

September 20, 2007

To: County Judge Emmett 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 25. 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. Public Infrastructure
3. Buildings
4. Juvenile Probation
5. Law Enforcement
6. District and County Clerks
7. District and County Attorneys
8. Courts
9. Sports & Convention Corporation
10. FY 2007-08 Budgets
11. Demographics
12. Tax Rates
13. 2008 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 & Health Care**

- a. **Hospital District** A status report from the President/CEO of the district is behind the Hospital District tab. Patient admissions are down by 9.1% compared to last year. Emergency and urgent care visits are down by 10.4%, births by 7.7 %, and outpatient visits by 9.4%. The report said the decreases in volume were caused by a new clinical information system which required staff training; vacancies in medical staff positions; and complications for patients from Medicare regulations for pharmaceutical needs. Steps have been taken to improve all areas for the second half of the year and increase patient levels. Projections show operating expenses for the fiscal year of \$862.6 million with revenues of \$907.7 million. An operating statement of revenues and expenses is attached to the report.

The district in August obtained approval of accreditation from the Joint Commission on Accreditation of Healthcare Organizations. There was compliance with all standards.

A new, revised agreement is expected to go into effect in October for medical services from Baylor College of Medicine and the UT Health Science Center. The agreement approved in 1990 for a 20-year period was based on fixed monthly payments for full-time equivalent medical staff of the two schools. The new agreement will use a relative value unit physician payment method based on productivity and volume. The agreement also is to have a five-year life rather than 20, and will allow the district the option of using medical providers other than from the two medical schools for any new facilities the district operates.

The district's capital plan is proceeding with groundbreaking scheduled in November for a replacement for the Martin Luther King Health Center and a new Alief Community Health Center. Bonds have been issued for the first phase of the capital plan in the amount of \$150 million. A report by Financial Services on the transaction is attached. The bond rating agencies Standard & Poor's and Fitch gave the issue an A rating, and Moody's gave it an A1 rating.

b. **Health Care**

1. **Quad Agencies Eligibility Project** In a collaborative effort, the directors of the Quad Agencies, HCHD, MHMRA, and Houston and Harris County Public Health departments, are developing a project to improve timely access to services by streamlining patient eligibility between the four agencies.

The plan is based on the premise that there should be "no wrong door" for a patient to enter for service needs from publicly-financed healthcare systems. A universal eligibility form that meets the needs of all four agencies would be available. Information would be entered into a shared database. A patient with service needs from more than one agency could have direct access to appointments. Modules would allow each agency to confirm eligibility for benefits, such as from Medicaid, Medicare, Children's Health Insurance Program, or Crime-Victim Assistance. The processing of cases would be managed by tracking of assignments and status.

The Quad group has completed certain targeted tasks, such as development of a universal eligibility processing form, the draft of a data sharing business agreement, and reviews of software. The four directors hope to have a final contract by December 2007, system development during the first quarter of 2008, and hardware placements and software training during the second quarter. The project would begin in July 2008. They said the first year of operations would require monitoring of outcomes and system adjustments, and the second year and beyond could allow for opening of access to additional service providers and clinical information.

The cost is projected at \$1.1 million for year 1, and \$685,539 for year 2. The directors will address these needs later in 2007.

A report from the Quad Agencies is attached for reference.

2. **Harris County PHES** A request by the department for additional kennel space for the animal shelter has been placed on the court's September 25 agenda. Also placed on the court's agenda are revisions to the Harris County Animal Regulations reflecting laws enacted by the last legislative session, and proposed fee adjustments for impoundment, boarding, licensing, and vaccination of animals.

Another request on the agenda is for additional funds for Baylor to provide services for the Northeast Adolescent Program.

3. **Psychiatric Services** It is recommended that the court authorize Management Services, in consultation with representatives of the Harris County Healthcare Alliance, to negotiate an agreement with a psychiatric services consultant for assistance in developing continuity of care programs and best practice models for integrated community mental health care for persons in need, including those who have been in custody of or served by county departments and agencies.

2. **Public Infrastructure**

- a. **Architecture & Engineering** This division is seeking seven new positions for the Permits Section and one new position for Engineering Design. Reclassifications and/or increases in salary maximums are requested for 16 positions, including 14 in Permits, one in Contract Administration, and one in Surveying.

A&E is also requesting additional funding in the amount of \$650,000 for continued development of the County Asset Management System. CAMS is a collaborative project between PID, ITC, and Management Services. The goal of the system is to integrate the physical and financial management of infrastructure assets, from an initial request through design and construction, including stages of depreciation and maintenance.

Another systems project requiring funds is the Permits Automated Workflow Solution (PAWS). A&E is requesting \$200,000 for hardware and related items.

It is recommended that the requests for salary changes and new positions be placed on the court's regular agenda for consideration. Management Services will review requests for additional funding.

- b. **Flood Control** The district director said that additional funds may be required for remodeling and furnishings for space at 10555 Northwest Freeway, and build-out cost and furnishings at the North Service Center at 7522 Prairie Oak.

An assessment is underway regarding repairs necessary for flood control infrastructure throughout the county. The director said the rate of repair must be increased to rehabilitate components and keep the system in good condition. Such an effort will require an increase in the district's maintenance budget. The director said he would address this issue as part of the FY 2008-09 budget presentation.

The director said the capital program for the district is adequately funded for FY 2007-08 and FY 2008-09. Management Services will address funding plans for FY 2009-10 through FY 2011-12 at the next budget session.

- c. **Toll Road** The director is requesting an increase in this year's budget of \$5.9 million for salary adjustments for 129 positions, creation of 51 new positions, and information and communication systems and related equipment. It is recommended that these requests be placed on the court's regular agenda for consideration.

The director of PID, in the attached report, said the Toll Road Authority has prepared for an increase in funding for the system's connectivity program. He said the action follows the court's decision after analysis last year that the system would remain county owned and operated rather than be sold or leased to a private entity. The director said the level of funding should be increased by \$91.6 million in addition to the \$28.4 million budgeted. This step, he said, would "not only strengthen the toll road system itself, but also will improve overall mobility in the county as travel to, from, and along the tolled system is facilitated."

Management Services would provide a recommended division of funding.

- d. **Construction Programs Division** The director of this division is requesting a reclassification of and salary increase for a senior project manager position for the Toll Road Construction Section. He is also requesting creation of a chief inspector position and purchase of two automobiles for the Road & Bridge Section. It is recommended that these requests be placed on the court's regular agenda for consideration.
- e. **Facilities & Property Management** The FPM director said current projections show that additional funding in the amount of \$1.1 million will be necessary for utilities this fiscal year. Management Services will monitor the expenditures and will prepare a transfer of funds if necessary.

A recommendation has been prepared by FPM and ITC for a transfer of records management to ITC. It is recommended that this request be referred to Management Services for preparation of an agenda item.

FPM is reviewing the county's parking policy and parking rates. It is also reviewing standards for maintenance and service of expanded facilities. Recommendations will be presented for the court's consideration.

FPM and Right of Way are working on the possible sale of the Hogan Allnoch building at 1319 Texas, the Social Services building at 1225 Elder, the Pillot building at 1012 Congress, and the Sweeney Building at 301 Main.

- f. **Planning & Operations Division** A listing of projects underway by Development Planning, Watershed Protection, and Capital Planning sections of this division are shown in an attached summary report. The director is requesting reclassification and salary increase for a clerk position in the Watershed Protection Section because of increased responsibilities. It is recommended that this request be placed on the court's regular agenda.

The report said, under the Watershed Protection Section, that in the next fiscal year a recommendation will be made for allocation of \$5.5 million for construction of a multi-use facility on county property at Gessner and U.S. 290.

3. **Buildings**

- a. **1301 Franklin** In the discussion of the bond election subjects and the meeting of August 21, it was noted that PGAL would review options for use or disposal of the 1301 jail building for the court to consider at Mid-Year Review.

PGAL's report is behind the Buildings tab. The report in summary said that in any proposal for county use by retaining the building, whether for offices, parking, storage, courtrooms, juvenile facilities, or adult detention, similar problems appear: low floor to ceiling heights, small column spacing, necessary code improvements, non-compliance with required standards, overall renovation costs, and the "sheer size and construction type" of the building.

Aside from renovation for county use, another choice would be to ask the state if it would consider use of the facility as a state jail.

PGAL said if no suitable use could be found for the structure, the court should consider what would be the best use of the 1301 Franklin location. The 811,079 square foot building could be demolished at an estimated cost of \$4.4 million. The area, adjacent to the Civil Courthouse and Criminal Justice Center, could be used for surface parking until the court is ready to build a new facility.

Meanwhile, projections for this fiscal year show that approximately \$700,000 will be spent on utilities and \$175,000 for operating expenses for the structure. The Sheriff's Department uses the first floor for communications, operations support services, and warrants. The department stores seized gambling machines on the second and third floors. The District Clerk's Department uses floors 5-8 for its records conversion and imaging project. The balance of the building, floors 9-13, is vacant.

It is recommended that the PGAL report be referred to PID/A&E and Management Services for preparation of a proposal for the court to consider for (a) relocation of the Sheriff's offices and District Clerk's operations; (b) an outline of method and timetable for demolishing the facility; and (c) recommendations with timetables for use of the site once it is cleared.

- b. **Courthouse Security** Management Services will prepare an agenda item for consideration of recommendations for enhanced courthouse security.
- c. **Generators** It is recommended that the court authorize Management Services and PID/A&E and PID/FPM to prepare an analysis of the need for generators at appropriate locations for county operations.

4. **Juvenile Probation**

A report from the director of Juvenile Probation is behind the Juvenile tab. Management Services will review the various capital and operational items listed. Most subjects will be covered by the management study requested by the court. The study will be conducted by Management Services' E-Business Results Team and the Office of Budget Management. Assistance for specific business process analyses will be provided by UHY Advisors. An agreement with the firm for this work will be placed on the court's regular agenda.

An item that had been referred is for three positions, an Administrator, Investigator, and a Staff Services II, for a TYC review program at an annual approximate cost of \$200,000. A juvenile probation officer supervisor has been temporarily assigned to this task.

After analysis and discussions by the Office of Budget Management with officials of TYC and Harris County Juvenile Probation, it is recommended that a position be established for Juvenile Probation at the supervisor level, with a maximum salary of \$57,820 effective with the pay period that begins October 13. The position would be assigned to the department's Quality Assurance Section and would focus on monitoring the status of youth sent to TYC by Harris County. The concentration would be on providing Juvenile Probation and juvenile court judges with information on assignment of youth to programs by TYC and their effectiveness, and whether the youth are receiving the treatment the judges have requested. Such reports should be provided to counties by TYC. TYC's monitoring programs should gain strength over time through the new Office of the Independent Ombudsman and the new Office of Inspector General. The Juvenile Probation director, in consultation with the Juvenile Board, could at a later date decide on the continuing role of the new supervisor position as to work on quality improvement efforts for youth sent to TYC and those who are assigned to other placements and programs. The director at this time should evaluate and recommend whether any additional assistance will be needed in the Quality Assurance Section for support of the new TYC review supervisor, or if current staffing in the section is sufficient.

It is also recommended that the court authorize Management Services and Juvenile Probation to confer with TYC officials regarding the possibility of having the state locate a facility for youth in the Houston metropolitan area. The legislative appropriation for TYC shows \$25 million is to be spent for such a facility "in a large metropolitan area" during the biennium. A copy of the TYC appropriations summary for 2008-2009 is attached.

5. **Law Enforcement**

- a. **Contract Patrol** Recommended rates for contract patrol services are shown in an agenda item for September 25. Attached are schedules showing the listing of contracts and positions. At this time there are 793 positions assigned to 311 contracts with community associations, schools, utility districts, management districts, and other entities. Of the 793 positions, 559, or 70%, are employees of constables, and 234, or 30%, are Sheriff's employees. There are 144 officers assigned to contracts within the city, 536 in unincorporated areas, and 113 at schools.

Certain contracts are delinquent in payments to the county or have other contract questions that should be resolved. Management Services will review this subject with the Auditor and County Attorney and will inform the court of any problems that remain.

- b. **Constable and Sheriff Positions** Management Services is reviewing position requests of the Sheriff and Constables for possible agenda items or for consideration as part of the new budget in FY 2008-09.

A letter from the Constable of Precinct 1 concerning staff for civil process and warrants is attached. An agenda item will be prepared regarding certain of these positions. The constable's report concerns the constable's needs for the Juvenile Section, District Attorney's Office, Civil Division, and Mental Division.

Commissioner Garcia has requested that additional positions be considered for the Constable of Precinct 6. An agenda item will be prepared for the court's consideration.

A list of position requests, reclassifications, and equipment items from the Sheriff's Department is attached. Management Services is reviewing these items. The Sheriff and constables have requested salary adjustments for clerical and staff support positions. A recommendation will be prepared.

- c. **Detention** A report concerning the status of jail operations and improvements and plans in mental health care and other areas will be placed on the court's agenda. A summary report on the number of inmates transferred to the West Carroll Detention Center in Epps, La., is attached.
- d. **Fire Marshal** Management Services is reviewing a report from the Fire Marshal regarding the status of the department and position and reclassification requests. Possible recommendations will be presented to the court. A copy of the report is attached.

6. **District and County Clerks**

- a. **County Clerk** The County Clerk has requested salary maximum increases for the chief deputy, three assistant chief deputies, and the administrator of elections; reclassification and maximum salary increases for two positions in administration, a position in elections, and two positions in election technology; and a new position in election technology. After review with the County Clerk, a recommendation will be placed on a regular agenda.
- b. **District Clerk** A report from the Chief Deputy on a plan for operations in the proposed new jury assembly area is attached. Management Services will work with the new District Clerk for implementation and will consult with the judges and District Clerk regarding ways to reduce congestion in the downtown complex as persons report for jury service.

The new jury assembly area is scheduled to be built in the center of a plaza in the block bounded by Congress, San Jacinto, Franklin, and Caroline. The jury facility will be tunnel connected to the courthouses in the downtown complex.

Management Services will also review with the District Clerk and her staff the status and plans for the department's records consolidation and conversion program and the transition to electronic document management.

7. **District and County Attorneys**

A proposal to increase salary maximums for attorney positions in the District Attorney and County Attorney departments has been placed on the agenda for September 25. A copy is attached. Salary levels for administrative support staff will be reviewed for changes that can be recommended.

A further review of salary levels for the two elected officials, the County and District Attorneys, and their legal staffs will be done for the FY 2008-09 budget and recommendations will be presented as may be appropriate, subject to available funds.

8. **Courts**

- a. **Justice Courts** Annual salary changes for staff of the JP courts, which have been placed on the September 25 agenda, are shown in an attachment. Those persons listed qualify for the adjustments based on education/certification and experience in accordance with the JP Courts' Employee Salary Plan which Commissioners Court approved in June 2006.

A report by the Office of Court Management that is attached includes a section on the JP courts on pages 10-23. The report provides data on case filings, clearance rates, revenue, workload distribution, staffing, caseload management, business processes, collections, web services, and local rules.

Management Services will review the material for recommendations that should be presented to Commissioners Court as agenda items. A specific recommendation will address the needs of JP Court 5.2 as it has the largest caseload.

Another analysis concerns the appropriate salary levels of the justices in relation to judges of other court levels.

A report by the Office of Court Management that is attached provides summaries of legislative acts from the last session of the Texas Legislature that will have an impact on the justice courts.

- b. **Probate Courts** A proposal will be presented at the next meeting of Commissioners Court for equalization of positions for the four courts, including associate judges. Legislation approved at the last session allows all four of the courts to have associate judges rather than only two of the courts.
- c. **Longevity Pay** Legislation adopted at the last session requires longevity pay for judges who have served in that capacity at least 16 years. According to the Auditor's Payroll Office, there are four county court judges and one probate judge who qualify: Sherman Ross, Mark Atkinson, William Harmon, James Anderson, and William McCulloch. This item has been placed on the court's September 25 agenda for the pay to be effective October 1.
- d. **District Courts** The Administrative Office of the District Courts is requesting funds for treatment and aftercare services for defendants referred through the STAR Adult Drug Court. Another request for funding is for support of the STAR Family Drug Court. In both cases, grant funds for portions of the programs are ending. These items have been placed on the court's regular agenda for September 25. It is suggested that they be referred to Management Services for a recommendation on funding.

The district judges have placed on the September 25 agenda a new Jury Selection Plan in accordance with the Texas Government Code. The plan will result in an updated jury wheel for selection of jurors. The District Clerk will integrate the county's voter registration database with the Department of Public Safety's database of persons with a driver's license for names for the jury wheel.

9. **Sports & Convention Corporation**

Management Services will review with corporation officials and staff proposed capital improvements and related plans and funding needs for Reliant Park facilities. Adjustments will also be recommended as may be necessary for payment of utilities at the complex as that cost has had an impact on the Hotel Occupancy Tax Fund.

Another analysis to be done concerns the role of the Greater Houston Convention and Visitors Bureau in marketing activities and events for Harris County, and payments that are provided to GHCVB from the Hotel Tax Fund.

10. **FY 2007-08 Budgets**

Schedules and data showing the status of departments and funds at the mid-year mark of August 31 and the outlook for the end of the fiscal year on February 29, 2008 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 and transfers to other funds in the total amount of \$600 million during the first half of the year were approximately 1% more than were originally projected. Expenditures are expected to be higher during the second half of the year due to scheduled cost of living salary adjustments and increased costs for various functions, including adult jail and juvenile detention operations. A report from the Office of Budget Management is attached.

Another report that is attached is from the director of the Office of Human Resources & Risk Management concerning group health and related benefit plans, the status of the retirement program and recommendations, an update on workers compensation, the employee services awards program, and the status of human resources information system projects. The report has been placed on the court's September 25 agenda for consideration.

Various other items for departments, such as Information Technology, Community & Economic Development, County Library, Youth & Family Services, Domestic Relations, Medical Examiner, and Pretrial Services are in review and will be reported to the court during this fiscal year or as part of the new budget.

11. **Demographics**

An update of the demographic study by the E-Business Results Team is attached. The report provides population data from the U.S. Census Bureau as of July 1, 2006 and shows the growth and trends in the total county and in the unincorporated area.

12. **Tax Rates**

The following 2007 tax rates are recommended for approval.

	<u>2006</u>	<u>2007</u>	<u>Difference</u>
County General	.34221	.34221	.00000
Pub. Imp. Cont. Fund	.00000	.00697	.00697
County Debt	<u>.06018</u>	<u>.05321</u>	<u>(.00697)</u>
Subtotal County	<u>.40239</u>	<u>.40239</u>	<u>.00000</u>
Flood Control O&M	.02733	.02754	.00021
Flood Control Debt	<u>.00508</u>	<u>.00352</u>	<u>(.00156)</u>
Subtotal FCD	<u>.03241</u>	<u>.03106</u>	<u>(.00135)</u>
Port of Houston Debt	<u>.01302</u>	<u>.01437</u>	<u>.00135</u>
Hospital District	<u>.19216</u>	<u>.19216</u>	<u>.00000</u>
Total	<u>.63998</u>	<u>.63998</u>	<u>.00000</u>

The rates as proposed are calculated to provide sufficient funds for certified debt service and help meet operational requirements. Supporting schedules and related data are behind the Tax Rates tab.

The Public Improvements Contingency Fund will be reactivated. It was used from FY 1996-97 through FY 2001-02. The purpose is to provide funding to assist with capital projects and unforeseen catastrophic events on a pay-as-you-go basis and to be a stabilizing component for the county's total combined tax rate. As annual debt service requirements increase for county and flood control capital projects, the rate for the Public Improvements Contingency Fund could be reduced to help offset the amount that may be needed.

In compliance with tax law requirements, hearings for each of the entities will be required. According to the schedule, meetings for discussion of the rates must be held at the regular meeting of the court on October 9 and again at a special meeting of the court on October 16. The final vote on the rates will be scheduled for the regular meeting on October 23.

13. 2008 Meetings and Holidays

The following calendar is suggested for the court's schedule of meetings and county holidays for 2008. The schedule provides for 24 court meetings, which is the same number that was approved for 2005, 2006, and 2007. The holidays are the same ones that have been allowed.

Calendar 2008

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
6 7 8 9 10 11 12	3 4 5 6 7 8 9	2 3 4 5 6 7 8	6 7 8 9 10 11 12	4 5 6 7 8 9 10	1 2 3 4 5 6 7
13 14 15 16 17 18 19	10 11 12 13 14 15 16	9 10 11 12 13 14 15	13 14 15 16 17 18 19	11 12 13 14 15 16 17	8 9 10 11 12 13 14
20 21 22 23 24 25 26	17 18 19 20 21 22 23	16 17 18 19 20 21 22	20 21 22 23 24 25 26	18 19 20 21 22 23 24	22 23 24 25 26 27 28
27 28 29 30 31	24 25 26 27 28 29	23 24 25 26 27 28 29 30 31	27 28 29 30	25 26 27 28 29 30 31	29 30

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
6 7 8 9 10 11 12	3 4 5 6 7 8 9	7 8 9 10 11 12 13	5 6 7 8 9 10 11	2 3 4 5 6 7 8	7 8 9 10 11 12 13
13 14 15 16 17 18 19	10 11 12 13 14 15 16	14 15 16 17 18 19 20	12 13 14 15 16 17 18	9 10 11 12 13 14 15	14 15 16 17 18 19 20
20 21 22 23 24 25 26	17 18 19 20 21 22 23	21 22 23 24 25 26 27	19 20 21 22 23 24 25	16 17 18 19 20 21 22	21 22 23 24 25 26 27
27 28 29 30 31	24 25 26 27 28 29 30 31	28 29 30	26 27 28 29 30 31	23 24 25 26 27 28 29 30	28 29 30 31

Holidays:

<i>New Years Day</i>	<i>Tuesday</i>	<i>January 1</i>
<i>MLK Day</i>	<i>Monday</i>	<i>January 21</i>
<i>Good Friday</i>	<i>Friday</i>	<i>March 21</i>
<i>Memorial Day</i>	<i>Monday</i>	<i>May 26</i>
<i>Independence Day</i>	<i>Friday</i>	<i>July 4</i>
<i>Labor Day</i>	<i>Monday</i>	<i>September 1</i>
<i>Thanksgiving</i>	<i>Thurs. & Fri.</i>	<i>November 27 & 28</i>
<i>Christmas</i>	<i>Thurs. & Fri.</i>	<i>Dec. 25 & 26</i>