

## Policy Issues

The following items are presented for consideration March 6 as part of the proposed FY 2007-08 budget. The items result from hearings January 10-12 and February 20 and are in accordance with court direction for public hearing and budget adoption on March 6.

### 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 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 19. At that meeting final decisions will be made for a bond election for capital projects to be held on November 6, 2007.
- f. The Mid-Year Review will be held at 9 a.m. Tuesday, September 25.

### 2. Salaries, Allowances, and Positions

- a. **Cost of Living** It is recommended that the court authorize preparation for a 3% cost of living salary adjustment for positions effective with the pay period that begins September 29. The approximate cost to the general fund would be \$8.3 million this fiscal year, FY 2007-08, and \$20 million in the subsequent fiscal year, FY 2008-09. The court approved a 3% COLA last September at an approximate annual cost of \$19.2 million.

- b. **Allowances** It is recommended that allowances for FY 2007-08 be as follows: 48.5¢ per mile reimbursement for use of a personal vehicle on county business, subject to a maximum of \$650 per month; maximum monthly car allowances of \$550 for law enforcement officers, and, subject to court approval, for elected officials and appointed department heads, and \$400 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 cellular phone allowance of not to exceed \$50 per month for authorized staff should not be changed at this time.

- c. **Positions** Lists of new positions and salary changes and reclassifications have been prepared for budget adoption. Further changes may be recommended as agenda items subject to the availability of funds.

The average annual cost of a full-time position in the county is \$68,569, including salary of \$49,872 and benefits of \$18,697. The total requirement for salaries and benefits in the general fund, with 12,107 full-time equivalent positions, is \$830.1 million, which is about 72% of operating costs.

- d. **Salary Reviews** Recommendations have been prepared and are attached for the next phase of salary and incentive adjustments for peace officers. Recommended schedules for salary levels for judges and officials are also attached for consideration.

Other position, salary, and incentive review changes for departments and functions may be presented for consideration of the court as agenda items at a later date 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 \$162.8 million, an increase of \$18 million. The county's portion of the cost will be \$127.9 million, or 78.6% 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, 2007, the medical provider, Aetna Inc., will begin the fourth year of a five-year agreement.

Staff of the Office of Human Resources & Risk Management are reviewing with the Auditor and County Attorney new requirements of the Government Accounting Standards Board to determine appropriate alternatives for financial statements on the expense of county-paid retiree health care benefits.

- 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 2006-07 shows the following.

FY	Total Cost \$	In Houston and Texas Cost \$	% of Total	Out of Texas Cost \$	% of Total
2006-07	2,815,362	1,881,898	66.8	933,464	33.2
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

A suggested revision to the county travel and training policy has been placed on the court's agenda.

3. **Public Infrastructure** Recommendations have been prepared for the budget and positions and related adjustments for the department's various divisions and offices: PID Administration, Right of Way, Toll Road Authority, Construction Programs, Flood Control, Engineering, and Planning & Operations.

- a. **Facilities & Property Management** The court on December 5, 2006 instructed that FPM be merged into PID effective with the new budget. The proposed budget for FPM and positions become part of PID when the final budget is adopted. FPM will retain its same organization number, 299, in the accounting system, and will be shown as another office in the PID network of services.

FPM offices will remain at their current locations. A list of positions, salaries, and allocations are attached for approval. Additional changes will be made or recommended as the PID director and his staff, with the assistance of Management Services, complete reviews. Certain functions, such as archives, records management, and security may be assigned to other departments.

- b. **Financial Support** A recommendation has been presented in the attached material for positions that can assist in providing integrated financial oversight, planning and support for the varied activities of the Public Infrastructure Department.
- c. **Capital Projects** An updated plan for capital projects from PID, including buildings, will be presented for the Capital Improvements Program session of court on June 19. The plan will provide information necessary for the court to prepare for a bond election for November 6, 2007.
4. **Information Technology** A recommendation has been provided in the budget for positions and classification changes requested by the IT director. The Auditor and Purchasing Agent asked that added support be approved for the financial system. Both said they believe the current IT staff is insufficient in size for support of their needs.

A task for Management Services this year is to provide an assessment of staff and related resources for information systems support in the varied departments and functions of county government.

5. **Public Health** A report from the director of Public Health & Environmental Services on the handling of dangerous dogs is attached for reference. The report provides a recommendation for additional positions for the Veterinary Public Health Division so that services can be increased from five days per week to seven. The court has authorized purchase of property for an expanded Animal Control Shelter on Canino Road. A construction schedule with estimated cost will be prepared for the court.

The court expressed concern for law enforcement coordination for the expanded animal control services. Recommendations will be presented regarding the animal control positions and the role of law enforcement for response to the presence of dangerous dogs and other animals.

6. **Library Services** The position of director of the County Library has been advertised nationwide through the Internet in various professional journals and joblines. The search committee, composed of a library liaison employee of each court member, a former Houston Library director and consultant, and a representative from Management Services, will meet to review applications for recommendations to court. The deputy director, Rhoda Goldberg, began serving as interim director in January. An order has been approved by the court to provide Ms. Goldberg with the director's salary pending selection of a permanent director.

Management Services will prepare a study of positions and salaries for County Library staff in comparison with the City of Houston and other urban systems.

The director of the Law Library has also requested that a review be provided of the salaries for his department. This analysis would be prepared in consultation with the County Attorney's Office as it is the designated liaison for the Law Library.

7. **Youth & Family Services** Recommendations will be prepared concerning requests of the departments for positions and reclassifications that are part of Youth & Family Services: Domestic Relations, MHMRA, Cooperative Extension, Juvenile Probation, Protective Services for Children & Adults, and Children's Assessment Center. Social Services has been added to this list for budget consideration.

Regarding Cooperative Extension, the County Attorney will be asked to prepare an agreement with the state to clarify responsibilities for benefits and liability issues for those personnel who are paid by the county and the state. Of the department's 21 positions, 11 are paid by the county and 10 are paid by both the state and the county. Requests for position changes will be reviewed after completion of the agreement.

For MHMRA, funding for continuation of general services and TRIAD, HCPC, and NeuroPsychiatric Center programs are in the budget. Mental health services in the jail will be by contract with the Sheriff's Department.

In addition to new positions for Juvenile Probation, which are included in the attached material, a progress report on the master plan for juvenile facilities has been submitted by PGAL. A copy is attached for reference. Recommendations will be placed before the court at the June CIP session.

Social Services will be merged into Community & Economic Development as part of the new budget. Such a move should facilitate a closer connection in providing programs and funding opportunities for assistance to homeless and low income persons and families. Management Services will assist the departments in facilitating required changes.

8. **Constables** Six of the eight constables have requested a total of 102 new positions, with Precincts 1, 4, and 5 asking for 81 of them. The Constable of Precinct 4 is also requesting that the court authorize a collaborative program among county law enforcement for coordinated response to computer crimes. Another concern of the constables is the need for upgrades in mobile video and recording equipment for patrol vehicles. Recommendations will be prepared regarding these items and related matters as possible agenda items, subject to availability of funds.
9. **Sheriff** A proposal for the next step in adjusting pay and incentives for peace officers is attached for the new budget. Other requests that are under review for recommendations, subject to available funds, include investigative and support positions and replacement of equipment. Included in the budget is funding for additional officers for District V.

For jail operations, positions have been provided for mental health screening staff. Other items as part of the new budget include a contract with the Harris County Psychiatric Center for beds and services for certain mentally ill inmates, an agreement with Harris County MHMRA for psychiatric and related services for inmates in the jail, and other contracts and projects for jail operations.

Plans are proceeding for the Central Processing Center. An agreement will be prepared for participation by the City of Houston. The project is estimated to cost \$245 million with \$32 million to be provided by the city along with processing and housing fees. The project will provide the county with an expanded area for processing of inmates for medical and mental health screening services. The city's contribution for construction will provide a processing area and beds for Class C defendants charged by the city.

Another project in the planning stage is a jail facility at Atascocita. The estimated cost is \$25 million.

Progress on both projects will be updated for review at the June CIP session.

10. **Fire Marshal** Additional positions have been included for investigators, inspectors, a hazardous material technician, and administrative support staff. All of the services of this department have increased because of growth in the unincorporated areas of the county.
11. **Office of Homeland Security & Emergency Management** The Fire Marshal also is coordinator of this department. Certain positions have been approved for OHSEM as requested by the County Judge. UHY Advisors is preparing a study of emergency management that should be complete within the next month. Suggestions could then be prepared for other changes that may be helpful for coordination and response capabilities for all entities that are involved in management of emergency situations.

Planning is underway for an expansion project for the emergency center at 6922 Old Katy Road.

12. **Medical Examiner** A portion of positions requested by the Chief Medical Examiner have been listed for approval. Management Services will review other positions that have been requested along with new equipment and facility renovations.

The Medical Examiner is also requesting an additional facility. That subject will be presented at the June CIP session for consideration.

13. **County and District Clerks** Recommendations have been prepared regarding certain positions and various reclassifications for the County Clerk. She is also asking for additional funds for her elections budget and added space for her Elections and Public Affairs Divisions. Management Services will monitor the need for more election funds and will review the alternatives that can be considered for added space.

The District Clerk's request for continued funding is under review for the case imaging project in which records and files are converted to a digital format where they can be made available electronically. The work is being done at the 1301 Franklin facility. Recommendations have been prepared for various reclassifications.

14. **County and District Attorneys** A recommendation has been included for the County Attorney for new positions for the Child Protective Division because of a continuing increase in cases. The court approved eight positions, including three attorneys, for that division last year. Recommendations are also included for reclassifications. A request by the department is under review for renovation of a portion of its space in Congress Plaza to provide added offices and a storage/work area for use by the Child Protective Division and Office of Legislative Relations.

An additional attorney position is listed for court approval for the County Attorney's General Counsel Division for matters related to health law and legal assistance for the Medical Examiner's Office.

A recommendation is included for the District Attorney's Office for new positions for various divisions and salary adjustments. Other salary reviews will be done during the year. The court approved 55 positions that became effective for the department during the last four months of FY 2006-07. Space has been assigned to the District Attorney for storage, and assignment of additional space is under review. Following approval of the budget, Management Services will provide a list of projects and equipment for the District Attorney to consider for possible allocation of a portion of his discretionary funds for the county's criminal justice system.

15. **Community Supervision & Corrections** A review will be made of the request by the director of CSCD for the county to provide for safety and security at certain probation reporting centers, and that centers at 3330 OST in Houston and 1000 Lee Drive in Baytown be expanded or relocated because of high caseloads.

Reviews will continue with the department and judges for additional or expanded probation programs that could help lower the jail population.

16. **Pretrial Services** Recommendations have been prepared for new positions, including pretrial service officers. The number of persons arrested has increased, but the percent of those interviewed by the department has declined. More officers should help in the effort to provide the information necessary for magistrates and judges to decide on the release of low-risk defendants, and for review of the status of detained defendants. Analyses will be done on requests for a new case management system and a new defendant risk assessment form.
17. **Justices of the Peace** The Office of Court Management prepared a report on workload distribution and collections for the Justices of the Peace. This report was made available last September at Mid-Year Review. Recommendations have been prepared for staffing, and other recommendations will be presented for staff changes and for prosecutors, security, caseload management, equipment, and travel.
18. **Probate Courts** A proposal for equalization of staffing and funding among the four courts will be prepared for consideration.
19. **County and District Courts** The county courts plan to study ways to improve the processing of persons with mental health impairments and the need for attorneys to be assigned by contract for mental health cases.

The district courts administrator is asking for funds to continue operation of the Adult Drug Court program as grant funds expire in August 2007. Management Services will monitor the need for added funds. A position of Specialized Caseload Manager for the program has been recommended in the budget.

The district courts have agreed to ask the court for approval of a contract with the Justice Management Institute for a study to assess administrative needs and ways to achieve greater efficiencies in the use of judicial resources. A letter from the administrative judge of the district courts and a project proposal are attached for reference. The Family Courts Division would be the first of the four trial divisions to be studied. The county courts have agreed to a sharing of cases between the civil and criminal benches when necessary.

A proposal for adjustment of judicial salaries has been prepared and is attached for consideration as part of the new budget.

The court at Mid-Year Review asked that further discussion of a new family courts facility be scheduled for the new fiscal year. If authorized, the subject could be part of the bond election that would be set for November 2007. A list of alternatives for such a building as to location and approximate cost should be considered at the June CIP session.

20. **Appellate Courts** The proposed county budget would provide the two appellate courts with the same level of funding and services as last year. Meanwhile, phased work continues for demolition and abatement of the interior of the old Civil Courts Building at 301 Fannin. The next phase would be renovation of the building. The total cost is projected at \$65 million. Completion is expected to be at the end of 2009 at which time the two appellate courts would be moved from the S. Texas College of Law building at 1307 San Jacinto to the renovated courts building at 301 Fannin. The Fannin building was the central location for the appeals courts until they moved to the law school building in December 1983.
21. **Tax Assessor-Collector** In addition to its study of emergency management, UHY Advisors is in the process of completing its analysis of the cost of tax collections and a proposed fee structure. Recommendations will be given to the court with a goal of implementation for the 2007 tax year on July 1. Agreements with various entities will have to be prepared by the County Attorney's Office.
22. **Auditor and Purchasing Agent** The Auditor is adding three positions to her budget. Both officials have included reclassification and salary changes for certain positions.

The Purchasing Agent is requesting that the court consider a policy requiring departments that are vacating offices and moving to other facilities to be responsible for removing all furnishings and equipment from the vacated areas.

23. **Treasurer** The First Assistant's salary has been adjusted from the level that was paid during the period she served as interim treasurer. Following review and approval by the Treasurer, a subsequent adjustment will be proposed for the position.

24. **County Judge and Commissioners** Final appropriations for these five departments have been made for the budget. Staff salary changes and position reclassifications have been listed for approval as part of the new budget.
25. **Sports & Convention Corporation** County expenditures related to the Reliant Park operation and its facilities have generally been paid from the Hotel Occupancy Tax Fund. A projection for FY 2007-08 shows that expenses in that fund may exceed revenues unless the county shifts certain obligations to its operating fund. The difficulty lies with two line items: insurance and utilities. Management Services will monitor these expenses during the fiscal year and transfers for payments will be made as necessary.
26. **Demographics** A report by the EBusiness Results Team on the impact of population growth on county services is attached for reference. The material will be updated as new information becomes available. An emphasis in the report is on the unincorporated areas of Harris County. The amount of population growth throughout the county will have an impact on expenditures for all departments, but the exponential development in the unincorporated portion will continue to place stress on those departments that are required to provide specific urban services in those areas.

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