office will be placed on the agenda.

Included with this new office will be oversight and coordination of legislative contracts, which at this time are subject to change or renewal by the court. The contracts in 2005 totaled \$345,000 and were with Texas Lobby Group, \$95,000; Akin, Gump, Strauss, Hauer and Feld, \$80,000; Jennifer Shelley, \$65,000; Hughes & Luce, \$65,000; and Dan McClung, \$40,000. This subject will be placed on the court's agenda.

- j. **Office of Homeland Security & Emergency Management**. Judge Eckels recommended that this office be placed under the direction of the Fire Marshal. A reorganization proposal will be prepared and presented for court approval.

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