

September 21, 2006

To: County Judge Eckels and
Commissioners Lee, Garcia,
Radack and Eversole

Fm: Dick Raycraft

Re. Mid-Year Review

The reports and schedules in this book are provided for your consideration for the Mid-Year Review at 9 a.m. Tuesday, September 26. The information includes the four entities for which the court sets annual tax rates: Harris County, the Flood Control District, Port Authority, and the Hospital District.

The sections in the book are in the following sequence:

1. Hospital District and Health Care
2. Adult Detention
3. Juvenile Justice
4. Courts
5. Buildings
6. Library
7. Public Infrastructure
8. Bond Election
9. FY 2006-07 Budgets
10. Sports & Convention Corporation
11. 2006 Tax Rates
12. 2007 Meetings and Holidays

A review of each section follows for discussion and possible action on recommendations. Supporting materials and data can be found behind the appropriate tab.

Please let me know if you have any questions or need additional information on any subject.

1. Hospital District and Health Care

- a. **Harris County Hospital District** A report from the Hospital District President/CEO is behind the Hospital tab. Admissions and patient days are up compared to projections, and emergency visits are down while clinic visits have increased. The overall operating budget is approximately where it should be at this time of the year, and projections for year's end show a positive balance can be expected.

The district has implemented new policies and procedures for the Patient Business Services Division, improving collections for services. A new electronic medical record system is being implemented and is expected to be in all of the district's community health centers and school-based clinics by the end of this fiscal year. The system will then be provided for specialty clinics and inpatient services. Radiological images from a new Picture Archiving and Communications System project should be available throughout the district by computer in December, and should reduce film and processing costs. Other information management improvements are expected to be in place by the end of the fiscal year for patient accounting, patient management, materials management, and centralized scheduling.

The district is negotiating a revised agreement with the medical schools, Baylor and UT, because of "significant changes" in health care that have occurred over the 16 years the current contract with the schools has been in existence. Changes, according to the attached report, have been "industry-wide," and require revisions in the relationship the district has with the schools. The negotiations are expected to be completed and a revised agreement approved by the end of this fiscal year.

The federal Centers for Medicare/Medicaid Services has notified the district that its plan seeking an increased level of funding for uncompensated care of the indigent population in Harris County, a Regional Upper Payment Limit program, has been approved. The district, in collaboration with other hospital providers, will be a recipient of additional funds and services for patients. It is expected that the federal funds will become available during the last part of 2006.

The district plans to contract for a portion of outpatient diagnostic and therapeutic care because of an increased need for those services and to reduce the wait time involved for patients. Those services are to be provided through facilities to be developed by the district's capital improvement program. District administrators are working with the county's Office of Financial Services and financial advisors regarding timing and funding for portions of the district's capital program. As part of this review, consideration will be given to a continuing concern for the district to strengthen its cash resources in order to meet standards required by rating agencies for a higher level credit rating for debt issuance purposes.

- b. **Health Care Alliance** Commissioners Court in September 2004 directed that a review be made of studies of public health care by the Save Our ERs Coalition, the Greater Houston Partnership, and Harris County's study of trauma care. Following that review, the court in December 2004 approved creation of a 21-member Harris County Public Health Care System Council, and in January 2005, the court confirmed the membership and monthly meetings began.

The statement of purpose stated the following: "Harris County will seek to develop and maintain a comprehensive, coordinated, and evolving health care delivery system. The system should provide necessary population-based public health interventions and access to a network of preventive and primary care services with particular emphasis on care for persons who have little or no medical insurance coverage. The system should, on a continuing basis, provide available and responsive trauma and emergency care for persons who are in need of such services." A listing of areas of concern were developed for study by the council.

A key area for study was the subject of alternative futures. Following analysis of population and demographic trends, identification of health care needs, and review and measurement of current programs, it became necessary to consider the alternative paths that could be taken for continuous improvements and maintenance of the health care system.

During this time, the events of Hurricanes Katrina and Rita occurred. Collaboration and coordination among health care professionals, administrators, and technicians became a model to follow in discussions about alternative steps for the future.

On March 21, 2006, Commissioners Court approved a request from the council for its conversion to the Harris County Health Care Alliance as a non-profit corporation with financial support to come from contributions from member organizations and grant funds. The Quad agencies, composed of the Hospital District, MHMRA, and county and City of Houston public health departments, were to be automatic members of the Alliance board.

The Alliance will be completely formed for operations to begin October 1. It is requested that the director remain on the county payroll with reimbursement for expenses to come from Alliance funds. There are three other positions for grant writing, program development, and assistance to be filled by December, and their expenses would be reimbursed also. One or more of those staff may be provided through contracts at Alliance expense.

An order for county staff support for the Alliance, subject to reimbursement, has been prepared by the County Attorney's office and has been placed on the agenda for court approval. A status report from the director is provided behind the Hospital tab in this book along with copies of previous court orders for reference.

- c. **Emergency Psychiatric Services** One of the subjects considered by the Health Council, through its Behavioral Health Committee, was psychiatric services. The recommendation, approved by Commissioners Court in September 2005, called for a merger of emergency psychiatric operations of MHMRA's NeuroPsychiatric Center and HCHD's Ben Taub Psych ER. After continuous reviews, participants agreed to the elimination of duplication of services and for a working relationship to be maintained for provision of mental health care.

An intergovernmental Memorandum of Understanding, prepared by the County Attorney, has been approved and executed by the directors of the Hospital District and MHMRA and has been placed on the court's agenda for approval and entry in the court's minutes.

The items that are part of the agreement will be monitored and status reports will be given to the court concerning the process and outcomes of the collaborative effort.

- d. **Public Health Immunization Rates** A report from the directors of Harris County Public Health & Environmental Services and the Houston Department of Health & Human Services concerning immunization rates for children is included behind the Hospital tab. The report cites a new national survey released on September 14, 2006 by the U.S. Centers for Disease Control showing that immunization coverage for children up to 35 months of age in Houston-Harris County has improved from 61.7% in 2004 to 76.6%.

The two directors have worked in collaboration with other health care providers, schools, and businesses to improve the area's immunization rate level. "Our ultimate goal," said Dr. Herminia Palacio, Harris County's director, "is to immunize every child on time, every time." Houston director Stephen Williams said, "The immunization clock starts over with every birth."

The annual national survey of states and major urban areas reviews the percent of children under the age of three years who have received the 15 recommended doses for protection from disease. The series of immunizations includes four doses of diphtheria, tetanus, and pertussis; three doses of polio vaccine; one dose of measles vaccine; three doses of Hib vaccine; three doses of hepatitis B vaccine; and one dose of varicella vaccine.

2. Adult Detention

- a. **Central Processing Center** Commissioners Court at the CIP meeting in June 2005 made the decision to build an inmate processing center on county property in the downtown detention zone on Baker Street in close proximity to the county jails at 1200 Baker and 701 San Jacinto.

The Sheriff and his staff have agreed to preliminary plans for a \$245 million facility with the county's cost at \$213 million and the City of Houston contributing \$32 million. The capital expenditures would allow sufficient space for inmate processing, including Houston's municipal prisoners; medical and mental health care services; additional 2,500 inmate beds; and parking for approximately 250 vehicles. FPM is exploring the possibility of additional parking sites that may be available near the detention zone. Also, FPM is requesting a central heating and cooling plant for the zone at an added cost of approximately \$20 million.

- b. **Atascocita Detention** Another proposed project supported by the Sheriff's Department is to provide lower cost housing for 2,112 inmate beds on available county property near the Harris County Fire and Sheriff's Academy and Community Supervision & Corrections residential treatment facilities. According to a feasibility study by Hermes Architects, by use of tilt wall concrete structures, construction could be done at an approximate cost of \$22.5 million. The project could be prepared in stages, allowing units to be made available as required by the Sheriff.

Reports concerning the Central Processing Center and Atascocita Detention are behind the Adult Detention tab. Also included is a report providing the latest jail population projections. It is recommended that the court approve the concepts as outlined for both projects, and that FPM, with the Sheriff's concurrence, provide the court with recommendations for designs to begin.

- c. **Health Care and Related Services** Reports on the progress and status of inmate services are behind the Adult Detention tab. The court in March, as part of the FY 2006-07 budget, approved salary increases for nurses, pharmacists, and technicians for the Detention Bureau's Medical Services staff. Chief M.D. Smith and Dr. Michael Seale, director of Medical Services, have provided a report outlining continued changes and plans for medical and mental health services.

It is recommended that the court authorize a transfer of mental health care operations in the jail from MHMRA to the Sheriff's Department under the direction of Dr. Seale. An attached report from the Office of Budget Management provides a plan of the tasks that should occur in this transition with a goal of streamlining operations. Dr. Seale would contract with MHMRA for certain services, and with other entities and professionals as may be necessary.

Management Services will assist with the transition. Items that would require authorization by the court will be placed on a regular agenda.

- d. **Criminal Justice** During the years of the Alberti jail case in federal court, Harris County formed a Criminal Justice Committee composed of officials and staff representing offices that were involved with the varied processes of the justice system. A major purpose was to respond to the numerous court orders that revolved around overcrowded jail facilities and conditions. The committee's work proved to be helpful for planning, coordination, and implementation of needed changes. The final order in that case came in 1995, and a subsequent, confirming order came in 1997. Since that time only ad hoc portions of the committee have come together to address specific problems. Due to the complexity of current concerns and priorities for the justice system, it is recommended that the court authorize a new organization, the Harris County Criminal Justice Task Force. If the court agrees, Management Services will review such a proposal with the various officials and will report to the court with a recommendation for establishment of the Task Force with a statement of mission, guidelines, and designated members.

3. **Juvenile Justice**

A report from the director of Juvenile Probation is behind the Juvenile tab. The report states that detention overcrowding is "a serious problem" and added housing capacity is required along with additional staff. The court approved 155 new positions for the department this fiscal year.

The county also completed conversion of the Criminal Courts Building to the Juvenile Justice Center at an approximate cost of \$59 million. That facility, which provides courts and related offices for juvenile matters and 250 detention beds, opened in April 2006. The court in August 2006 approved an agreement with PGAL Architects for preparation of a master plan for additional juvenile facilities. The plan is expected to be completed in November 2006. There are policy questions that should be addressed for directions to PGAL.

- a. **Repair 3540 W. Dallas** The Juvenile Board, and communications from the director, as shown in the attached report, have indicated that the master plan should provide for relocation of intake to the old Juvenile Detention Center at 3540 W. Dallas, a facility that closed when the JJC opened. The director said this move would require additional staff. FPM estimates the cost would be \$31 million for renovation and repairs.
- b. **Renovate Youth Village** Another proposal is to renovate facilities at the Youth Village to establish a detention program for girls at an approximate cost of \$300,000. This program would provide housing for approximately 40 females on an interim basis. The director said 32 new positions would be needed for the program.
- c. **Burnett-Bayland** For a long-term plan, the Juvenile Board and director have discussed development of new detention facilities for boys and girls at the Burnett Bayland property on Chimney Rock.

Other projects on that property listed by the director in his report include additional office space for the Burnett-Bayland Reception Center and replacement of Burnett-Bayland Home cottages with a new building.

- d. **Sell 3540 W. Dallas** Another alternative the court could consider is not to spend funds on restoring the Juvenile Detention facility at 3540 W. Dallas, but to place the property on the market for sale along with adjoining property owned by the City of Houston. The city has expressed interest in selling six acres of property it owns that is between W. Dallas and Allen Parkway. That property is adjacent to approximately five acres the county owns where the Detention Center is located. City representatives said if the county would be part of a joint sale, a premium price could be obtained because of the location.

- e. **1301 Building** Another alternative is for the court to authorize preparation of five floors of the 1301 Franklin facility for Juvenile Probation. Four of the floors, nine through 12, could be renovated for housing of juveniles and related services and programs, and the 13th floor, the top floor of the building, would be for recreation purposes. Elevator service could be dedicated for these floors. Juvenile intake for police and other agencies could be done at the bottom floors of the building.

The four housing floors have 168,776 square feet of usable space, and the top recreation floor would provide another 54,671 square feet. The housing and program areas could be redesigned to meet standards and renovated in stages for approximately 250-350 beds. Cost figures are not available at this time. The first step, if the court agrees, would be to have FPM negotiate with an architectural firm for design services and projected costs.

Other floors at the 1301 facility are used by the Sheriff's Department for communications, warrants, and other non-detention services, by the District Clerk for a temporary imaging-records conversion project, and by PID's construction program division. The District Attorney has requested space in the building for records, and so has the County Clerk. A plan for short-term and long-range use of the facility by floors, including use of a major portion for juvenile justice, if the court agrees, should be prepared by FPM.

- f. **Atascocita** Another alternative that could be considered is the location of new facilities on available space at the county's Atascocita Road property. Plans could be developed for units that could accommodate approximately 250 juveniles. The area would be enclosed by a high wall and protected from sight or sound of adults. Design and construction could be done as a joint venture with the Sheriff's Department as it has plans for a similar project on available space adjacent to that location. Residential programs of Community Supervision & Corrections are in the same area.

The Juvenile Probation facility could be for post-adjudication juveniles. It would provide for secure placement for housing and programs, and could include daily outdoor recreation.

If the court agrees with this alternative, FPM could be requested to negotiate a contract for architectural design services in cooperation with the Sheriff's Department.

- g. **Other facilities** Other department requests include satellite offices for probation staff assigned to field units, and acquisition of buildings in each quadrant of the county to house the Juvenile Alternative Education Program. These items will be considered in the master plan to be prepared by PGAL. In the interest of time, certain proposals authorized by the court will be brought to a regular agenda for design work to begin prior to receipt of the master plan, subject to funding.

- h. **Reduce Population** Another subject related to detention should be a continuing effort to reduce the flow of juveniles into the justice system. It is recommended that the court authorize the director to seek a contract with the Annie E. Casey Foundation for Harris County's participation in the foundation's Juvenile Detention Alternatives Initiative. That program has had success in recommending reforms in policies and practices that have led to reductions in detention populations in various counties across the U.S.

If the court agrees, and the Juvenile Board does not object, Management Services will assist the director in pursuing this initiative and providing the necessary funding. Grant funds will be sought along with county funds.

4. Courts

- a. **Judicial Salaries** The Texas Attorney General in June issued an opinion that clarified the question of the maximum amount payable to a district judge: \$140,000, with \$125,000 from the state and \$15,000 from local supplement. The judges now receive \$132,500, with \$125,000 from the state and \$7,500 from the county.

The district judges, through the Administrative Judge, have requested that the court approve the increase in salary supplement so their new total pay would be \$140,000 each. An attached table shows the adjustment and other changes for judges that would be necessary for compliance with state law and court policy.

If the court agrees with the schedule, it is recommended that it become effective with the first pay-period in March 2007.

- b. **Security** A report from the National Center for State Courts on security improvements for court facilities is attached. The report recommends creation of a Security Council to establish and enforce a comprehensive security program in the downtown complex; assignment of the Sheriff's Department for responsibility for security of court buildings, including screening; employment of a Security Manager; commitment of funding for staff and equipment to improve the level of security; development of a written plan for security with policies, protocols, procedures, and requirements for training and communications; use of best practices for screening persons entering courthouses; use of a revised and improved electronic photo identification card; establishment of a policy to limit and control firearms in county buildings; use of appropriate access-control card technology and duress alarms and cameras; a single, unified system for dispatch of peace officers to the scene of any altercation or breach of peace anywhere in the complex; assignment of a greater number of bailiffs to courtrooms and for them to have suitable communication equipment; use of best practices for transportation, handling, and control of inmates in courthouses; written policies and realignment of responsibilities and an integrated communications system between law enforcement agencies; emergency evacuation plans; relocation of the IV D courts from the Wilson Building, and continued use of that facility for only a short-term until the building can be closed because of environmental, safety, and structural issues; and certain other security changes for the Criminal Justice Center, Civil Courthouse, Juvenile Justice Center, and Administration building properties.

It is recommended that the report be referred for recommended steps to implement findings in the report and to provide a timetable with funding requirements. Those recommendations should be provided to the court as part of the FY 2007-08 budget process.

- c. **Family Law** The following options are presented for consideration.
1. Replace the Family Law Center at the current location with a new structure at an approximate cost of \$90.3 million. Existing courts would have to be relocated during construction.
 2. Locate the new building on the block where the Coffee Pot Building and Old Gulf Station are at Franklin and San Jacinto at an estimated cost of \$90.1 million, including demolition of existing facilities. The courts and related personnel would remain in the existing Family Law Center during construction.
 3. Move the nine family courts to the new Civil Courthouse on a permanent basis. FPM reports that all nine courts could be relocated to space in that building at an approximate cost of \$6 million.
 4. Relocate the four IV D courts from the Wilson Building to the Family Law Center. This step, as recommended in the Courthouse Security Study, could be done under either option 2 or option 3 above. The estimated cost would be \$300,000.
- d. **Judicial Resources** Regardless of the building option chosen by the court for family law, the court should request that the judges consider changes in procedures that could improve the use of judicial resources. The 25 civil district courts and nine family district courts, for example, could adopt a plan that would enable them to exchange benches or transfer cases when necessary and appropriate without regard to preference.

A transition plan could be developed that would include any legislative changes that may be necessary, and an outline of the support system that would be needed.

The county courts, including the 15 criminal and four civil, and excluding the four probate, should be asked to prepare a similar proposal for an interchange of case jurisdiction. The transition plan should show connections to the district courts' plan at points where connections would be feasible, such as where jurisdiction levels overlap, or where preliminary hearings could benefit either level, or for unified administrative support.

The four probate courts should be shown on the transition plan of the county courts with connections where possible, such as in the sharing of certain administrative support. A continuing goal would be to have the four probate courts begin to work and plan together for the benefit of the county.

- e. **Probate Courts** New positions and salary adjustments have been requested for these courts. A recommendation will be given to Commissioners Court for consideration.

- f. **Drug Courts** The Administrative Office of the District Courts has requested additional supplemental funds for operations of the Adult Drug Court and the Family Intervention Drug Court for the balance of the fiscal year. Management Services is reviewing the request and will provide a recommendation to court as a regular agenda item.

- g. **Justice Courts** Management Services will provide a recommendation to court on the regular agenda for support services in the JP courts. The recommendation will include positions in accordance with a staff workload assessment and pay adjustments as part of a career ladder salary plan.

5. **Buildings**

A list of building issues from FPM are behind the Buildings tab.

Discussion regarding facilities for courts, adult and juvenile detention, and libraries are in other sections of this book. Other building issues are the following.

- a. **Transtar** FPM is working with the Office of Homeland Security & Emergency Management on a needs assessment for modifications to this facility for emergency center operations. The county's portion of cost has been projected at \$24.3 million. Metro and the state would also be expected to contribute for their share of improvements. FPM will present a completed proposal to court as an agenda item.
- b. **Canino Road** FPM is requesting authorization to negotiate for purchase of property in the approximate amount of \$400,000 adjacent to the Animal Control Center at 612 Canino Road. If approved, plans would be prepared for expansion of the Veterinary Public Health operations.

FPM is also seeking funds to develop a plan for an addition to the county warehouse at 606 Canino Road. The facility is used by the County Clerk's Election Services Division. The expansion would enable FPM to have additional off-site storage space for the county.

- c. **10555 Northwest Freeway** The court on August 22 approved an order authorizing purchase of the Delta Center Building at the above location for offices of PID at a cost of \$5.5 million. An analysis by Carter & Burgess for FPM shows that another \$1.8 million will be required for immediate repairs, including compliance with ADA regulations. An additional \$200,000 in repairs will be needed within five years, according to the analysis. These cost figures do not include buildouts or modifications that may be required by PID for move-in. Another cost to be considered is an amount for FPM to maintain and operate the building.

As instructed by the court, Management Services will proceed to provide necessary funding.

- d. **DA Building** FPM is requesting authorization to prepare plans to demolish this building which is next to the Family Law Center at 201 Franklin. The estimated cost would be \$1.1 million.
- e. **Coffee Pot Building** FPM is also requesting authorization to prepare plans to raze the Coffee Pot Building at 102 San Jacinto. County Clerk records would have to be relocated.

- f. **Radio Service** The ITC director has requested that plans be made to improve or replace the facility at 2500 Texas where services are performed for the regional radio system. FPM will evaluate this request and a report will be given to the court. A preliminary estimated cost is \$5.6 million.

A report from ITC concerning the needs of the radio system is behind the Buildings tab.

The ITC report shows that additional funds are needed for the Tomball Disaster Recovery Center in the amount of \$1.1 million, and for two satellite radio service facilities, one at Houston Intercontinental Airport and the other at a site in Pasadena or Hobby Airport at a total cost of \$749,296.

Management Services will work with FPM and ITC regarding these requests. It should be noted that these items concern public safety operations in the region, and they require availability of county service 24 hours per day, seven days per week. There will be added costs for service personnel.

- g. **Other Projects** FPM is working with departments for changes and moves in various facilities within the courthouse complex and outlying annexes. Management Services will review the proposals with FPM and recommendations will be given to the court.

6. **Library**

a. **Administration**

Cathy Park, Library Director, has submitted notice of her retirement effective December 31, 2006. Her letter is on the court's regular agenda for September 26.

In a report that is behind the Library tab in this book, Ms. Park has listed the credentials and qualifications the court should consider and the process that should be followed in seeking her replacement. She recommends that the position be advertised via the Internet in professional journals and various joblines throughout the U.S.

If the court agrees, a search committee could be established and the process of seeking a replacement could begin. Each court member has a library liaison employee and those five could be the committee along with a representative from Management Services.

b. **Branches**

The director is requesting \$563,000 for replacement of public access computer equipment and self check-out machines, a new database server, and a back-up generator for the technology system.

The director's report provides information for the court members on branch projects and planning. Further recommendations will be presented as part of the FY 2007-08 budget.

7. Public Infrastructure

Subjects reviewed in this section include Flood Control, Toll Road, Roads, and Parks. Reference materials are behind the Public Infrastructure tab.

- a. Flood Control The FCD director's report shows expenditures in the department's operations and maintenance budget are in accord with the plans and priorities that were approved by the court in March.

The district has pursued a more aggressive capital program since FY 2001-02 with a goal of not deferring high priority projects. Adjustments will be needed for the capital program to continue at the desired level. As noted in the CIP meeting in June, the director is seeking to have funding in the amount of \$200 million per year. He has listed \$482.3 million in priority projects for the period through FY 2010-11. During that period, additional projects will be identified and funding will be sought to keep the program rolling at the same pace.

The district has identified a need for added funding this fiscal year from the priority list of \$82.5 million for federal projects to make sure they are ready for construction later in the fiscal year.

The district's capital improvement projects are classified in nine categories: (1) Federal flood damage reduction along main channels of watersheds; (2) Federal Emergency Management Agency mitigation to reduce insured losses through the National Flood Insurance Program; (3) Non-federal main channel flood damage reduction projects; (4) Tributary flood damage reduction; (5) Upgrades to existing FCD infrastructure to facilitate maintenance; (6) Acquisition of property in floodplains for conservation and reclamation purposes; (7) Support for certain projects in growth areas; (8) Support for development of certain new drainage infrastructure; and (9) Participation in local government flood damage reduction projects that are outside of FCD rights-of-way.

Plans for additional funding of \$482.3 million for projects would allow \$238 million, or 49%, for studies and projects that would qualify for Federal funding in the amount of \$217 million. Those funds would be available for direct expenditure, matching grants, or reimbursements. Most of the funding would be used for scheduled phases of ongoing projects. The director is asking that the court continue a high level funding stream so that engineering work, right of way purchases, and construction can continue as necessary in accordance with the district's master planning process in all watersheds.

Management Services is preparing a funding plan that will be placed on the court's regular agenda for consideration.

b. **Toll Road Authority**

1. **Operations Budget** The TRA director is requesting an increase of \$3.1 million to the operations and maintenance budget. The increase would allow for 29 new positions: 18 in operations for maintenance of toll collection and video enforcement equipment and supervision duties; five in incident management for courtesy van service on the tollway and dispatch; and six in administrative services. Other portions of the budget increase include vehicles and communication equipment for the Patron Emergency Assistance Team; and seven additional peace officer positions for traffic and law enforcement control services.

It is recommended that the court authorize the increase and changes. The list of new positions should be placed on the court's regular agenda with the appropriate forms for an order of approval.

2. **Business Plan** The court in June chose a model for the future of the Toll Road system based on county-owned and operated rather than the alternatives of asset sale or concession lease. In its decision, the court agreed as part of that option that it would "instruct management and financial and legal advisors to prepare recommendations that would outline the steps that should be taken to achieve the status of possibilities discussed in the review and studies" and that "timetables, cost estimates, and agreements with the appropriate firms" would be recommended.

The PID director said preparation of the business plan will be done so that it can be presented to the court for consideration as part of the FY 2007-08 budget process. As noted in June, the plan will seek the outcome that was a guide for the toll road study: "A viable, well funded, dependable system, well managed, enabling a driver to reach a destination in a reasonable time, with easy access and exit points, has been and continues to be the primary concern."

Meanwhile, with the court's approval, continuation of the connectivity program is recommended from funds that are available for that purpose. The amount of \$28.4 million should be transferred for this fiscal year. Also to be transferred is the amount of \$2.2 million to Management Services for annual indirect cost expense for general fund services from various county functions in support of the Toll Road operations. The amount is in accordance with the county's annual cost allocation plan.

Management Services has been requested to establish an attorney position for the County Attorney for legal services at the Toll Road headquarters, and a position for the Auditor's Office, and related financial positions. These requests will be placed on the regular agenda for approval.

The TRA director has also requested for Management Services and the County Attorney to assist in preparing policy and procedures for use of non-revenue tags for county-owned vehicles to reduce congestion at toll plazas and for efficiency of services. This item will be placed on the agenda.

- c. **Roads and Parks** A report is behind the PID tab. It shows that the remaining balance of available road bond funds is \$372.8 million and that planned projects will deplete Precinct 3 funds by the end of FY 2007-08, and Precinct 4 funds by FY 2009-10.

Regarding Parks, the report shows the remaining balance of available bond funds is \$36 million, and that the current schedule of planned projects will deplete available funding by the end of FY 2007-08.

A discussion of providing additional road and park bond funding by election follows in the next section of this MYR agenda.

- d. **Other PID Divisions**

- 1. **Engineering** This division is in the process of developing a central system for recording all county owned infrastructure and land. The court authorized this program in 2004 and \$1,810,000 has been funded. Another \$1,998,000 is needed to continue the development. Management Services will place an item on the court's agenda regarding the funding request.

Also requested is another \$1.9 million for a new permits system. The County Engineer reports that the current system fails to provide an adequate level of service for customers and does not address expanded regulatory requirements.

Another concern of the Engineering division is to consolidate offices on the fifth floor of the Administration Building. Engineering personnel are scattered between three floors of Anderson-Clayton, the basement of Administration, and a building on Franklin. The Auditor has also requested space on the fifth floor of Administration.

Management Services will work with FPM to facilitate transfers to available space in the Administration Building.

Another Engineering concern is for a consulting services contract in connection with remediation of leaking fuel tanks at the 1320 Preston station at Preston and Austin. Management Services will review this need with PID so that an item can be placed on the court's agenda.

2. **Org. 30 Sections** The Construction division is requesting a salary change for a senior engineer position. This request should be placed on the court's agenda. Planning & Operations is recommending a professional services agreement for assessment of the Washburn Tunnel regarding options for improvements for safety and operations. This item should be referred to the court's agenda. Another request, by Development & Planning, is for \$65,000 for hardware and software for the PID project tracking system. This item should be reviewed as part of adjustments that may be necessary within the PID budget.

The PID director has also requested establishment of a Deputy Executive Director position. That item would need to be placed on the court's regular agenda.

8. **Bond Election**

The court at the CIP meeting in June asked that a recommendation be made for a bond election for capital improvements for November 2007.

	(Millions)
Roads	\$252
Parks	\$201
Jail	<u>\$213</u>
Total	\$666

The amount for roads and parks came from reviews with PID Planning, and the jail amount would provide funding for the county's portion of construction of the Central Processing Center. Houston's portion of \$32 million is scheduled to be on the city's ballot this November.

The Port chairman said the Commission would be reviewing the need for additional bond funds for port development this fall and will provide the court information on the subject at a later date.

Tax requirements for the amounts listed above are shown in schedules behind the Bond Election tab. The estimated average rate for the total of the three propositions would be 1.4¢.

The County Attorney would prepare the necessary orders for adoption by the court for an election at the appropriate time in 2007. Listing of projects for consideration can be presented at the budget process for FY 2007-08 in February. The court's formula for division of road and park funds can be revisited and confirmed at that time also.

9. **FY 2006-07 Budgets**

Schedules and data showing the status of departments and funds at the mid-year mark of August 31 and outlook expenditures for the end of the fiscal year on February 28, 2007 are behind the Budgets tab. Adjustments will be made as necessary based on decisions of the court at the Mid-Year Review and during the last half of the fiscal period.

General fund expenditures through the first half of the fiscal year were approximately 2% more than originally projected due to increased property insurance, retiree benefits, and overtime for the Sheriff's Detention Bureau. Expenditures are projected to be higher during the second half due to cost of living pay adjustments and increased expenses for various functions, including additional positions and pay adjustments for law enforcement personnel and Juvenile Probation.

The County Attorney and District Attorney have asked for additional positions and salary adjustments. A recommendation for both departments will be placed on a regular agenda after Mid Year Review. The possible adjustments in judicial salaries will require a change in pay for the two elected attorneys, and their salaries will have an effect on the levels that can be recommended for their staff attorneys.

The County Attorney is seeking additional staff for the department's Childrens Protective Division because of increased workloads. The District Attorney is seeking additional attorneys for the Trial Division and related staff for investigations and support.

Recommendations should also be given to the court for consideration of salary changes for other department heads, elected and appointed, and key management staff. The FPM director has requested a pay adjustment for his position and his management staff. However, those pay levels have to be adjusted for equalization with other, similar positions in the county. That review is not complete.

The court in the FY 2006-07 budget approved salary and incentive changes for law enforcement personnel. It was noted that further changes would be recommended for peace officer incentives. That proposal is near completion and will be on the October 10 agenda. The Sheriff's Department has also requested pay increases for positions of sergeant and above and those are under review.

The Sheriff's Department has asked Management Services to analyze the question of whether it would be more economical for the department to privatize maintenance service for its vehicles, or to continue having service done through the county's Office of Fleet Services. The study of that question is now underway. When completed, a report will be given to the Sheriff and Commissioners Court.

Other requests include additional funds for the Justice Information Management System and the Computer Aided Dispatch System; for the District Clerk to continue his electronic records conversion program; from the County Clerk for additional positions and salary changes; and from the Fire Marshal for additional positions and other changes because of workloads. A similar request came from the Medical Examiner.

Various other departments have submitted requests for salary adjustments and new positions. Management Services will evaluate the requests. Those items that for policy reasons should not wait until the new budget and for which funds are available will be placed on the court's agenda. Items for necessary capital improvements will also be placed on the agenda following evaluation as to timing and availability of funds.

A review of proposed Medical Examiner fees for non-county agencies for certain tests is not complete and must be reviewed with the County and District Attorneys before presentation to court.

A report by the director of the Office of Human Resources & Risk Management concerning the status and outlook for group health and related benefits is on the court's regular agenda.

10. **Sports & Convention Corporation**

The cost of utilities at the Reliant Center has continued to increase. The projection for this fiscal year is \$10.9 million compared to \$8.4 million last year, an increase of 30%. Another increase is in property insurance which this fiscal year is at \$3.9 million compared to \$2.6 million last year. Both of these items, which this fiscal year are projected to total \$14.8 million, are paid from the Hotel Occupancy Tax Fund. Debt service requirements are approximately \$17 million per year and new available revenue averages about \$21 million. The fund is at the point where it may not be sufficient to cover all of the added expenses of insurance and utilities. This means a portion of the costs would have to be shifted to the county's general fund unless another source is found. Management Services is reviewing the continuing status and projections and will provide a report to court.

Meanwhile, a loan agreement of \$19 million from 2001 is due to be paid by the Sports Corporation to RCM Financial Services for acquisition of property across the street from the Reliant Stadium for a football practice field and parking lot. The Corporation was to have been reimbursed by the Harris County-Houston Sports Authority. However, the Corporation is not able to pay the note and to keep it from default the county must resolve the matter to protect ownership of the land. A proposal for payment through the county is on the court's agenda.

The Corporation's annual request for capital improvements is \$2.8 million for Reliant Center, Reliant Astrodome, and Reliant Arena, and for parking, traffic, and site improvements. The court in August approved \$958,844 to complete repairs to the Reliant Arena roof. This amount was added to the original requested amount of \$904,000 that was approved in 2005.

11. **2006 Tax Rates**

The following 2006 tax rates are recommended for approval.

	<u>2005</u>	<u>2006</u>	<u>Difference</u>
County General	.34728	.34221	-.00507
County Debt	.05258	.06018	+.00760
Flood General	.02733	.02733	.00000
Flood Debt	.00589	.00508	-.00081
Port Debt	.01474	.01302	-.00172
Hospital District	<u>.19216</u>	<u>.19216</u>	<u>.00000</u>
Total	<u>.63998</u>	<u>.63998</u>	<u>.00000</u>
O&M	.56677	.56170	-.00507
Debt	.07321	.07828	+.00507

The rates as proposed are calculated to provide sufficient funds for certified debt service requirements for the county, flood control, and the Port, and operational funds for the county, flood control, and Hospital District. Supporting schedules and related data are behind the Tax Rates tab.

In compliance with tax law requirements, hearings for the county, flood control, and Hospital District are required. According to the schedule, meetings for discussion of the rates must be held at the regular meeting of the court on October 10 and again at a special meeting of court on October 17. The final vote on the rates will be scheduled for the regular court meeting on October 24.

12. 2007 Meetings and Holidays

The following calendar is suggested for the court's schedule of meetings and county holidays for 2007. The schedule provides for 24 court meetings, which is the same number that was approved for 2005 and 2006. The holidays are the same ones that have been allowed.

24 Meetings

Calendar 2007

January	February	March	April	May	June
S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S
1 2 3 4 5 6	1 2 3 4 5 6	1 2 3 4 5 6 7	1 2 3 4 5 6 7	1 2 3 4 5 6 7	1 2 3 4 5 6 7 8 9
7 8 9 10 11 12 13	7 8 9 10 11 12 13	8 9 10 11 12 13 14	8 9 10 11 12 13 14	8 9 10 11 12 13 14	10 11 12 13 14 15 16
14 15 16 17 18 19 20	14 15 16 17 18 19 20	15 16 17 18 19 20 21	15 16 17 18 19 20 21	13 14 15 16 17 18 19	17 18 19 20 21 22 23
21 22 23 24 25 26 27	18 19 20 21 22 23 24	18 19 20 21 22 23 24	22 23 24 25 26 27 28	20 21 22 23 24 25 26	24 25 26 27 28 29 30
28 29 30 31	25 26 27 28	25 26 27 28 29 30 31	29 30	27 28 29 30 31	

July	August	September	October	November	December
S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S	S M T W T F S
1 2 3 4 5 6 7	1 2 3 4 5 6 7	1 2 3 4 5 6 7 8	1 2 3 4 5 6 7 8	1 2 3 4 5 6 7 8 9 10	1 2 3 4 5 6 7 8
8 9 10 11 12 13 14	8 9 10 11 12 13 14	9 10 11 12 13 14 15	9 10 11 12 13 14 15	11 12 13 14 15 16 17	9 10 11 12 13 14 15
15 16 17 18 19 20 21	12 13 14 15 16 17 18	16 17 18 19 20 21 22	14 15 16 17 18 19 20	18 19 20 21 22 23 24	16 17 18 19 20 21 22
22 23 24 25 26 27 28	19 20 21 22 23 24 25	23 24 25 26 27 28 29	21 22 23 24 25 26 27	25 26 27 28 29 30	23 24 25 26 27 28 29
29 30 31	26 27 28 29 30 31	30	28 29 30 31		30 31

Court

Holiday

Holidays:

<i>New Years Day</i>	<i>Monday</i>	<i>January 1</i>
<i>MLK Day</i>	<i>Monday</i>	<i>January 15</i>
<i>Good Friday</i>	<i>Friday</i>	<i>April 6</i>
<i>Memorial Day</i>	<i>Monday</i>	<i>May 28</i>
<i>Independence Day</i>	<i>Wednesday</i>	<i>July 4</i>
<i>Labor Day</i>	<i>Monday</i>	<i>September 3</i>
<i>Thanksgiving</i>	<i>Thurs. & Fri.</i>	<i>November 22 & 23</i>
<i>Christmas</i>	<i>Mon. & Tues.</i>	<i>Dec. 24 & 25</i>
<i>Floating Holiday</i>	<i>Employee's Choice,</i>	
	<i>subject to Personnel Regulations.</i>	