

MINUTES OF THE

COMMISSIONERS' COURT

BUDGET WORKSHOP MEETING - JUNE 18, 2019

On the 18th day of June, 2019, there was a Budget Workshop Meeting of the Commissioners' Court in the Commissioners' Courtroom, 2840 Hwy 35 N, Rockport, Aransas County, Texas, with the following members present: **C. H. "Burt" Mills, Jr.**, County Judge; **Jack Chaney**, Commissioner, Precinct 1; **Leslie "Bubba" Casterline**, Commissioner, Precinct 2; **Charles Smith**, Commissioner, Precinct 3; **Wendy Laubach**, Commissioner, Precinct 4; and **Valerie K. Amason**, County Clerk.

Other County Officers present were **Kristen Barnebey**, County District Attorney; **Alma Cartwright**, Treasurer; **Bill Mills**, Sheriff; **Suzy Wallace**, County Auditor; **Jacky Cockerham**, First Assistant County Auditor; **Lee Zapata**, Communications Director; **Patrick Flanigan**, 156<sup>th</sup> Judicial District Judge;

Other Interested Parties present:

**Mike Probst**, Editor and Publisher of the Rockport Pilot Newspaper;

The Meeting was convened at **9:00 a.m.** by Judge Mills, WHEREUPON, the following discussions were had to wit:

**Judge Mills:** Judge, we pay our share of the District Judge's pro rata by the population, right? **Judge Flanigan:** I believe that's correct, yes. **Judge Mills:** And the population was according to the 2010 Census? **Judge Flanigan:** I think they may have updated it to the 2015 estimates according to the demographers. **Judge Mills:** Well since the Hurricane we have

lost a lot of people in our county. **Judge Flanigan:** Yes, that is a good point. **Judge Mills:** Do you know if anything has

been adjusted? **Judge Flanigan:** I do not know, that is certainly something to look at. **Commissioner Laubach:** Who would we talk to about it, is it the guys in Austin? **Judge**

**Flanigan:** The population estimates could be gleaned from a number of different sources, I'm sure the State has demographers that give us estimates as to whatever time frame we want, a lot of that may come from the Comptroller's Office, they get information directly from the Appraisal Districts.

**Commissioner Laubach:** Does the OCA decide where the numbers come from? **Judge Flanigan:** Well, there are different numbers

for different things, the Office of Court Administration is going to be looking at what is happening in Court, the number of cases filed, dispositions, Civil, Criminal, Probate, Family Law, all of those things. Some of that will follow population, but if we are going to look at that, I would hazard a guess that Aransas County's numbers would be skewed, because after the disaster, a lot of litigation is going on, folks that are suing contractors, criminal defendants that are coming in from out of county.... **Commissioner Smith:** Well Judge, are you suggesting

that we should be going by case load, other than population?

**Judge Flanigan:** I don't know that that would be a better...

**Commissioner Smith:** I don't either. I think it's all based on population. Who would you need to talk to about how these

things are pro rata based on? **Judge Flanigan:** I assume it was a collaboration between the Auditors in the various counties and the County Judge's way back when. **Commissioner Smith:** I'm

talking about this year's computations. **Judge Flanigan:** Oh, this year, I don't know, I don't think they are any different

than they were last year. **Judge Mills:** If our numbers are lower than Bee County's, why are so many Courtrooms reserved for all day this next year, you've even got our Commissioner's

Courtroom booked for a day. **Judge Flanigan:** Well we do the same thing, and even more in Bee County where we have two courtrooms that are five days a week. **Judge Mills:** Do you

book them all day when they are only used half a day or less?

**Judge Flanigan:** They are booked all day because they do not have a County Court at Law and so their County Court is presided over by the County Judge and their case load is not very heavy.

**Commissioner Smith:** Let me back up, you're saying you don't know how this number was put together. **Judge Flanigan:** These

numbers that we've got, the percentages as apportioned between the five counties, is by population, I can't tell you if it is a 2010 population or a 2015 estimate. **Commissioner Smith:** Then

how do we go about checking to see what they based it on?

**Kristen Barnebey:** According to the San Patricio County Auditor, these are based upon 2010 Census numbers. **Commissioner Smith:**

Can she get that changed. **Judge Flanigan:** I don't have any opposition, that's fine by me. **Commissioner Smith:** One number on here did change, Line 116 went down by \$5,000, I would assume that is the apportion of the Judge's salaries? **Judge**

**Flanigan:** The pro rata share from Aransas County that goes to San Pat County, no, San Patricio County administers all of the five county resources, gets information from the other four counties, combines that with the 53%, I think, of San Pat County's kick-in and that pays for the Court Administrator's salaries, the Court Reporter's salaries, and other expenses that are absorbed by the five county budget overall. Printing, phone lines, expenses for equipment that applies to and is used by us

and our staffs for the five counties, as opposed to furniture that we got for Aransas County only, a copier in Beeville for Bee County use only, that's what this is. My understanding was that today's hearing was for the non-personnel issues only, that sometime later, when the budget gets a little better flushed out and you got better information about how much revenue you've got, how much draw down is going to be for non-personnel issues and make a decision as to whether or not any salary increases are in the offing, if there is any additional personnel that can be funded, those kinds of things. So I think that what we've got in the budget here as it's been prepared mostly by the Auditor is a recognition of "we don't know what that's going to be", we just put in that \$131,000 as a starting point, kind of a place holder, I don't think it's going to actually be a \$5,000 decrease, because we are not producing any staff, we are not cutting anybody's salary, we don't have a lot of expenses that we are anticipating for furniture, furnishings, office supplies, any of these other issues, but Social Security issues are not going down, Retirement Expenses are not going down, Insurance for our employees are not going down, I'm not sure why that \$5,000 decrease was put in there, but I'm not going to tell you that it is a realistic expectation. **Commissioner Smith:** It's

interesting, and I don't think I've ever seen, that the part-time help is more than the full time employees. **Judge**

**Flanigan:** I think that is because we are utilizing a part-time help for bailiffs. **Suzy:** That's Charlie's salary.

**Commissioner Smith:** This \$181,000 in line 401, Attorney Fees, are those court appointed attorneys? **Judge Flanigan:** Yes.

**Commissioner Smith:** Is that apportioned, again, on the population? **Judge Flanigan:** No, that is specific to Aransas

County. **Commissioner Casterline:** Well, if you're worried about how they are allocating everything, maybe we could have Suzy talk to San Patricio County. **Suzy:** Well, this \$131,000 number, I got directly from David Wendell, who is the Auditor for San Patricio County, and I can check with him on the apportionment. **Judge Mills:** Courtroom usage, why is the docket so different, usually we average 15 people on the docket, sometimes it will go with 1 or 3, and last week you got pretty hard, what happened? **Judge Flanigan:** We got hit with a couple of large Grand Jury returns, when the Grand Jury comes back with 20-30 defendants and if they decide to have two Grand Juries in one week, all of those folks wind up getting bunched together. I think there will be some alleviation of that in the coming months, because over about a two month period I think we've got at least three Jury Dockets over here so a lot of those cases, a lot of the cases that we had last week were the first time that they have been scheduled for Jury Trial, and particularly if they are in Jail, my position has always been "if they are in jail I'd like to get them into court sooner than later". **Judge Mills:** Why are there so many people in jail awaiting trial? **Judge Flanigan:** Well, because cases aren't ready to go to trial. **Kristen Barnebey:** And your honor, if you want to talk about that later, that's absolutely not why we are here. **Judge Mills:** Ok. **Judge Flanigan:** And folks are waiting in jail here to go to trial and cases are not ready to go to trial, we've got folks that have cases that have been pending for months that are in the prisons and they need to be brought back here to go to trial, they're not on our nickel but they do need to have their cases heard. **Judge Mills:** The people in this jail are on our nickel and it bothers me. **Judge Flanigan:** I went to visit

with you last week when you were at a conference, I was so frustrated with not being able to get the docket moved.

**Commissioner Smith:** How do we fund this, do we pay it monthly, based on billing that comes over? **Suzy:** The pro rata share is

quarterly. **Commissioner Smith:** For instance, on these county specific items, like attorney's fees? **Suzy:** Oh, we process those as the invoices come through. **Commissioner Smith:** So we

are paying direct here? **Judge Flanigan:** Yes, the only thing that goes to San Patricio County, I think, would be that 116, that's the pro rata share. Everything else is processed through the Auditor's office and the Treasurer's office here, they cut the checks locally. **Commissioner Smith:** Yes, I was just

looking at it and roughly you've spent \$54,000 in the first five months this year on Attorney's Fees and that doesn't project out to be \$181,000, so just going forward. **Judge Flanigan:** Now,

let me caution you on that, that also is a function of not having cases getting concluded here in court. When cases are not getting tried, if they are not ready to go forward, the attorney is still on the case and they don't submit a fee application until the case is done. **Commissioner Smith:** I

guess then, what about the Petit Jurors and the Grand Jurors, those are actual county specific? **Judge Flanigan:** Those are

county specific and, I believe, those payments are made as those expenses are incurred. **Commissioner Laubach:** Judge Flanigan,

what are your options when cases are not ready to go to trial, what can you do? **Judge Flanigan:** Well, I have to evaluate a

reason that there is a continuance, is it by the Defense or the State. If it's appropriate and the case has not been lingering too long, I can do one of two things, I can grant a continuance or I can tell everybody, I don't care what your problem is, your

case is going to go to trial. The third option that I have, if the defendant is in jail and the case is not ready to go, I usually don't do this if it is the defendants request for continuance, but if it's the State's request for continuance and I want to make sure that the case stays on the Docket and I don't want to Dismiss that, then I can entertain a PR Bond, so I can at least get them out of jail. We can have them reporting to the Probation Office, they are not costing that Per Diem expense from the Sheriff's Office, and I do that pretty regularly, the same was as a defendant is in jail and enters a plea and I've agreed to place them on probation and in most cases I give them a recognizance bond so they can get out of jail anyway, let's have them report to probation and find out how they are going to respond to being on probation.

**Commissioner Smith:** As you are well aware we have a contract to house federal prisoners and when we have excess prisoners in our jail waiting it cuts down on the revenue from the Feds and we do try to budget for those. If you see things that we can change here to speed up the process we would love to hear them. **Judge**

**Flanigan:** Let me think about that, we, as Judge's, do what we can to efficiently, judiciously, move the cases forward, we want the docket to move and when it doesn't move it's frustrating.

Sometimes it's just the way it is, stuff takes a certain amount of time, some cases complex, some cases are very serious offenses that need a lot of attention, but sometimes I'm at a loss to understand, from either side, I'm not throwing bricks at anyone, but I'm at a loss as to why this case, after a year, is not ready to go forward. **Commissioner Smith:** I agree, and I

totally agree with the old saying, "Justice delayed is Justice denied". **Judge Flanigan:** Yeah, your sense of frustration,

just from what you see, is a fraction of sometimes what we have to deal with. Do you have any questions about the budget proposal? **Commissioner Smith:** Just how do we get this rigged out. **Judge Flanigan:** Well, other than that apportionment issue, we're not much different than status quo. **Commissioner Smith:** But if we had a 20-30% decline in population that might save 10-15% on the allocation coming to our county. **Judge Flanigan:** Well, what is Aransas County's apportionment, Suzy? **Suzy:** I believe it's 17%. **Judge Flanigan:** So if you had a 20% reduction in population I think that would equate to about a 3% reduction, but you're the numbers guy. **Commissioner Smith:** I think it would be about \$20,000. **Judge Flanigan:** Any other questions about the budget? (None)

**COMMUNICATIONS - LEE ZAPATA:**

**Commissioner Casterline:** Have you looked at the apportionment, lately? **Lee:** Yes, actually I put together the percentages and finalized that report yesterday and so we are actually down 1% on the call volume with the County. So last year we were going off of totals of 47% of the call volume made by the County, this coming budget year we will go off of 46%. **Commissioner Casterline:** Are you looking at the areas that Aransas Pass might be annexing to see what the call volume is over there? **Lee:** Yes, actually Sheriff Mills asked me about that yesterday, and so the small portion that was annexed recently, we did a report and there was only two calls in that area and one of them was for Animal Control. **Commissioner Smith:** Interesting, your budget has gone up by \$17,600 and that's with a decline in the call rate, is that right? **Lee:** Yes sir, I don't believe it's

that much though. **Jacky:** It's only \$8,300 now with the changes that have been made changing the 47% to 46%. **Lee:** And the difference is actually in personnel because of education and certification pay. **Jacky:** That's in line 118. **Commissioner Casterline:** Are you having people staying longer now than in the past, because you are doing this? **Lee:** Yes, so far, we had a little bit of turn over last year, but they really do reap that benefit of the education and certification pay. I have two other employees now that are taking on-line college education courses and there is a third employee that just received two double Associates in December.

**Auditors Office:**

**Suzy Wallace:** I had talked to the Judge previously about trying to get another person to handle all of the Grants that we anticipated coming in, but Jacky and I have sat down and put pencil to paper and we decided that we are going to re-structure our department and we are not going to ask for that extra person. So, some of these additional expenditures that are in here, we can cut them back, so the total proposed 2020 comes to \$364,998 and that leaves us with an increase of \$1,401. We will only need to change some job descriptions with the re-structure, but no new monies.

**Suzy:** Jacky and I had a meeting with Kathleen and just as a heads up, the 15% increase that we had allowed for Insurance over last year's, just because we did not know, she came back and said that we may have to pay an additional pro rata insurance premiums for this calendar year because they have done some evaluations on the properties and got the values in line and it's possibly going to be an additional 50% over what we

paid this past year, as a pro rata from probably July - March.

**Commissioner Smith:** This is because we didn't raise the values on the properties? **Suzy:** Yes. **Commissioner Smith:** That's

interesting thing, because the values of those properties we are going to pay that, does that raise the amount of the recovery money that we can get? **Suzy:** Yes, so as soon as I get those

new numbers we will have a better idea of what to put in the budget. **Judge Mills:** Alright!

**Commissioner Smith:** I noticed in this budget that you ladies are using the effective tax rate. **Jacky:** It's just a place holder because we didn't have anything else. **Commissioner**

**Smith:** If we adopt an increase in tax and then go with the effective tax rate, how far out in the future does that lengthen the process? **Jacky:** We probably, if you propose the first week

of August, I don't think it should change anything because we still have the month of August to be able to do all of the publications and the public hearings, if anything it could throw us to the first meeting in September, but it shouldn't lengthen it. **Commissioner Smith:** The reason, when this delivered

advice starts talking about the tax rate with one eye on our General Fund and also keeping an eye on what's happening in the Legislature in the future, having lived with a different roll back rate, in order to cushion that first year in there, projecting sustaining losses in the General Fund coming down, as nice as it sounds if we can go with the effective tax rate even on this pass right here, we are looking at almost a million dollars decline in the General Fund balance by doing that based on this preliminary budget, we haven't taken too much out. As a matter of fact we've been talking about this morning, probably that budget is going to be exactly the same amount of money,

maybe changed around a little bit, but it's still going to be a huge deficit, that's what it's looking like. **Suzy:** Well, I think there are still areas that we can trim.

**Alma:** Judge, do we need to go over any of the Health Care Sales Tax requests? **Judge Mills:** Code 3 has come to us asking for another shot in the arm, I got Commissioner Smith to look at the numbers on that. They asked for \$100,000 a month and I told them we can't do that, possibly \$100,000 every other month or \$50,000 a month. **Commissioner Smith:** I talked with Tucker Anderson and I told him what I would need is the Financial Statements for this year, balance sheet, and the income for the first five months. Plus, what they are doing is, they are billing Urgent Care, even the people that are on Medicare, and they are collecting on that. I was told yesterday, by him, that the Doctors that are working for Code 3 had actually billed Medicare for their services for the people that are on Medicare. The place where they are being shorted is on the facility charge to cover their equipment. I said, well then let me know, over the last five months, what that facility was charged, those that are not billable or reimbursable by Medicare, so he is supposed to be sending me that information. **Alma:** Well I have a list here that Brenda prepared for me, you know they were sending bills for our jail indigent people and the reason we denied payment on them is because they would give us a Medicaid number, which was probably one of the doctors, and it would never go through because it was facility charges. So, this list here of all of those inmates that they serviced, we could pay \$18,000 on that amount of the Indigent Program, based on a lesser rate, so that would knock down what they say they are not getting paid

for if that's any consolation for what they are asking.

**Commissioner Laubach:** How much accumulation is that for, a month's worth? **Alma:** This goes back to June 2018. So, if you want the Indigent Health Care in the Jail to continue paying at the lesser rate than we would if they qualified, we could do that to lessen what they come back and tell the Judge, I'm not getting paid for these bills.

**Commissioner Smith:** You know last week the Court has entered into a contract with Texas A&M for Grant Funding to build an Acute Care Hospital, now let's assume that we get that and then we want to go forward with having some people operating it, what's it going to cost in order to supplement what this Hospital could charge the Public, both insurance wise and people without insurance.

**Commissioner Laubach:** One of the reasons they want to talk about a Micro Hospital at Code 3 is they would no longer be a free standing ER, they wouldn't have the same restrictions with Medicare and Medicaid, so some of the reimbursement problems go away if we do that.

**Commissioner Smith:** That's right, part of the problem is going to be, the only way to really fund this, the County has adopted a long time ago a ½ cent sales tax, so we are building a reserve there, the good news is if we took the \$1,885,000 and we took out the transfer to General Fund and we took that over, that's going to cover Administrative Costs, right? If we had an Acute Care Hospital, those Administrative Costs could be over there and they could assume the Indigent Health Care, if we contract with them, and they would actually then cover the Indigent Health Care Costs. We would have to transfer to them still, because of State Law, 8% of our Gross Property Tax Assessment, but that would go the Hospital. What I'm trying to

say is, we could still transfer out of that \$1,885,000, a \$1,500,000 to the Hospital System to help supplement their income. In looking at similar Hospital Districts, Archuleta County, Colorado, which is a lot smaller county than we are, they only have 3,500 full time people that live in that town, they built a hospital with Grant Funds, and the revenues on that hospital, now they have a lot of tourists that come in, is about \$26 million a year. They formed a Health Services District and the tax on that is about \$1,000,000 a year, they are turning a profit. I can envision something like that happening here and we would want to set up a District, but based on the numbers that I'm looking at, I can't see where we would have to come up with much of a tax rate, but that's a different issue. **Alma:** My issue with that is, you give that Hospital, yes you want it to succeed and the county needs to help it and this money is for that, but if you give up the Indigent Health Care to that Hospital you lose control. Who's to say they are going to truly serve your Indigent? When you have it in house, your guaranteed that you're spending that money, no there's probably never going to be any State reimbursement because we never get there,....

**Commissioner Laubach:** Giving them a Contract is not the same thing as giving them control, we still have a right to void a contract, we already contract it out because we're not doing our own medical care, you could contract it out daily or annually, but you could preserve some control. **Alma:** But for this Micro Hospital to work we are definitely going to have to help them with this money and that's what this money is for.

**Commissioner Smith:** My thought process is, somewhere along the line we are going to have to go out and set up a District, a District set up to the Public should have a very low tax rate, I

June 18, 2019

think that is achievable because we are already contributing a half percent of our sales tax towards this type of issue. A million and a half, and that's not cutting out anything else, I left in Transfer of Assistance, Ambulance Services, COE Nutrition, and Halo Flight and we still have about 1.5 million.

**Alma:** The Admin is the \$187,000, the \$300,000 to the General Fund, Suzy, what does that include? **Commissioner Smith:**

Mosquito Fund and Admin, I believe. **Jacky:** The transfer to the General Fund is the Admin., that includes the Jail Nurses, Inmate Prescriptions, Environmental Health Employee.

**Commissioner Casterline:** Suzy, has Halo Flight increased what they want? **Suzy:** Yes, they increased it from \$10,000 to

\$15,000, so do you want to leave that at \$15,000? **Judge Mills:**

Yes. **Suzy:** And then the only other question is Code 3 that's highlighted in yellow and I think Commissioner Smith is going to look at that. **Alma:** The rent across the street for South

Texas Planning went up too.

**Judge Flanigan:** I came back with some answers, I did an Internet search and I've got three sets of data. The State Health & Human Services Department 2019 Projections, by County; a County breakdown for 2018 from the Census Bureau; and the Texas Association of Counties broken down from 2010 to 2017. I'm not here to say that I believe it, I'm just saying that those are the numbers that several somebody's have posted for recent population for the various counties. **Commissioner Smith:**

What do you all base yours on? **Judge Flanigan:** Ours is based on U.S. Census Population. **Commissioner Smith:** So the 2018

Population Estimates from the U. S. Census Bureau is 23,792, (chuckle) you can go out to our schools and find out how many

kids we lost, that had parents. **Judge Flanigan:** Well, when

June 18, 2019

they flew over and observed things they didn't count anybody, I'm pretty sure. **Commissioner Smith:** Ok, good information. We need to check with the San Patricio County Auditor and see which data he's using and who is giving him that data input and then talk with them. **Suzy:** Right. **Jacky:** I think Kristen said they were using 2010. **Judge Flanigan:** I did a quick calculation, I didn't use the 2019 numbers that we got from the State Health Department because I don't believe those, they are so far out of whack, as far as Aransas County is concerned, but if you look at the 2017 numbers from the Texas Association of Counties and the 2018 numbers from the Census Bureau, those are 17 & 18 percent of the District Population, respectively.

**Commissioner Chaney:** A good source is the Texas Education Agency student ratio population. **Judge Mills:** It's only 23,792 before Harvey. **Commissioner Laubach:** And right now we are paying on the basis of 17%. **Judge Mills:** Have you all ever considered, there are three Judges and five Counties and instead of driving all over five counties, that maybe two of you have two counties, one of you have one county for a year and then you rotate, have you ever thought about that? **Judge Flanigan:** That was considered, but the counties that put up a veto, or that complained about that, were the Northern Tier, Bee, Live Oak, and McMullen Counties, because as it turned out population wise, the most reasonable way to do that would be for one Judge to handle that and the other two Judges work San Pat and Aransas County. By case load and population that seemed to be the most reasonable way to divvy that up, frankly at one point the District Attorney's office had all five counties as well, then there was Legislation to break out Bee, Live Oak, and McMullen counties, they wanted to bear that expense so they

broke off and had that become a three county District Attorney District. I don't know if that is why they were so resistant to having just one Judge there at a time, or just what, but that was explored a number of years ago. If we did decide to break it out, we would have to have it be a decision by the Board of Judges and then have it approved by the Supreme Court. By statute, each of us share that five county District so any change in process would be a modification to the statute. **Judge**

**Mills:** It just makes better sense to me, I would just like to see a District Judge in Aransas County more than what we are getting right now, even if we had to pay for a visiting Judge.

**Judge Flanigan:** We don't really have a problem getting a visiting Judge, it's the problem with getting a court reporter, because a visiting Judge does not have his own court reporter because they are not a currently sitting Judge. Judge Bauer has had a vacancy for over a year. **Commissioner Smith:** Judge, the only allocation on what we are picking up here, after everything else that is County specific, is the pro rata from San Pat.

**Judge Flanigan:** Yes, that is the only thing that is not being spent and run directly through the Auditor's office here.

**Commissioner Smith:** So, I've recomputed and even if it only went down to 18,792, knock 5,000 off the latest census estimate, it would change our percentage rate from 17.35 to 14.2, but that is only going to pertain to the amount of pro rata. **Judge**

**Flanigan:** It would only apply to that \$131,136 and you're only talking about \$3,000 to \$4,000. Anyway, I just wanted to get that to you.

