



HARRIS COUNTY, TEXAS

COMMISSIONERS COURT

1001 Preston, Suite 934 • Houston, Texas 77002-1817 • (713) 274-1100

Ed Emmett
County Judge

Rodney Ellis
Commissioner, Precinct 1

Jack Morman
Commissioner, Precinct 2

Steve Radack
Commissioner, Precinct 3

R. Jack Cagle
Commissioner, Precinct 4

February 10, 2017

To: County Judge Emmett and
Commissioners Ellis, Morman,
Radack and Cagle

Re. **FY 2017-18 Budget Presentation**

The proposed policy issues and budgets for FY 2017-18 are attached for court approval. The new budgets will be effective for the period of March 1, 2017 through February 28, 2018.

Policy Issues and Proposed County Budgets

The proposed policy issues, a summary of the Auditor's final estimate of available resources and the proposed budget allocations for the General and Mobility funds are included. Budgets for debt service, grant, special revenue and all other funds are also presented for court approval.

Debt Service Funds

Resources have been allocated to the appropriate funds to meet the debt service requirements for the county, Flood Control District, Toll Road Authority, the Harris County Hospital District and the Port of Houston Authority.

Flood Control District

The Flood Control District budget is also included, continuing with the plan to allocate \$60 million for operations and \$60 million for capital projects for FY 2017-18.

Harris County Hospital District

The budget for the Hospital District is included for court consideration.

Port of Houston

The County allocates property tax revenue to meet existing debt service requirements for long-term debt obligations related to the Port of Houston Authority. The Court does not approve the budget for the Port of Houston.

Policy Issues

The following are presented for approval as part of the proposed FY 2017-18 budget.

1. Harris County will continue to focus on building a strong balance sheet to maintain both financial stability and current high bond ratings as well as allocating resources to “be prepared” for floods, hurricanes or similar unexpected events. It is likely that the county has sufficient resources to not issue any Tax Anticipation Notes during FY 2017-18.
2. The rollover budget adjustments for departments will be presented to court for approval in May. Departments will have the opportunity to request new positions or adjust existing positions after the rollover budgets are added.
3. The Capital Improvements Plan (CIP) will be presented on June 27 and Mid-Year Review will be held on September 26.
4. Budget Management will review the collection procedures, contracts and balances for all components of the county’s accounts receivable including fines, fees, tolls, notes receivable related to the county and the Harris County Toll Road Authority, the Harris County Sports Corporation and the Harris County Sports Authority.
5. Budget Management will manage the county’s Economic Development activities effective March 1, 2017. Staff will move from the Community Services Department over the next several months and any agenda items will be included under Budget Management.
6. Facilities & Property Management (FPM) has been reorganized, renamed, and now reports to the County Engineer. Effective January 31, 2017, Central Technology Services is responsible for building access security and Budget Management is responsible for parking contracts and assignments.
7. The cost center for FPM R&R (297) will be discontinued and resources transferred to Engineering R&R (035). The cost center for Utilities & Leases (298) will continue with transactions processed by CTS, FPM or Engineering, but transfers in/out will be controlled by Budget Management.
8. Contract patrol rates will increase by 3% on March 1, 2018.
9. Budget Management will create a Justice group that will address law enforcement and justice issues and will continue to support the Criminal Justice Coordinating Council. This group will develop recommendations to improve efficiency in indigent defense, jail population and other areas working with the elected officials and departments involved.
10. Plans to implement a new enterprise financial system continue in FY 2017-18. A key element to this project is to make sure the new system is installed without customization so that future upgrades can be made efficiently. County policies and procedures that conflict with this goal will be reviewed and policy changes will be brought back to court as needed.
11. Budget Management and Central Technology Services will work on potential changes in the managed Fleet operations to address vehicle standards and the procedures related to pool cars, take-home vehicles and overall vehicle utilization and will bring back policy recommendations to court for approval.

Summary of Auditor's Estimate of Available Resources

General Fund	Current Fiscal Year 2016-17			Final Estimate FY 2017-18
	Original Budget	Latest Budget	Estimated Actual	
In Thousands				
Estimated Beginning Cash	765,849	765,849	748,405	916,491
Revenues				
Taxes	1,405,711	1,405,711	1,411,654	1,400,777
Intergovernmental	45,011	46,157	49,067	47,153
Charges for Services	233,495	233,532	245,488	245,490
Fines & Fees	20,868	20,868	21,287	21,450
Interest	1,188	1,188	3,168	4,183
Misc. & Other	48,908	51,504	55,082	51,780
Transfers In	-	2,100	9,984	-
Total Revenue	1,755,181	1,761,060	1,795,730	1,770,833
Available Resources - General Fund	2,521,030	2,526,909	2,544,135	2,687,324

Public Improvement Contingency Fund	Current Fiscal Year 2016-17			Final Estimate FY 2017-18
	Original Budget	Latest Budget	Estimated Actual	
In Thousands				
Estimated Beginning Cash	84,217	84,217	83,456	96,305
Revenues				
Taxes	22,490	22,490	20,749	20,516
Interest & Misc.	336	336	1,725	593
Total Revenue	22,826	22,826	22,474	21,109
Available Resources - PIC Fund	107,043	107,043	105,930	117,414

Mobility Fund	Current Fiscal Year 2016-17			Final Estimate FY 2017-18
	Original Budget	Latest Budget	Estimated Actual	
In Thousands				
Estimated Beginning Cash	308,821	308,821	311,807	317,907
Revenues				
Interest & Misc.	625	4,367	5,793	2,348
Transfers From HCTRA	120,000	132,000	132,000	120,000
Total Revenue	120,625	136,367	137,793	122,348
Available Resources - Mobility	429,446	445,188	449,600	440,255

Total Available Resources	3,057,519	3,079,140	3,099,665	3,244,993
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General Fund Budget - Departments

ORG	DEPARTMENT	FY 2016-17 Adopted Budget	FY 2017-18 Allocation
<i>Infrastructure & Systems</i>			
30	Public Infrastructure Coord	624,000	635,000
40	Real Property (ROW)	5,000,000	5,100,000
45	Construction Programs	10,075,000	10,275,000
208	Engineering	28,766,000	29,260,000
299	Facilities & Property Maintenance	35,285,000	33,718,000
Total Engineering		79,750,000	78,988,000
298	Utilities & Leases Cost Center	26,520,000	28,050,000
Total Utilities & Leases		26,520,000	28,050,000
292	Central Technology Svcs (Note)	48,491,000	54,267,000
Total Central Technology		48,491,000	54,267,000
Total Infrastructure & Systems		154,761,000	161,305,000
<i>County Services</i>			
204	Legislative Relations	1,400,000	1,425,000
272	Pollution Control	4,177,000	4,260,000
275	Public Health Services	23,650,000	24,120,000
285	Library	28,306,000	28,870,000
286	Domestic Relations	3,431,000	3,500,000
289	Community Services	10,424,000	10,640,000
296	Mental Health - THCMH	17,457,000	17,800,000
296	Mental Health - HCPC	2,000,000	1,800,000
821	Texas A&M Agrilife	950,000	950,000
885	Children's Assessment Center	5,741,000	5,850,000
Total County Services		97,536,000	99,215,000
<i>Fiscal Services & Purchasing</i>			
91	Appraisal District	10,700,000	12,500,000
201	Budget Management	9,390,000	9,205,000
517	County Treasurer	1,150,000	1,170,000
530	Tax Assessor-Collector	27,600,000	28,150,000
610	County Auditor	21,559,923	22,599,940
615	Purchasing Agent	8,225,000	8,390,000
Total Fiscal Services & Purchasing		78,624,923	82,014,940

Note: CTS Budget allocation includes \$1 million of rollover that has been added to the initial budget and will be subtracted when the rollover is posted in May 2017. It also includes \$2,272,000 transfer from FPM to cover expenses for activities taken over by CTS.

General Fund Budget - Departments

ORG	DEPARTMENT	FY 2016-17 Adopted Budget	FY 2017-18 Allocation
<i>Law Enforcement</i>			
<i>Constables</i>			
301	Constable, Precinct 1	35,129,000	36,803,000
302	Constable, Precinct 2	7,918,000	8,725,000
303	Constable, Precinct 3	15,525,000	16,578,000
304	Constable, Precinct 4	46,461,000	50,809,000
305	Constable, Precinct 5	38,945,000	41,636,000
306	Constable, Precinct 6	9,485,000	9,973,000
307	Constable, Precinct 7	11,182,000	12,111,000
308	Constable, Precinct 8	7,804,000	8,375,000
Total Constables		172,449,000	185,010,000
<i>Sheriff</i>			
540	Patrol & Administration	216,415,000	208,884,000
541	Detention	186,000,000	209,000,000
542	Medical	62,000,000	66,300,000
Total Sheriff		464,415,000	484,184,000
845	Sheriff's Civil Service	270,000	275,000
Total Law Enforcement		637,134,000	669,469,000
<i>Administration of Justice</i>			
<i>Courts</i>			
700	District Courts	25,271,000	25,835,000
930	1st Court of Appeals	92,000	92,000
931	14th Court of Appeals	92,000	92,000
940	County Courts	14,300,000	14,585,000
991	Probate Court No. 1	1,366,000	1,395,000
992	Probate Court No. 2	1,366,000	1,395,000
993	Probate Court No. 3	3,700,000	3,775,000
994	Probate Court No. 4	1,366,000	1,395,000
Subtotal Courts		47,553,000	48,564,000
<i>Indigent Defense</i>			
560	Public Defender	9,040,000	9,375,000
701	District Court Appointed Att Fees	36,618,000	45,000,000
941	County Court Appointed Att Fees	3,684,000	3,900,000
Subtotal Indigent Defense		49,342,000	58,275,000

General Fund Budget - Departments

ORG	DEPARTMENT	FY 2016-17 Adopted Budget	FY 2017-18 Allocation
<i>Administration of Justice (Continued)</i>			
<i>Justices of the Peace</i>			
311	Justice of the Peace, 1-1	2,023,000	2,070,000
312	Justice of the Peace, 1-2	2,293,000	2,340,000
321	Justice of the Peace, 2-1	1,014,000	1,035,000
322	Justice of the Peace, 2-2	969,000	990,000
331	Justice of the Peace, 3-1	1,851,000	1,895,000
332	Justice of the Peace, 3-2	1,195,000	1,220,000
341	Justice of the Peace, 4-1	2,824,000	2,880,000
342	Justice of the Peace, 4-2	1,525,000	1,555,000
351	Justice of the Peace, 5-1	2,181,000	2,225,000
352	Justice of the Peace, 5-2	3,172,000	3,235,000
361	Justice of the Peace, 6-1	742,000	755,000
362	Justice of the Peace, 6-2	848,000	865,000
371	Justice of the Peace, 7-1	1,171,000	1,195,000
372	Justice of the Peace, 7-2	1,034,000	1,055,000
381	Justice of the Peace, 8-1	1,306,000	1,335,000
382	Justice of the Peace, 8-2	1,139,000	1,165,000
Total JPs		25,287,000	25,815,000
Total Courts		122,182,000	132,654,000
<i>Other Admin of Justice</i>			
213	Fire Marshal	6,153,000	6,275,000
270	Institute of Forensic Science	28,834,000	29,960,000
510	County Attorney	21,544,000	21,975,000
515	County Clerk	29,010,000	29,590,000
545	District Attorney	77,050,000	78,590,000
550	District Clerk	32,415,000	33,065,000
601	Community Supervision	1,250,000	1,275,000
605	Pre-Trial Services	7,491,000	7,640,000
840	Juvenile Probation	76,000,000	78,320,000
842	TRIAD Program	1,520,000	1,550,000
880	Protective Services	24,130,000	23,610,000
Subtotal Other Admin of Justice		305,397,000	311,850,000
Total Administration of Justice		427,579,000	444,504,000
Total General Fund-Departments		1,395,634,923	1,456,507,940

General Fund Budget - Court and Gen Administration

ORG	DEPARTMENT	FY 2016-17 Adopted Budget	FY 2017-18 Allocation
Commissioners Court			
100	County Judge	7,500,000	7,650,000
101	Commissioner, Pct 1	63,329,000	71,037,000
102	Commissioner, Pct 2	62,391,000	67,832,000
103	Commissioner, Pct 3	56,734,000	57,282,000
104	Commissioner, Pct 4	65,410,000	67,972,000
105	Tunnel & Ferry	5,653,000	5,765,000
Total Commissioners Court		261,017,000	277,538,000
202	Gen Admin - Transfers/Expend.	125,000,000	135,000,000
202	Gen Admin - Fund Balance	739,377,661	818,278,383
202	General Administration (Note)	864,377,661	953,278,383
Total General Fund Budget		2,521,029,584	2,687,324,323

Note : The General Administration budget includes funds that will be transferred to departments for the rollover, R&R funding and for county-wide expenditures such as audit fees. The Fund Balance shown is collected at the end of the fiscal year and provides the opening balance/working capital needed to pay operating expenses in advance of tax collections for the next fiscal year.

General Fund Commissioners Court Allocation

ORG	DEPARTMENT	Estimated Beginning Bal	New Fees Allocation	New Funding Allocation	FY 2017-18 Budget
100	County Judge	-	410,000	7,250,000	7,660,000
101	Commissioner, Pct 1	35,027,000	11,010,000	25,000,000	71,037,000
102	Commissioner, Pct 2	31,822,000	11,010,000	25,000,000	67,832,000
103	Commissioner, Pct 3	21,272,000	11,010,000	25,000,000	57,282,000
104	Commissioner, Pct 4	31,962,000	11,010,000	25,000,000	67,972,000
105	Tunnel & Ferry, Pct 2	-	-	5,765,000	5,765,000
		120,083,000	44,450,000	113,015,000	277,548,000

Note: New fees include Road & Bridge fees estimated to be \$42.4 million allocated evenly to the 4 Precincts and Child Safety Fees of \$2.05 million allocated evenly to all 5 Court members. Budgets may be adjusted to reflect the actual beginning balances as needed in March.

Public Improvement and Mobility Fund Budgets

Public Improvement Contingency Fund Budget

ORG	DEPARTMENT	FY 2016-17			FY 2017-18 Budget
		Adopted Budget	Adjusted Budget	Estimated Actual	
202	General Administration	107,043,377	94,391,125	540,000	116,591,449
35	Engineering R&R	-	10,786,138	10,480,401	305,737
297	FPM R&R	-	1,186,707	692,586	494,121
821	Texas A&M Agrilife	-	200,000	176,834	23,166
Total Public Impr Contingency Fund Budget		107,043,377	106,563,970	11,889,821	117,414,473

Mobility Fund Budget

ORG	DEPARTMENT	FY 2016-17	FY 2017-18
		Adjusted Budget	Budget
101	Commissioner, Pct 1	132,360,579	124,904,000
102	Commissioner, Pct 2	75,385,000	82,729,000
103	Commissioner, Pct 3	67,720,645	68,081,000
104	Commissioner, Pct 4	107,713,618	100,417,000
35	Engineering R&R	14,074,580	12,085,244
208	County Engineer	-	14,400,000
202	General Administration	37,420,936	37,638,756
Total Mobility Fund Budget		434,675,358	440,255,000

Budgets for the Mobility Fund are balanced, as required, to the Auditor's Final Estimate.

Budget adjustments will be made based on the final ending balances by Precinct after the end of the current fiscal year.

Mobility Fund Allocation to Precincts:

ORG	DEPARTMENT	Estimated Beginning Bal	Allocation Formula	New Funding Allocation	FY 2017-18 Budget
101	Commissioner, Pct 1	106,904,000	15%	18,000,000	124,904,000
102	Commissioner, Pct 2	56,329,000	22%	26,400,000	82,729,000
103	Commissioner, Pct 3	39,281,000	24%	28,800,000	68,081,000
104	Commissioner, Pct 4	68,017,000	27%	32,400,000	100,417,000
208	County Engineer	-	12%	14,400,000	14,400,000
		270,531,000	100%	120,000,000	390,531,000