

MINUTES

BE IT REMEMBERED, That on this 28TH DAY of JULY, 2021, Commissioners Court of Fort Bend County, Texas, met at a special budget meeting 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 8:33 a.m.

2. Conduct Budget Workshops, including Capital Improvement Projects.

Pamela Gubbels, Director of Finance & Investments stated the FY2022 Recommended Budget is \$443.6 million, which is 4.7% over the FY2021 Budget.

The 2021 Preliminary Taxable Values, assumed a 9.5% reduction from April Preliminaries to July Certified Values.

However the 2021 Certified Taxable Values had an actual reduction of 5.6% for the General Fund compared to the 9% the CAD was projecting; the Drainage saw a reduction of 7%. Fort Bend County values are \$81.5 billion, which is a 6.63% increase over last year. The Drainage District is \$80.9 billion, which is a 6.7% increase over last year. Because of this increase, we will likely have to reduce the tax rate in order to meet the 3.5% revenue caps.

The total FY2022 Recommended Budget is \$443.6 million, which is a 4.76% increase. In reviewing the Finance Summary, the ending balance of the General Fund is a 26.46% as a percentage of the budget. The current budget policy states we will have a 25% increase. A couple years ago there was discussion on increasing the ending balance to about 30% – 33% by this year. The court should determine whether they want to remain at 25% for one more year or increase the ending balance to 30% – 33%. If the General Fund ending balance stays at the 25% for one more year, we could have \$3.8 million available to add to the budget if necessary. Other areas with the ending balance as a percentage of the budget include: Road & Bridge is at 19%, Drainage is at 155% (which is a separate taxing entity), Fort Bend County Debt Services is at 2.8% and Drainage Debt Services is at 212.35%.

Included in the FY2022 Recommended Budget are 35 positions for a total of \$2.8 million. Initially, there were 249 positions requested at \$23.59 million.

Item 2 continued - Conduct Budget Workshops:

There are 24 departments, present in court, who have requested additional or new positions into their budget. There are a total of 83 position requests at \$8.7 million, in which \$3.8 million is possibly available for these positions.

The Proposed tax rate cannot go over the Voter Approval Rate. The Tax Office has provided preliminary No New Revenue rate and Voter Approval Rates for the purpose of these budget hearings. The preliminary tax rate proposal for Fort Bend County needs to be decreased by \$0.003599 and Drainage \$0.003018 for a total of \$0.006617 reduction.

The 24 departments were present in court to explain their reason for additional staff:
Justice of the Peace 1 – 1 was the only department to explain the reason for additional staff.

No other departments spoke due to the court recommending the possibility of American Rescue Plan Act (ARPA) funds be used for eligible positions.

The departments requesting positions are being asked to provide justification on how their requested positions could be ARPA funded and if they are related to the pandemic. This request is to be sent to the Budget Director. The request will be forwarded to MPACT through Mr. Sturdivant's office, County Auditor. The request will be reviewed for eligibility. These positions will be for one year. Therefore, some of the positions eligible for ARPA will free up some funds to use for those positions not ARPA eligible. There are 35 positions already included in the budget; this is not including the 85 additional positions requested.

The budget must be filed with the County Clerk's office on September 7, 2021.

The Employee Cost Of Living Adjustment (COLA) is included in the budget as a place holder. The intention of the Human Resources department is to not change the salary structure until the compensation study is complete. The recommended increase is a two-step increase, which is about 4.7%, for those hired before July 1, 2020. A one-step increase for those hired between July 1, 2020 and July 1, 2021, which is about 2.35% increase.

The Capital Improvement Projects (CIP) will be financed. The debt will depend on the life of the asset. The total for vehicles is \$5.1 million, vehicle equipment is \$1.5 million, capital acquisitions is \$3 million and CIP is \$4.9 million for a grand total of \$14.6 million. If the Medical Examiner Expansion is added, the total CIP will be \$6.7 million.

3. Adjournment.

The Special Meeting/Budget Workshop adjourned at 10:25 a.m. on Tuesday, July 28, 2021.

I attest to the accuracy of the foregoing minutes.



Laura Richard, County Clerk, Fort Bend County, Texas