



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 9, 2018

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

Re. **FY 2018-19 Budget Presentation**

The proposed budgets for FY 2018-19 are attached for court approval. The new budgets will be effective for the period of March 1, 2018 through February 28, 2019.

Policy Issues and Proposed County Budgets

The proposed policy issues and budget allocations at the department level for the General, Public Improvement Contingency and Mobility funds are included. Budgets for debt service, grant, special revenue and all other funds are also presented at the fund level 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 2018-19.

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 2018-19 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 avoid issuing any Tax Anticipation Notes during FY 2018-19 for the second consecutive year.
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 Program (CIP) will be presented on June 26 and Mid-Year Review will be held on September 25.
4. Contract patrol rates will increase by 3% on March 1, 2018 but will not increase for the fiscal year that begins on March 1, 2019.
5. An Audit Review Committee is recommended to be formed to provide feedback and guidance to the County Auditor's office on both internal audit activities as well as reviewing the results of the external audits. The Committee, if approved, will include representatives of the five Court members, Budget Management and the County Treasurer.
6. Recommendation to move certain contracts and related expenditures from Facilities & Property Maintenance (Dept. 299) to the Utilities and Leases Cost Center (Dept. 298) to improve the budgeting and accounting for these expenses. This cost center does not have any positions or labor expense nor does it have rollover budgets or transfers out to other departments.