

**MINUTES**

**DUE TO EMERGENCY CONDITIONS, THIS MEETING WAS CONDUCTED BY TELEPHONE AND/OR VIDEO CONFERENCE**

BE IT REMEMBERED, That on this 29TH DAY of JULY, 2020, Commissioners Court of Fort Bend County, Texas, met at a special meeting/budget workshop with the following present:

KP GEORGE	COUNTY JUDGE
VINCENT MORALES	COMMISSIONER PRECINCT 1
GRADY PRESTAGE	COMMISSIONER PRECINCT 2
ANDY MEYERS	COMMISSIONER PRECINCT 3
KEN R. DEMERCHANT	COMMISSIONER PRECINCT 4
LINDA WILLIS FOR LAURA RICHARD	COUNTY CLERK

When the following were heard and the following orders were passed:

**1. Call to Order.**

Call to Order by Judge KP George at 9:02 a.m.

**2. Budget Overview by Director of Finance & Investments.**

Pamela Gubbels, Director of Finance & Investments, stated the proposed FY2021 Budget total is \$410,491,000, which is a 4.3% increase over the adopted FY2020 Budget. After learning from the County Auditor that the County had revenue deficits, departments were asked to reduce their budgets down to the FY2020 adopted rate. Most of the increase for the proposed FY2021 budget is due to employee benefits. The employee allocation is being increased from \$10,500 up to \$13,000, which is \$2,500 per employee or \$7.5M. There are 6 departments that will submit and review their request to the court and are not included in the proposed budget. The proposed budget does include 14 new positions: 4 for Sheriff (moving off of the 1115 Waiver), 3 for Fire Marshal, 3 for Medical Examiner, 2 for Parks, 3 for Daily Park, and 2 for the Community Center in Missouri City.

**Item 2 continued - Budget Overview:**

Ms. Gubbels stated this budget can be supported with a 3.5% cap revenue. The preliminary tax rate indicates a reduction of the tax rate which may need to be reduced by \$0.03. The Voter Approval Rate, VAR, (Rollback Rate) is at \$0.41. The preliminary values of the NAV are \$76.4B, which is up by almost 8%. Ms. Gubbels explained the tax rate calculations are still preliminary; but looks like the budget can be supported with the 3.5% cap rate. The preliminary tax rate is a \$0.03 budget decrease and the general fund balance is still looking fairly healthy. The Voter Approval Rate, VAR, (Rollback Rate) was calculated at \$0.41 for the general fund for this year (last year was \$0.44 tax rate). If the Adopted Tax Rate is greater than the VAR (Voter Approval Rate), there would have to be an election. The Total Property Value increase is \$5.3B. New property values are \$2.6B, which is 49% of the increase and \$2.7B are existing values. Ms. Gubbels reiterated the budget is being held flat except for a 4.3% increase beyond the County's control. The proposed budget does not include increases in salaries for Elected Officials and employees.

**3. Fiscal Update by County Auditor.**

Ed Sturdivant, County Auditor reaffirmed the Budget Director's statement that the County will be able to support the budget with the 3.5% Revenue Cap. Currently, this is not required due to the disaster. The 3.5% over the Effective Rate is prudent at this point. To reinforce this prudence is forcing the County to be extremely conservative. Mr. Sturdivant stated this is not the right time for salary increases. The numbers presented by the Budget Director are preliminary and are still favorable with the efforts of the County. The revenue losses originally predicted, \$11M - \$14M has improved because of the quick action of Commissioners Court and the imposition put on all the departments. The number has decreased to a \$5M range deficiency. If the County continues in this direction, funds will be given back to the General Fund by the end of the year. This will prove to the Budget Director the efforts will pay off in full. Holding to a flat budget is important and means no increases in 2020.

**4. Elected officials and department directors will present requests specific to their fiscal year 2021 operational budget:**

**A. County Clerk**

- 1 Information Process Specialist
- 1 Legal Process Specialist
- 1 Case Manager

**B. District Attorney**

- 1 Chief Prosecutor
- 1 Investigator

**C. Engineering Department**

- 1 GIS Specialist

**Item 4 continued - Presented Requests:**

**D. Health & Human Services Department**

- 1 Communications Manager

**E. Health & Human Services - Social Services Division**

- 3 Caseworkers
- 1 Clerk II

**F. Sheriff's Office**

- 1 Coordinator of Senior Services for the YANA Program
- Body Cameras and storage

**G. Miscellaneous department or elected official offices**

- No Other Departments

**5. Capital Improvement Project funding is requested by the following departments:**

Pamela Gubbels, Director of Finance and Investments indicated the CIP projects are not included in the preliminary budget. If the projects are approved by the court, they will be financed and would not necessarily budget the entire \$8M. The anticipated debt in 2021 is approximately 1%.

**A. District Clerk**

- Restoration and Preservation of Historical Records (May not be financed.)

**B. Facilities Management & Planning**

- North Annex - Minor Interior Remodel
- Roof Replacements - Multiple Locations
- University Branch Library - Skylight Reroof & Glazing/Parapet Flashing

**C. Fleet Management**

- AIMS Fuel Management GPS Tracking System

**D. Health & Human Services - Emergency Medical Service Division**

- EMS - Medic 2 New Station
- EMS - Medic 32 Project

**Item 5 continued - Capital Improvement Projects:**

**E. Information Technology Department**

- Managed (Professional) Services Detection and Response
- Tiburon Mitigation
- Jail Systems Upgrade/Replacement
- Security Server Farm
- First Responder Machine Replacement

**F. Parks & Recreation Department and Fairgrounds**

A Proposed Bond Issue for Parks is suggested.

- Fairgrounds Renovations
- Daily Park Maintenance Building
- Hike and Bike Trail on CenterPoint Easement
- Kitty Hollow Park Mini Pavilions
- Jones Creek

**6. General Discussion regarding Tax Rate.**

Pamela Gubbels, Director of Finance & Investments stated the preliminary Voter Approval Rate, VAR, for Fort Bend County is \$0.418. The Tax Rate for the County adopted last year was \$0.4447. There is a cap of \$0.418 Tax Rate, which means the tax rate will have to be reduced by \$0.0267. The Drainage District Voter Approval Rate, VAR, will be reviewed.

The Budget Workshop recessed and the court returned at 9:00 a.m., Thursday, July 30.

**Recess:**

**Wednesday, July 29, 2020 - 12:19 p.m.**

**Reconvene:**

**Thursday, July 30, 2020 - 9:02 a.m.**

Pamela Gubbels, Director of Investments and Finance, reviewed the Tax Rate information for Drainage. The Voter Approval Tax Rate, for Drainage District is \$0.016396. The overall total for Fort Bend County and Drainage District Tax Rate is \$0.434, which is a \$0.0259 decrease over last year. This is within the County's means to generate enough revenue to fund this year's stringent budget.

Carrie Surratt, County Tax Assessor, stated information has not been received from the Central Appraisal District. The numbers presented today are not the final figures.

**Item 6 continued - General Discussion regarding Tax Rate:**

Ed Sturdivant, County Auditor, discussed the quality assurance efforts of the County's debt rate. The complexities of the County's debt include four bond issues which are funded from other sources. Three of the bonds are funded from the County Assistance District revenues for the Sales Tax Allocation and one is a \$4M a year TXDOT allocation that flows into the resources. On top of the bond issues, there is the energy efficiency audit done on the jail that was funded with the Qualified Energy Conservation Bond (QECB). This is funded with savings from the utility savings, which are reported to the County annually from the jail. The four bond issues are not funded by taxes and therefore the calculation process has become more complicated. Mr. Sturdivant assures the debt service rate will not be an issue with helping the taxpayers. He will be proposing that the County not use the residual fund balance from the debt service fund, due to anticipation of new bond issues that have not materialized yet. Mr. Sturdivant suggested the County live within the 3.5% cap limit currently holding. The change in the debt, by financing the CIP will help the County from an operating standpoint. There will be small shifts of the operating rate that will move to the debt rate; but the overall tax rate will stay in a downward trend as the County maintains the revenue cap limits that is currently being imposed.

**7. General Discussion regarding the FY2021 Budget.**

The request for body cameras for the Sheriff's office was discussed with either funding the cameras locally to have the cameras right away or discuss with the Sheriff the possibility of applying for federally funded grants, including an accompanying policy and receiving the cameras at a later date.

**8. Adjournment.**

The Special Meeting/Budget Workshop adjourned at 10:01 a.m. on Thursday, July 30, 2020.

Moved by Commissioner Meyers, to adjourn.

**I attest to the accuracy of the foregoing minutes.**



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**Laura Richard, County Clerk, Fort Bend County, Texas**

