



BUDGET OFFICE

Fort Bend County, Texas

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Director of Finance & Investments

December 2013

**The Honorable Commissioners Court of
Fort Bend County
Richmond, TX 77469**

The staff of the Budget Office is pleased to present the *Annual Operating Budget for Fort Bend County for Fiscal Year 2014*. The 2014 Budget, adopted by the Fort Bend County Commissioners Court on September 10, 2013, was prepared based on the assumption that the County's debt service would grow and consume a larger share of our financial resources over time, and the assumption of five percent growth in the County's property valuation. Most of the County's Facility Bond Projects have been completed, or are near completion. Fort Bend County is nearing completion of the 1909 Courthouse Restoration.

BUDGET OVERVIEW

Again for fiscal year 2013, the County's budget document was awarded the Government Finance Officer's Association's Distinguished Budget Presentation Award. As a measure of our adoption and practicing of superior financial policies and procedures, the award enhances the rating of the County in the issuance of bonds and other indebtedness. Rating agencies use such factors as The Distinguished Budget Presentation Award in determining the credit rating of the County. We intend to continue this tradition, and make it an annual award.

This budget increased from the prior year's budget by 8.41 percent. Due to current economic uncertainties in our nation, state, and subsequently our county, the Budget Office requested each department and office to keep their budgets equal to their prior year budgets, and most met that goal. Those departments and offices that increased their budgets were justified in their requests due to the last few years of budget cuts. The major increases in the budget occurred in District Judges Fees/Services which increased by \$1.0 million, or 50 percent, Information Technology which increased by \$1.3 million, or 26 percent, Engineering which increased by \$0.4 million, or 25 percent, and Non-Departmental which increased by \$2.0 million, or 20 percent. The District Judges Fees/Services increase was due to historical costs of court appointed attorney fees. Information Technology's increase was wholly due to a transfer of telecommunications from Facilities operations to Information Technology. Engineering's workforce is greater by four positions compared to 2013, increasing their overall budget. Tax Increment Reinvestment Zone payments are made from Non-Departmental accounting unit; therefore increasing that accounting unit due to the increased payments.

It was through the dedication of each official and department head that we were able to keep our commitment to maintaining at least 15 percent of the amount of the General Fund budget as its ending balance. The 15 percent ending balance allows the County to have a cushion for almost any conceivable emergency that could occur, even one of a long duration. The ratings agencies view this practice as optimal. It balances the need to reduce taxes to the taxpayers in the County as much as possible with the need to provide for realistic emergency funds.

The County engaged in a major series of bond projects beginning in 2007 and is currently wrapping the facilities projects up. The County had largely outgrown the ability to pay for capital

projects from current funds. We now must plan in advance to build major capital assets by use of bonds or other debt issuance, while maintaining our infrastructure with current funds. Our current round of projects has resulted in an increase in the debt service tax rate, which is balanced by reductions in the rest of the budget.

This year, the County realized a much needed increase in our General Fund tax base of 6.4% while only increasing by staying steady in recent years. This is compared to the County's tax base increasing by an average of 12% over the 8 years prior to 2008.

The adopted budget contains:

- A 3.75% cost of living adjustment for all employees in the Law Enforcement policy group.
- A 3.00% cost of living adjustment for all employees in the Civilian Detention policy group.
- A 1.25% cost of living adjustment for all employees in the Administrative/Clerical, Professional Management, Operator/Skilled Trade, and Public Health policy groups.
- A one-step, or 2.35%, increase for all full-time employees hired before July 1, 2012.
- 43 new positions throughout the County including:
 - (11) Clerks in Vehicle Maintenance, District Clerk, Justice of the Peace, Pct. 3, Tax Assessor/Collector, Indigent Defense, and Senior Center,
 - (1) Custodian in Facilities – Custodial,
 - (3) Attorneys in District Attorney's Office,
 - (1) Investigator in District Attorney's Office,
 - (1) Detention Deputy in Sheriff – Bailiffs,
 - (1) Inspector Investigator in Fire Marshal Office,
 - (1) Associate Judge in Courts Administration,
 - (1) Administrative Assistant in Behavioral Health Services,
 - (3) Telecommunications Officers in Sheriff's Office,
 - (4) Deputies in Sheriff's Office,
 - (3) Investigators in Sheriff's Office,
 - (1) Criminal Analyst in Sheriff's Office,
 - (3) Engineers in Engineering Office and Drainage District,
 - (1) Kennel Technician in Animal Services,
 - (2) Maintenance Workers for Senior Center and Fairgrounds,
 - (1) Sanitarian for Environmental Services,
 - (2) Parks Operators for Parks Department,
 - (2) Detention Officers for Juvenile Detention, and
 - (1) Library Paraprofessional for the County Law Library

FUND BALANCES

For several years, it has been a goal of the County to maintain the General Fund Balance at no less than 15 percent of the current fiscal year's budget. It is also an element of the Adopted Budget Policy for this year. Because of the slowed growth in tax base last year along with increases in Debt Service, it was necessary to use some of the "rainy day" reserves in fiscal year 2010. Therefore, we had to bring our fund balance back up to 15 percent for fiscal years 2011 and 2012 which meant more budget reductions. We were able to bring our fund balance back to the 15% mark in 2012. Anticipating little growth in our taxable value base and an increase in our debt service, the Budget Office asked each department to keep the budgets flat for fiscal year 2013 and was able to keep the 15% fund balance. However in preparation for FY2014, a salary study was conducted and indicated a need to adjust salaries accordingly. The County could not fund the entire salary increase and therefore chose to make the adjustment over two years. The

salary adjustment brought the fund balance down to 14.8%; however, there are plans to bring the balance back up to 15% in FY2015.

In Fiscal Year 2014, the budgeted General Fund expenditures are in excess of revenues by \$7,739,689, leaving an ending projected General Fund Balance of \$30,077,480, or 14.7 percent of the General Fund Budget. Revenues in general have remained constant, with interest earnings declining over the past year as the Federal Open Markets Committee will maintain the target range for the federal funds rate at 0 to 1/4 percent and continues to anticipate that economic conditions, including low rates of resource utilization, subdued inflation trends, and stable inflation expectations, are likely to warrant exceptionally low levels of the federal funds rate for an extended period.

Road and Bridge Fund expenditures will exceed revenues by \$1,292,366 this year. We estimate the ending Fund Balance will be \$3.2 million after the 2014 budget year is completed. The ending Fund Balance is estimated to be 16.0 percent of the budget amount.

Drainage District expenditures will exceed revenues by \$3,399,085. The ending balance of this fund is estimated to be \$1,546,737, or about 15.1 percent of the 2014 budget amounts.

Debt Service revenues will increase slightly this year in response to using excess reserves in 2013. We will receive an estimated \$31,963,256 from taxes and other revenues in addition to our \$2.1 million estimated beginning balance. Our Debt Service payments will be \$32,349,548, leaving an estimated \$1.7 million in Fund Balance.

We carefully manage the Fund Balances to remain in a strong financial position. We always plan to provide adequate reserves to demonstrate to the bond rating agencies that we are one of the stronger Counties in the state financially. Our current ratings are AA+ by Fitch and Aa1 by Moody's, both very solid ratings. Considering that the County will soon issue bonds for Mobility Projects, it is essential that we maintain these excellent ratings.

TAX RATES

Property taxes make up 83.4 percent of our FY2014 revenues. As proof that Counties are among the most fiscally responsible of all governmental entities, the Fort Bend County Tax Rate has not increased in 16 years. In 1992, twenty one years ago, the Tax Rate was 66 cents per \$100 of property valuation. For the 2013 tax year (FY2014), it will be 49.976 cents per \$100. For the last 15 years, since 1998, the total Tax Rate, including the General Fund, the Debt Service Fund, the Road and Bridge Fund and the Drainage District, has either been reduced, or held steady. (For eight of those years, the rate has dropped.) This is partially due to the increase in the County's net assessed taxable value each year, but also to the fiscal guidance of the Commissioners Court. This year the overall County Tax Rate remained the same. Although the General Fund and Road & Bridge Fund Tax Rate increased, Interest & Sinking (Debt Service) and Drainage District Fund Tax Rates decreased by the same amount. The Tax Rate is now \$0.49976 per \$100 of taxable value. Included in the overall Tax Rate is the General Fund Tax Rate of \$0.38076 or an increase of \$0.0003. Because of a 6.5% increase in the net assessed taxable value and the tax rate increase, Fort Bend County will see an increase in General Fund Tax Revenues by \$11,069,054. The Road and Bridge Tax Rate increased by \$0.003 to \$0.03100, and Tax Revenues increased by \$2,007,729, and other revenues decreased by \$50,000. The Drainage District Tax Rate decreased from \$0.01900 to \$0.01500, resulting in a decrease of \$1,204,193 in Tax Revenues. Other Revenues increased by \$100,000. Additionally, drainage impact fees were transferred from the General fund to the Drainage District fund increasing the beginning fund balance. The Debt Service Tax Rate, which decreased by \$0.0020 to \$0.07300, still resulted in \$1,088,161 more in Debt Service Taxes due to the increased net assessed taxable value.

OPERATIONAL INFORMATION

The County will buy 20 new patrol vehicles, and seven other vehicles for the Sheriff's Office. All of these vehicles are replacement vehicles and will not increase their fleet. In Road and Bridge, we will replace ten three-quarter ton trucks, and asphalt trailer, and a pipe washer. The Drainage District will buy one replacement truck, a bulldozer, a haul truck and three cab tractors. Emergency Medical Services will replace three ambulance cab and chassis, one ambulance module, and five Tahoes. We will replace 13 vehicles in the four Constables' Offices. Elsewhere, we will replace 15 vehicles of various types for a grand total of 74 replacement vehicles in FY2014. The number of replacement vehicles has increased substantially this year because of the decreases in budget over the past several years necessitating a decrease in replacement vehicles.

Two years ago Commissioner's Court adopted a Fleet Management system in an effort to properly keep track of county vehicles. The Budget Office created a document which shows the number of vehicles assigned to each department and office. Any variances to the document must be first approved by Commissioners Court regardless of funding source. As changes occur throughout the year and the budget process, the Fleet Management Report will be updated. Last year, the Commissioners Court created a Fleet Management department. All vehicles will be purchased from a centralized location to maximize buying potential by standardizing vehicles and equipment. The Fleet Management operations experienced a few growing pains the first year, but is quickly becoming an operation to help Fort Bend County efficiently manage our fleet.

The past couple of years, the County's Facilities Operations and Maintenance budgets naturally had increased due to the various new buildings going up around the County. This year, two divisions were added under Facilities Management and Planning. Jail Maintenance was moved from Sheriff – Detention to a separate division under Facilities, and Interdepartmental Construction was moved from Road & Bridge to Facilities. The Sheriff's Office had been outsourcing maintenance for the jail; however the new administration found that maintenance provided by our in-house Maintenance team would use tax dollars more efficiently.

REVENUE

Overall County revenues have increased by \$13,587,571, or 5.6%, compared to FY2013. Tax Revenue increased by \$12,960,751, while Other Revenues only increased by \$626,820. The overall revenue in the County will be \$255,916,841, with \$213,537,741 in Tax Revenues and \$42,379,100 in Other Revenues. Our yield on investments had been moderate with rates near 1.5%. Fort Bend County had benefited from the depository bank contract's minimum interest rate of 1.5% which is significantly higher than the U.S. Treasury yield. That contract expired in September 2012, so the new fiscal year will see bank depository interest rates between .35% and 0.75%, still higher than the U.S. Treasury Yield.

Contracts to provide additional Law Enforcement in unincorporated communities will continue to provide protection to the Communities with which contracted; however, those revenues and expenditures will be shown in a budget amendment when the contracts are finalized. Thus, the revenues and expenditures do not appear in this budget.

Each of the five other funds included in the budget for this year has a source of revenue attached. The County Clerk Records Management Fund and the County Records Management Fund each have a Court case-filing fee attached, and these fees provide the money to pay for the records management and preservation costs associated with the respective offices. The Gus George Law Enforcement Academy is funded with registration fees for attendees at the academy. The Courthouse Security Fund is also funded by a Court Cost for filing a Court Case.

The Law Library is funded by a Court Fee, and is self-sufficient. It is managed by the local bar association. The increased fee in 2001 has insured that the Law Library is fully funded.

The Debt Service Fund pays the costs (principal, interest and fees) of County and Drainage District Debt. It is funded by Property Taxes (and interest earned on the money in the fund prior to being expended).

GOALS

The County's **Long Term Comprehensive Plan** outlines goals to be accomplished by the County through its various departments. Many of the specific goals have been met, but since all are long term, many are still in the future. The County's departments are working hard to realize these on a continuing basis. We intend to achieve all the goals and objectives in the plan over time. Specific programs in the 2013 budget address the goals as set out below.

GOAL 1

Assure that the County is a safe and attractive place to live, work and play.

Programs to Achieve the Goal - The Sheriff's Department's base salary for deputies has been increased two years ago from \$17.93 an hour to \$19.22 an hour in order to help in the recruitment process as well as retention. This year, it was raised slightly to \$19.95. These deputies provide needed services in a growing County. The Sheriff's Office has added 12 new positions in FY2014 including three Telecommunications Officers, four Patrol Deputies, three Investigators, one Criminal Analyst, and one Bailiff. These additional positions help keep Fort Bend County safe.

The Sheriff's Department and Constable's Offices continue to provide additional law enforcement to several of the County's master planned communities. The communities pay the cost of these services through a contract with the County. As previously stated, we do not make a budget for these contracts until they are executed, but there is no reason to believe that they will not continue as in the past. These officers are available in cases of emergency, which gives the County additional resources for critical situations.

The County continues to be blessed with homeland security grants that enable the County to partner with other cities and counties to provide true preparedness for terror attacks or epidemics, either natural or manmade. The grants related to health and bioterrorism preparedness have been, and will continue to be, well used for their purposes. We anticipate that we will continue to receive valuable funding for commendable projects in the next year.

This year, two parks operators have been added to the budget to help with the growing parks system. This comes after the two that were added in fiscal year 2013. Fort Bend County is committed to keeping our county an attractive place to live, work, and play.

GOAL 2

Utilize state-of-the-art equipment and methods appropriately in the provision and timely delivery of authorized and allowed services.

Programs to Achieve the Goal In FY2012, the County implemented a major upgrade to the financial and human resources software and is in the second year after implementing the new courts management system. These projects were funded by short-term debt, and some current funds. We anticipate a busy year refining the financial and human capital systems. These applications should serve the County well for at least a decade, or more. In FY2013, the County will be adding a Contract Management module to the ERP. This will provide a secure,

manageable depository for all County contracts. Also funded this year are Information Technology infrastructure upgrades including desktop upgrades and replacements. It is imperative that we continue the upgrades to further enhance the aging infrastructure and include desktop computer upgrades and various disaster recovery/business continuity to ensure the County's business requirements are met through effective and reliable technology resources.

GOAL 3

Provide the necessary support for mobility and transportation needs in the County.

Objective 1 Provide public transportation planning studies and right of way acquisition to leverage funding from the state and federal governments that will advance projects desired by the County to supplement and expand existing transportation services.

Programs to Achieve the Goal In 2010, through partnerships with the City of Sugar Land and The City of Rosenberg feasibility studies were initiated to determine the transportation needs within both cities. Internal circulator services were recommended in Sugar Land and two fixed routes were recommended for Rosenberg. Both Cities have reviewed and accepted the plans. Rosenberg will begin implementation of the study recommendations in FY2011 via implementation of increased public outreach designed to educate the public regarding the availability of transportation services. The City of Sugar Land elected to postpone implementation activities for at least a year. In partnership with the Gulf Coast Rail District, a multi-phased planning process was initiated to assess the feasibility of a freight rail by-pass in Fort Bend County. The goal of the study is to address mobility and freight movement needs within and through the county. Phase I of the study provides analysis of routing options for freight rail services to allow commuter rail services along the Hi. 90A corridor and is expected to be completed in November of 2010. In FY2011 funding will be provided for Phase II of the project, which will provide more detailed study of route alignments recommended during Phase I.

The citizens of Fort Bend County will vote on a \$184.9 Million Mobility Bond Referendum placed on the November 5th, 2013 election ballot. If passed, the authorization will provide the funding for a total of 64 mobility projects throughout Fort Bend County. The \$184.9 Million in county funds will be leveraged with funds from state, local and private partners to provide a total project funding of \$384.3 Million.

With an annual average population increase exceeding 22,000 each year since 2000, Fort Bend County continues to be one of the fastest growing counties in the nation. Excellent schools, affordable living and quality of life encourage this growth to continue at impressive rates. This rapid growth demands continuous review of mobility needs throughout the county to provide adequate capacity to allow traffic to flow smoothly and minimize the risk of future 'gridlock' on county roadways.

Objective 2 Apply for grants and funding for local projects

Programs to Achieve the Goal The Public Transportation Department was successful in receiving a grant to initiate park and ride services into the Texas Medical Center area of Houston. Services were implemented during the summer of 2010. Monthly ridership increasing has been consistent. Marketing efforts planned for later this year will insure the continued success of the project. An application was submitted for transportation services designed to accommodate elderly and disabled citizens in Fort Bend County. Proposed services included trips into

congregate meal programs for senior citizens as well as trips to training centers for people with cognitive disabilities. Funding awards were announced in September 2010, with Fort Bend County's application receiving funding to provide the senior citizen services only.

GOAL 4

Promote a favorable environment for retaining and expanding existing businesses while attracting a wide variety of new businesses to provide employment opportunities.

Objective 1 Support existing local business.

The County provides numerous services that enable businesses to operate efficiently. The Texas Online program in the County Clerk's Office is successfully operating into its sixth year, and the District Clerk also provides online access to many records. In addition, the District Clerk provides a much needed Passport service that allows citizens; both business and personal, to more easily get their travel documents in the County.

Objective 2 Continue to work with the Economic Development Council to attract new businesses to Fort Bend County.

The Economic Development Council continues to attract new businesses to Fort Bend County. The growth in population has a natural effect of bringing in new enterprises, and our corporate tax base is growing as a percentage of the total tax base. We will provide 50 percent more in support to the EDC to promote marketing the County to worldwide businesses. In addition, Fort Bend County participates in seven Tax Increment Reinvestment Zones (TIRZ) with another possible participation in the very near future. These TIRZs allow the zone to reinvest tax revenues for improvements within the zone. In the future, we expect this to continue the growth pattern of the County, and to add greatly to the Commercial growth.

GOAL 5

Support environmental concerns for preservation of natural and historic resources balanced with sensitivity to the needs of development and recreation.

Programs to Achieve the Goal The County has increased funding for the Fort Bend Museum to encourage historical preservation of our heritage. The County supports the Fort Bend County Museum Association in preservation of historical materials relating to the County and its historic beginnings. Fort Bend County is rightly proud of its heritage starting with the Original 300 pioneers lead by Stephen F. Austin settling at Fort Bend. Two historical houses were saved from demolition, and moved to County Parks, where they are being preserved to provide a sense of where we came from.

In February 2010, Fort Bend County received a planning grant for the restoration of the Fort Bend County Courthouse and the Courthouse Square to the original 1909 configuration. The grant represents 75% of the total cost of producing design documents to restore and rehabilitate the building and provide upgrades to data and voice infrastructure, HVAC and elevator systems, and greater accessibility while maintaining the integrity of the historic landmark. In FY2012, the County continued to work with the State Historical Commission; however ultimately received grant funding from the George Ranch Foundation. Restoration is nearing completion, and plans

call for the County Judge and County Attorney as well as the Commissioners Courtroom to move into the historical building in November 2013.

The County is very supportive of environmental goals of the state and nation. We operate an active program to replace older, polluting automobiles for citizens that are unable to afford newer cars. This is thru a grant from the state. We also exchange older diesel trucks for newer, less polluting diesel trucks, also on a grant from the state.

GOAL 6

Encourage cultural development and ethnic diversity.

Programs to Achieve the Goal The County has an Equal Opportunity Policy and actively supports equal treatment for all its citizens. During County-Sponsored events, there is an emphasis on promoting cultural awareness.

This County has among the most diverse ethnic mixes in any county in the United States. Among major ethnic groups are African-American, Hispanic, Caucasian, Middle-Eastern and Asian peoples. We work and prosper together.

GOAL 7

Develop a quality, consumer sensitive, holistic approach to health and human services that keeps pace with the County's growth.

Programs to Achieve the Goal Health & Human Services departments work with numerous partners to protect and improve the health of the Fort Bend Community. Strategies to achieve these outcomes are based on monitoring, regulating and responding to various health conditions. Animal Services has the goal of preventing rabies in the population and in the process brings loving animals to loving homes. Clinical Health Services monitors the health of the community in collaboration with our healthcare provider partners, and responds to protect those who may be exposed to communicable disease outbreaks. Emergency Medical Service provides pre-hospital care in response to 9-1-1 calls and continually evaluates and upgrades service based on the growth and the need of the community. Environmental Health promotes sanitary food practices and septic disposal and mitigates general nuisance complaints to protect the health of all residents of the unincorporated county. Social Services provides short term assistance with working utilities and food when needed to indigent or in-crisis families, to prevent homelessness and maintain quality of life. Veterans Services provides assistance to those who have served our country to obtain the benefits awarded to them for their military service. Public Health Preparedness works with partners to assess needs and prepare for disaster response, whether from a communicable disease, a bioterrorism attack, a hurricane or a chemical spill. Of major concern are the preparedness and response needs of our most vulnerable residents, those with disabilities or chronic medical conditions who may cope well in normal times, but do not have the resources or resilience to handle disaster situations.

Health & Human Services, through the 1115 Medicaid Transformation Waiver, is working with our community partners to provide medical homes for those with Medicaid, no insurance and no funds to care for their medical needs. Referral and case management, expanded hours for the local Federally Qualified Health Center and colorectal screening for those with no resources are some of the projects now in the implementation stage.

GOAL 8

Actively seek to increase and coordinate volunteerism and active citizen participation that strives for the good of the County as a whole.

Programs to Achieve the Goal Several County Departments, especially the Extension Service, promote volunteerism and citizen participation. The County Fair Association works closely with the County to provide events that promote an active and joyful lifestyle in Fort Bend County. The Veterans Services Office is working to expand Veteran's Services by calling on Veterans working for the County to contribute time and capital to aid our Military Veterans. Last year, Dwight Marshall, Fort Bend County's Veteran Services Officer was awarded the Annual Veterans County Service Officer Appreciation Award by the Texas Veterans Commission on behalf of the entire 92 county Houston Region.

GOAL 9

Work cooperatively with other governmental entities to complement their efforts.

Programs to Achieve the Goal The County budget funds numerous cooperative programs, including a cooperative program to allow other county governments to purchase goods on county contracts. Many counties across the state buy their patrol cars from the Fort Bend County contract. The County has in place agreements with all communities in the County to assist and cooperate in projects that benefit the County as a whole through improving the communities by using county equipment and resources at cost to accomplish work for those county governments. These programs ensure that public tax dollars are used with the greatest efficiency.

The County Purchasing Agent contracts with other cities and political subdivisions in the County to cooperatively purchase their needs for them, thus saving money for all County taxpayers.

The County is party to a cooperative regional effort to protect the region from terrorist threats and from natural and manmade disasters, including hurricanes, tornados, floods, disease outbreaks and toxic spills or leaks. This Cooperative effort received over \$4 Million in federal Homeland Security grants in the past two years to equip an efficient effort to combat terrorist threats, and to respond to natural disasters.

The County Health Department, working with the County Emergency Management Department and local fire and police departments, has formed a regional cooperative response group and developed plans to deal with any disaster we may face. These plans assign duties and responsibilities and make agreements to aid one another in case of any event.

GOAL 10

Operate the County government in the most fiscally responsible manner.

Programs to Achieve the Goal All departments are required to operate in a fiscally responsible manner. Recognizing that the provision of services costs money, we still strive to make each dollar produce the most service. The budget works to reward those programs that operate most efficiently while encouraging all to hone their operations to produce the most efficient result.

Objective 1 Maintain a Fund Balance of 15 percent

The General Fund Balance is projected to be 14.7%. Overall Fund Balance is projected to be 14.8%. The General Fund Balance fell slightly below the 15 percent level this year; however, the economic strains of the national recession over the past few years kept the County from

replacing vehicles. This year we needed to replace several vehicles, especially our law enforcement vehicles. Our Fleet Management department will help with scheduling replacement in a more efficient manner. The Court will make every effort to bring the fund balance back up in fiscal year 2015 and maintain our goal of at least 15%.

Objective 2 Assure that the Investment Policy is instituted to maximize the funds invested, while insuring safety of principal.

The County's investment earnings have decreased as interest rates have decreased by virtue of the Federal Reserve Bank decreasing the Federal Funds interest rates. The period of increasing rates is over for now, as the Open Market Committee has maintained the 0 to 0.25 percent target range for the federal funds rates. This is due to the worsening economy, and by the collapse of the Sub-prime Mortgage market. Many houses nationwide have been foreclosed, and the end is not in sight. However, the Houston area is in much better shape than anywhere else in the nation. We still have growth in the housing market for now, and our prices are holding up. But we will necessarily be impacted negatively by all this turmoil, and our investment earnings will suffer. However, the County depository bank contract had a clause whereby the minimum Fort Bend County could earn during fiscal years 2008 through 2012 was 1% and even up to 1.5%. The contract was renewed effective October 1, 2012 whereby the interest rate was reduced to 0.75%, still higher than the U.S. Treasury yield. This has helped interest earnings substantially. With the yield curve still flat, we are still keeping most of the investments in the short term, and waiting for a more normal yield curve before making any long-term investments. Most of our investments are one year or less.

The County's Investment Policy insures that all investments are as safe as possible, stressing first *safety*, then *availability of funds* as needed, and finally *return on investment*.

Objective 3 Maximize the use of facilities in the County through the implementation of proper space utilization.

All departments and offices in Administration of Justice moved to the new Justice Center on Eugene Heimann Circle leaving space available in the William B. Travis Building. In order to allow adequate space for the Health and Human Services departments in the Rosenberg Annex, Human Resources, Risk Management, and Purchasing moved to the William B. Travis Building in FY2012. Renovations of the historical Courthouse commenced in fiscal year 2013 with completion in November 2014. The County Judge's and the County Attorney's Offices will move to the historical courthouse leaving additional space available in the William B. Travis Building. The FY2014 budget includes funding to move Engineering from Blume Rd. in Rosenberg to the William B. Travis Building for better space utilization.

FUTURE ECONOMIC DEVELOPMENTS

The Commissioners Court of Fort Bend County has focused its efforts along the economic front on Mobility issues. With the completion of US 59 past the Grand Parkway in early 2009, and the widening of US 90A into Richmond, most of the active Texas Department of Transportation (TxDOT) projects in our area will be completed. And, TxDOT has let it be known that they are short of funds for the foreseeable future. Federal Highway dollars will also be hard to come by as well. This means that local projects will be the best means to expand the capabilities to commute quickly into the Metro Area. We are working, by means of the Mobility Bond package passed in May 2007, to partner with our cities to bridge the gap. If Big Brother is not able, we must take up the slack ourselves.

The Commissioners Court will continue to use tax abatements appropriately to attract new businesses to make the tax base grow. The focus will be on attracting commercial development to balance the tax burden between residential taxpayers and businesses more evenly.

The County's growth has already made us expand our county facilities. A bond package to construct the jail and other county buildings was the beginning. Now, we have expanded our courts space to accommodate additional courts as the County grows. As one of the major counties in the state, we must employ careful planning to balance the needs of growth and the requirement to maintain financial prudence.

This letter provides an overview of the 2014 budget. Following, you will find additional charts, tables and summaries that fully explain the budget. As always, we have attempted to develop a budget that leads the County through the year in a fiscally responsible manner. We thank all the County's departments for their cooperation and assistance in providing the information used in preparing the budget. Our thanks go to the Commissioners Court for guidance in providing policy and leadership in developing the budget.

Sincerely,



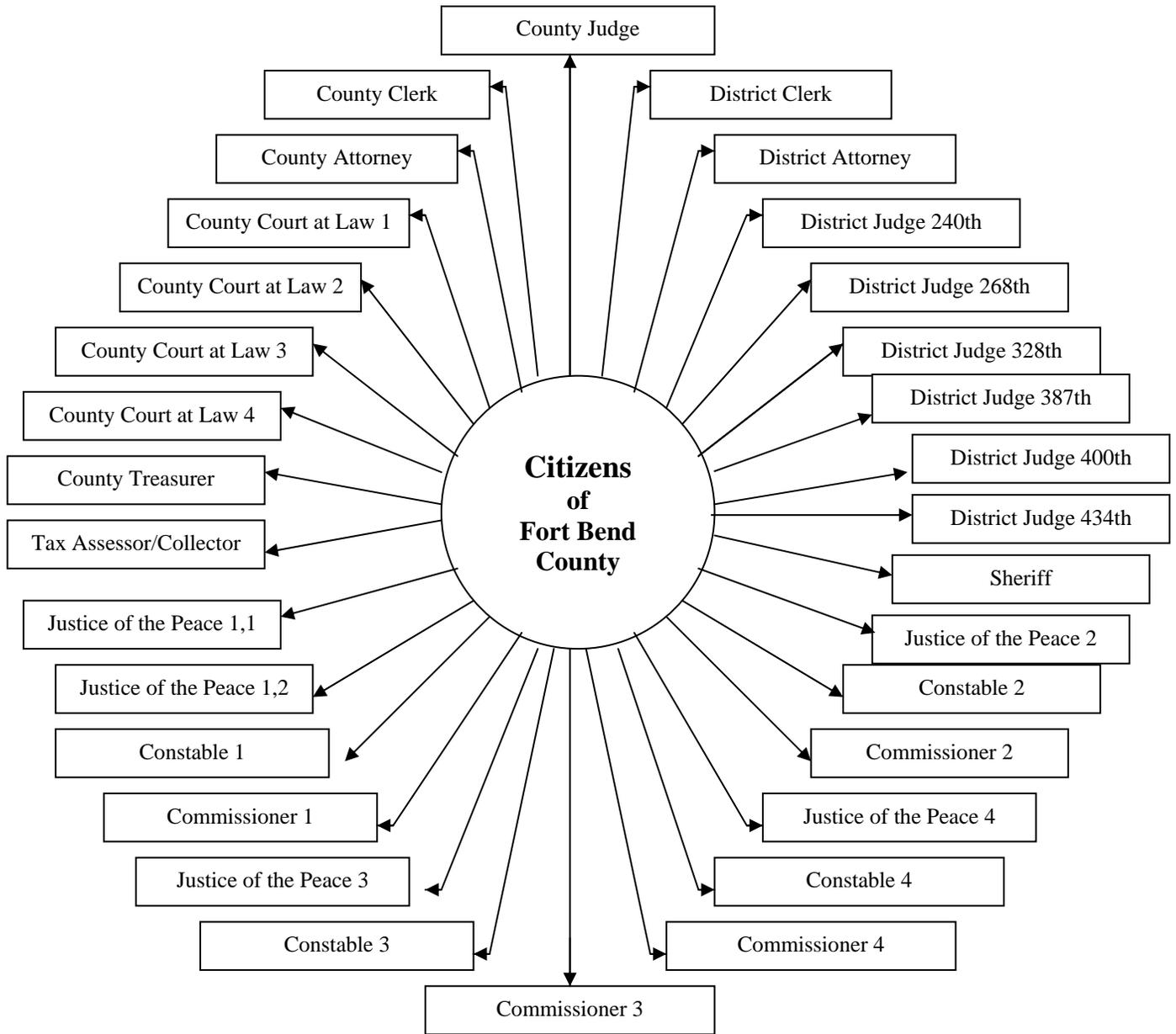
Pamela L. Gubbels
Director of Finance & Investments

**2014 Salary Schedule for
Fort Bend County Elected Officials**

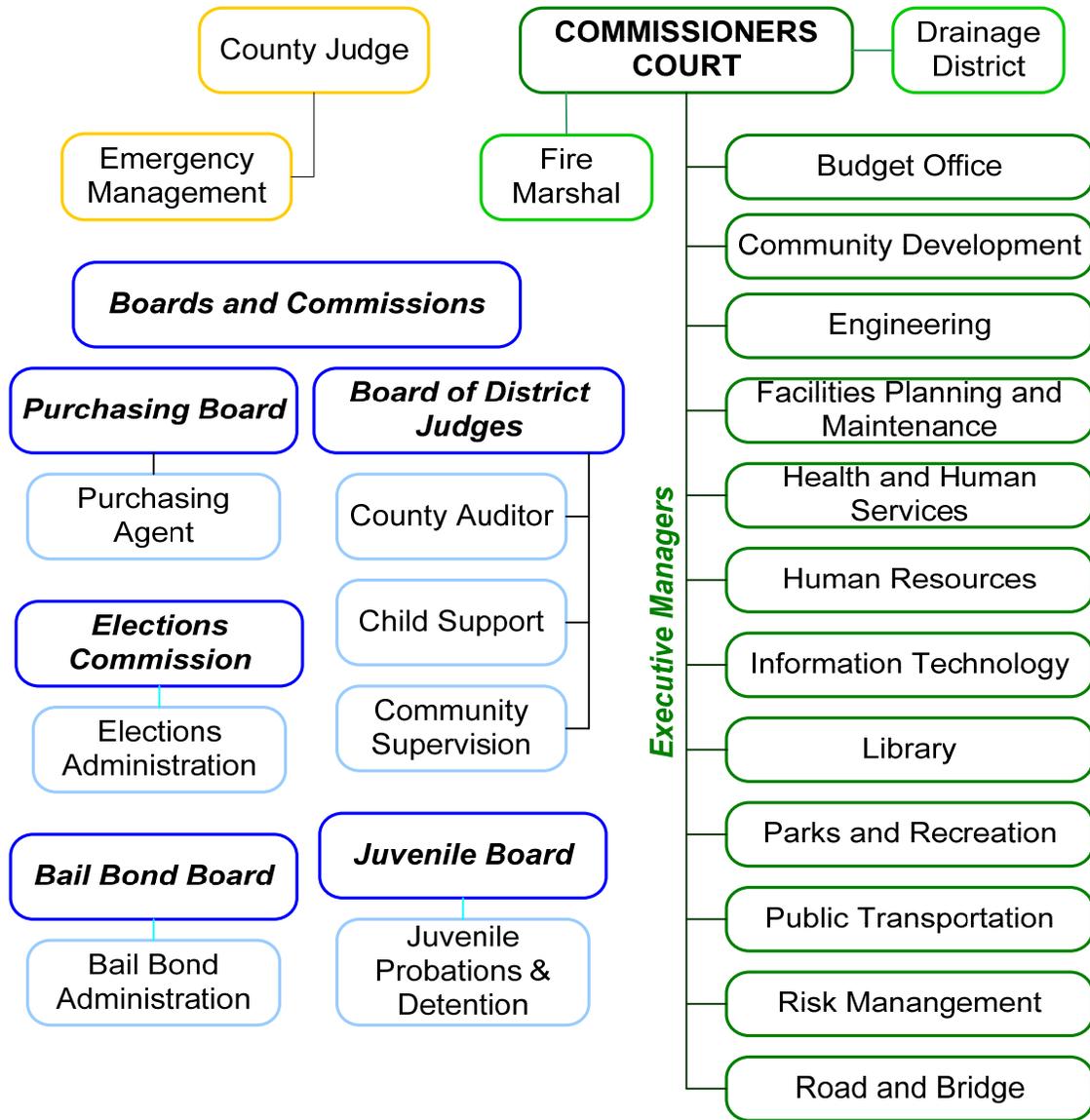
Elected Officials	2013 Annual Salary	2014 Adopted Annual Salary	Juvenile Board Supplement	Drainage District Board Supplement	Percentage Increase
County Judge	\$107,470	\$117,600	\$7,200	\$2,400	9.43%
Commissioner, Pct 1	\$102,350	\$112,000	\$0	\$2,400	9.43%
Commissioner, Pct 2	\$102,350	\$112,000	\$0	\$2,400	9.43%
Commissioner, Pct 3	\$102,350	\$112,000	\$0	\$2,400	9.43%
Commissioner, Pct 4	\$102,350	\$112,000	\$0	\$2,400	9.43%
Sheriff	\$107,470	\$117,600	\$0	\$0	9.43%
County Attorney	\$102,350	\$112,000	\$0	\$0	9.43%
Tax Assessor/Collector	\$99,790	\$109,200	\$0	\$0	9.43%
County Clerk	\$99,790	\$109,200	\$0	\$0	9.43%
District Clerk	\$99,790	\$109,200	\$0	\$0	9.43%
County Treasurer	\$97,230	\$106,400	\$0	\$0	9.43%
Justice of the Peace, Pct 1, Pl 1	\$89,560	\$98,000	\$0	\$0	9.42%
Justice of the Peace, Pct 1, Pl 2	\$89,560	\$98,000	\$0	\$0	9.42%
Justice of the Peace, Pct 2	\$89,560	\$98,000	\$0	\$0	9.42%
Justice of the Peace, Pct 3	\$89,560	\$98,000	\$0	\$0	9.42%
Justice of the Peace, Pct 4	\$89,560	\$98,000	\$0	\$0	9.42%
Constable, Pct 1	\$83,160	\$91,000	\$0	\$0	9.43%
Constable, Pct 2	\$83,160	\$91,000	\$0	\$0	9.43%
Constable, Pct 3	\$83,160	\$91,000	\$0	\$0	9.43%
Constable, Pct 4	\$83,160	\$91,000	\$0	\$0	9.43%

Elected Officials not Published	2013 Annual Salary	2014 Adopted Annual Salary	Juvenile Board Supplement	Percentage Increase	
District Attorney	\$15,000	\$18,000	\$0	20.00%	
Judge, County Court at Law #1	\$131,800	\$ 149,800	\$7,200	13.66%	
Judge, County Court at Law #2	\$131,800	\$ 149,800	\$7,200	13.66%	
Judge, County Court at Law #3	\$131,800	\$ 149,800	\$7,200	13.66%	
Judge, County Court at Law #4	\$131,800	\$ 149,800	\$7,200	13.66%	
Judge, 240th District Court	\$7,800	\$10,800	\$7,200	38.46%	
Judge, 268th District Court	\$7,800	\$10,800	\$7,200	38.46%	
Judge, 328th District Court	\$7,800	\$10,800	\$7,200	38.46%	
Judge, 387th District Court	\$7,800	\$10,800	\$7,200	38.46%	
Judge, 400th District Court	\$7,800	\$10,800	\$7,200	38.46%	
Judge, 434th District Court	\$7,800	\$10,800	\$7,200	38.46%	

Organization Chart of Elected Officials Fort Bend County, Texas



Organization of County Department and Agencies Fort Bend County, Texas

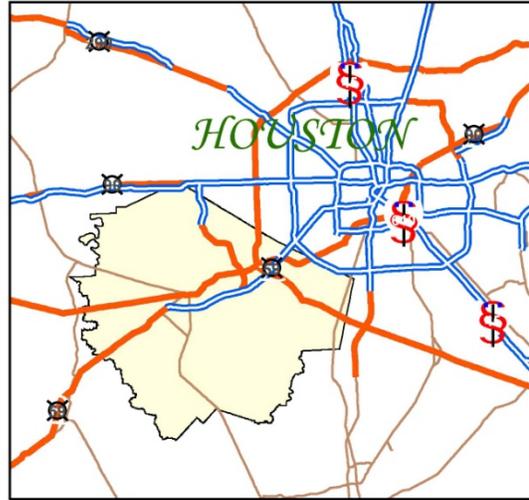


Executive Managers

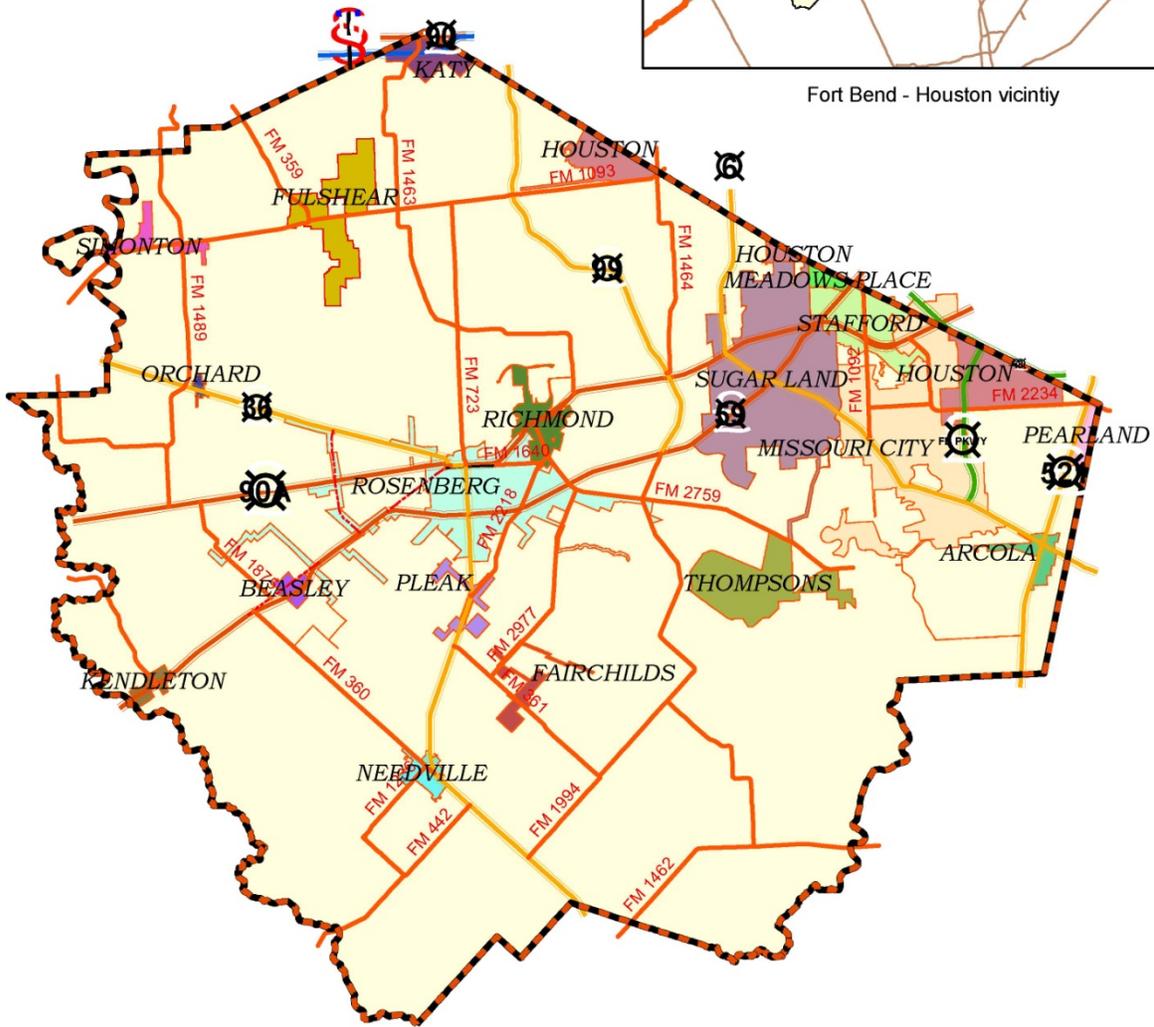
Legend

Orange – Reports directly to County Judge
 Green – Reports directly to Commissioners Court
 Blue – Reports directly to Board or Commission as governed by Statute

Fort Bend County



Fort Bend - Houston vicinity



FORT BEND COUNTY PROFILE

A. INTRODUCTION

For more than 15 years, Fort Bend has been in the top 20 counties in the United States for economic excellence and population growth. Fort Bend County is the third fastest growing County in Texas, and one of the fastest growing in the United States. The growth fuels an ever-increasing need for County services. We have attempted to meet the growth demands by increasing our efficiency. Additional filings with the County Clerk are being done on line 24 hours a day. The Tax Office is using expanded banking services to more effectively collect the County's taxes and those of most of the governments in the County. In every area, we are looking to advanced technology to improve our services to the public without unnecessarily increasing County Staff.

With the major roadways already heavily congested, mobility has been, and continues to be, a primary concern. Continued residential and commercial expansion has increased the use of the County roads. What were once little used rural roads are more heavily traveled due to the new developments. Bridges, ditches and right-of-ways are requiring more attention.

The rapid growth of the County provides an expanded tax base, but this is more than compensated for in the need for new services. To hold the line, we must be vigilant to always perform only those services that are needed, and always in the most cost-effective way.

B. PHYSICAL DESCRIPTION

1. Location

Fort Bend County is located in the Houston metropolitan area of southeast Texas. It encompasses a total of 875.0 square miles (562,560 acres). The terrain varies from level to gently rolling with elevations from 46 to 127 feet above sea level, with an average elevation of 85 feet. US 59 traverses the center of the County from northeast to southwest, while US 90A crosses from east to west. State Highways (SH) 6, 36 and 99 provide important north-south routes. Neighboring counties are Austin, Brazoria, Harris, Waller and Wharton.

2. Climate

The growing season is 296 days, with an average annual rainfall of 45.3 inches. The average first freeze date in the fall is December 7, and the average last freeze date is February 14. Temperatures range from a mean minimum in January of 41° to a mean maximum in July of 93°. The Gulf of Mexico is located only 50 miles from Fort Bend County and its close proximity helps to hold the summer and winter temperatures to moderate levels. Extremes in climatic changes are usually short in duration.

3. Natural Resources

Fort Bend County has approximately 11 square miles of surface water in rivers, creeks and small lakes. The County is drained by the Brazos and San Bernard Rivers as well as Oyster Creek. The Brazos River formed a broad alluvial valley, up to ten miles wide in places. The resulting fertile soils have been a major contributing factor to the agricultural industry in the County.

The three permanently floatable waterways in Fort Bend County are the Brazos River, the San Bernard River south of Farm to Market Road 442, and Oyster Creek south of State Highway 6.

The San Bernard River south of Interstate Highway 10 is a seasonally floatable waterway, shared on the west with adjacent counties. Soils vary from the rich alluvial soils in the Brazos River Valley to sandy loam and clay on the prairies. Native trees include pecan, oak, ash and cottonwood, with some old bottomland forests remaining along waterways.

Mineral resources include oil, gas, and sulfur. Sand, clay, and gravel are commercially produced.

C. HISTORY

Fort Bend County holds a prominent place in Texas history. Karankawa Indians once roamed the plains and inhabited the river bottoms. In the early 1820's, the Anglo-American colonization of Texas under grants from the Spanish government was initiated. The arrival of Stephan F. Austin's original colony of 300 families at the bend of the Brazos River was delayed until 1822 by the death of Moses Austin and the independence of Mexico. Ninety miles inland from the coast the settlers built a two-room cabin that was known both as Fort Settlement and Fort Bend. Fifty-three of the land grants to the early settlers were in Fort Bend. They found the area suitable for crops and livestock.

In 1837, the Congress of the Republic of Texas incorporated Richmond and eighteen other towns. Later in the same year, the County of Fort Bend was created from portions of Austin, Harris and Brazoria County. Notable citizens of the County included Jane Long, Mirabeau B. Lamar, and Samuel May Williams. During the Texas Revolution, many of the residents fled from Santa Anna's troops in what became known as the Runaway Scrape. They returned to find their homes plundered and their livestock scattered or dead.

Richmond became a prosperous trade center for the surrounding agricultural region. Cotton and sugar and other products were sent down the Brazos River to the Port of Galveston. The early sugar cane plantations and farms supplied the Imperial Sugar industrial complex and its company town evolved into the current City of Sugar Land. When the railroad from Galveston through Richmond was built in the 1850's, the County became a ready provider of agricultural products and raw materials to coastal markets and beyond. Cotton became and continues to be a staple of the agricultural economy.

Much of the early prosperity based on the plantation system ended with the Civil War. At that time Fort Bend had a large black population, mostly slaves. Fort Bend planters and property owners generally supported the Confederacy and many joined Terry's Texas Rangers, led by Benjamin F. Terry of Sugar Land. No battles reached the area, but the war's duration and the economic, social and political hardships that followed put great stress on the community.

The years after the Civil War were a time of uneasy compromise between the political parties and officeholders. This resulted in a brief, but violent confrontation known as the Jaybird - Woodpecker War. During Reconstruction, several black men were elected to County offices, including Mr. Walter Burton, Sheriff and Tax Collector, Mr. Shade Croome, Justice of the Peace, Precinct 2, and Mr. Tom Taylor, Commissioner. Mr. Burton was later a state senator. The era of reconstruction lasted until 1888, when the Jaybird Party took control. They were powerful in Fort Bend County until the 1950's.

Additional railroads further opened the County to new settlers, many from central Europe. Small productive family farms formed the central focus of the economic and social life from the 1880's through World War II. Ranching and cotton production then began to replace the small farms. Missouri City, Stafford, and Rosenberg developed along the rail lines

Discovery of oil and gas at Blueridge in the early 1920's, followed by discoveries at Orchard and Thompsons, then later at Katy, signaled the beginning of Fort Bend's petroleum industry. Production continues today in several areas of the County.

Beginning in the early 1970's with Houston's expansion, Fort Bend saw new growth in the form of increased residential development. Greatwood, New Territory and Cinco Ranch followed the master-planned communities of Quail Valley, First Colony and Pecan Grove. More recently Sienna Plantation, River Park East and West, Canyon Gate, Bridlewood and Texana have joined the ranks.

Fort Bend has a long and richly varied history and an exceedingly bright future as it continues to build on the foundations established by the original settlers of Texas.

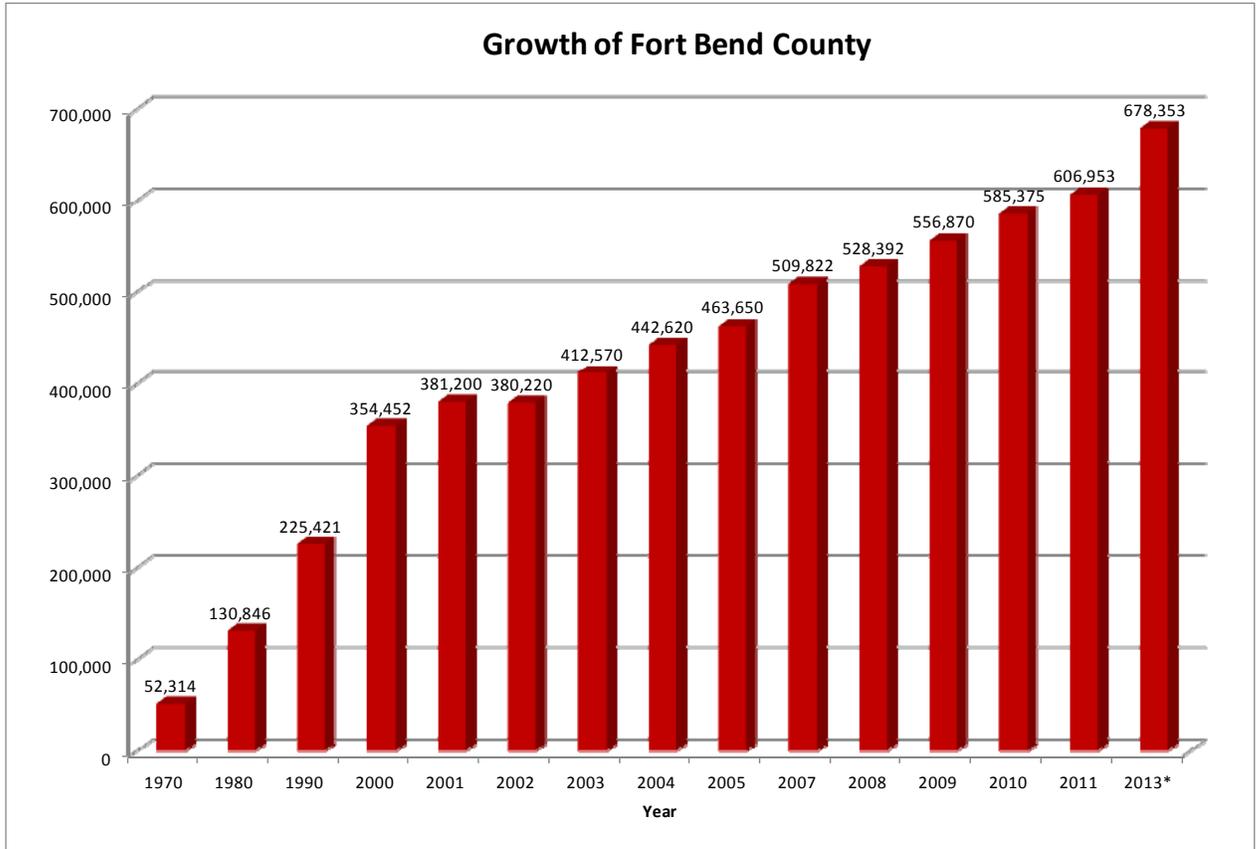
D. CULTURAL RESOURCES

Fort Bend County citizens enjoy a number of opportunities to celebrate their historic and cultural heritage at the Fort Bend County Fair in October, Texan Market Days at the George Ranch in October, and the Fort Bend County Czech Fest in May. Points of interest are the Fort Bend Museum, Confederate Museum, George Memorial Library, George Observatory and Challenger Center of Fort Bend, Brazos Bend State Park, the George Ranch, the Thomas Barnett Home and the Imperial Holly Sugar Refinery complex. With so many immigrants to the County, there are a variety of ethnic heritages. Continued attention should be given to building on the cultural diversity that is evident in the County.



E. POPULATION

Fort Bend County’s population is among the fastest growing in the United States. While the state of Texas grew at a rate of 20.6%, the U.S. Bureau of Census concluded that Fort Bend County grew at a rate of 65.1% in 2000 through 2010 and is ranked 20th in growth of all U.S. Counties.

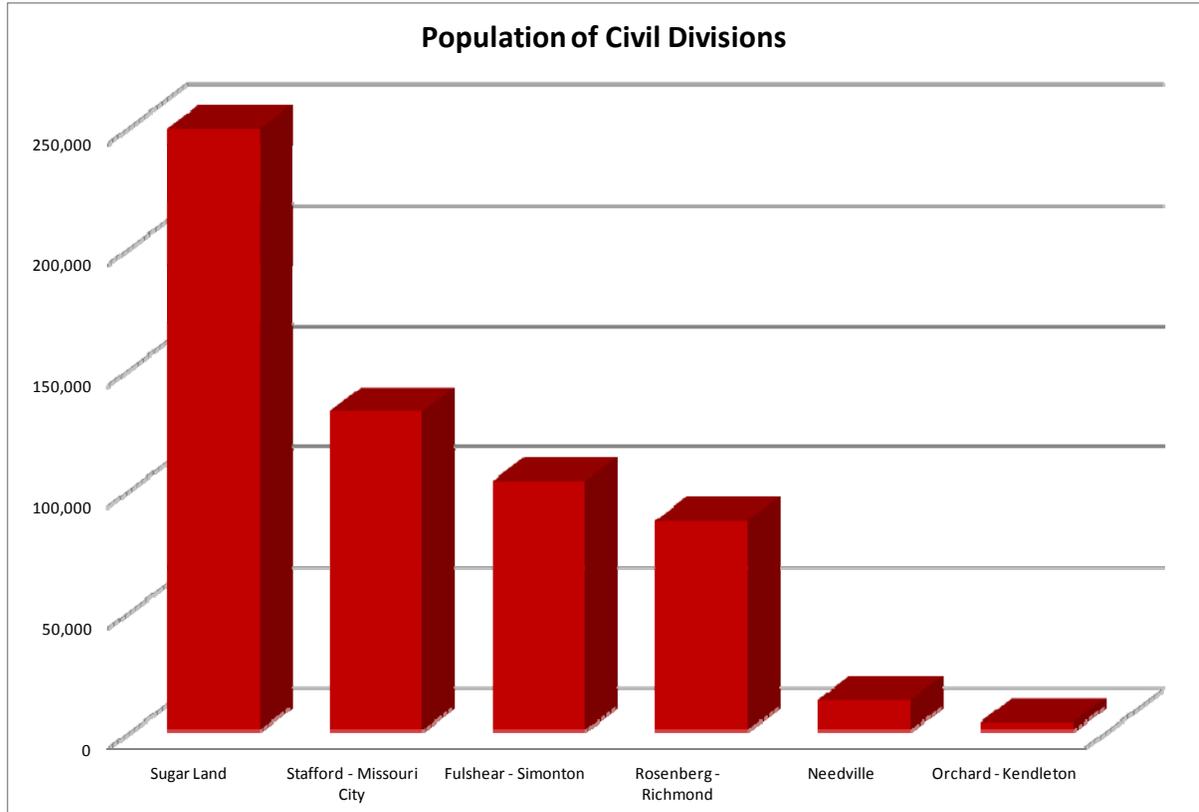


* 2013 Projected population by Fort Bend Economic Development Council

The Texas State Data Center estimates that the population could reach 897,381 by the year 2020. In other words, it took 160 years for Fort Bend to gain its first 600,000 residents, but will add the next 300,000 residents within the next 10 years. The population increases daily with the construction of new homes and subdivisions.

1. Population of Minor Civil Divisions in Fort Bend County

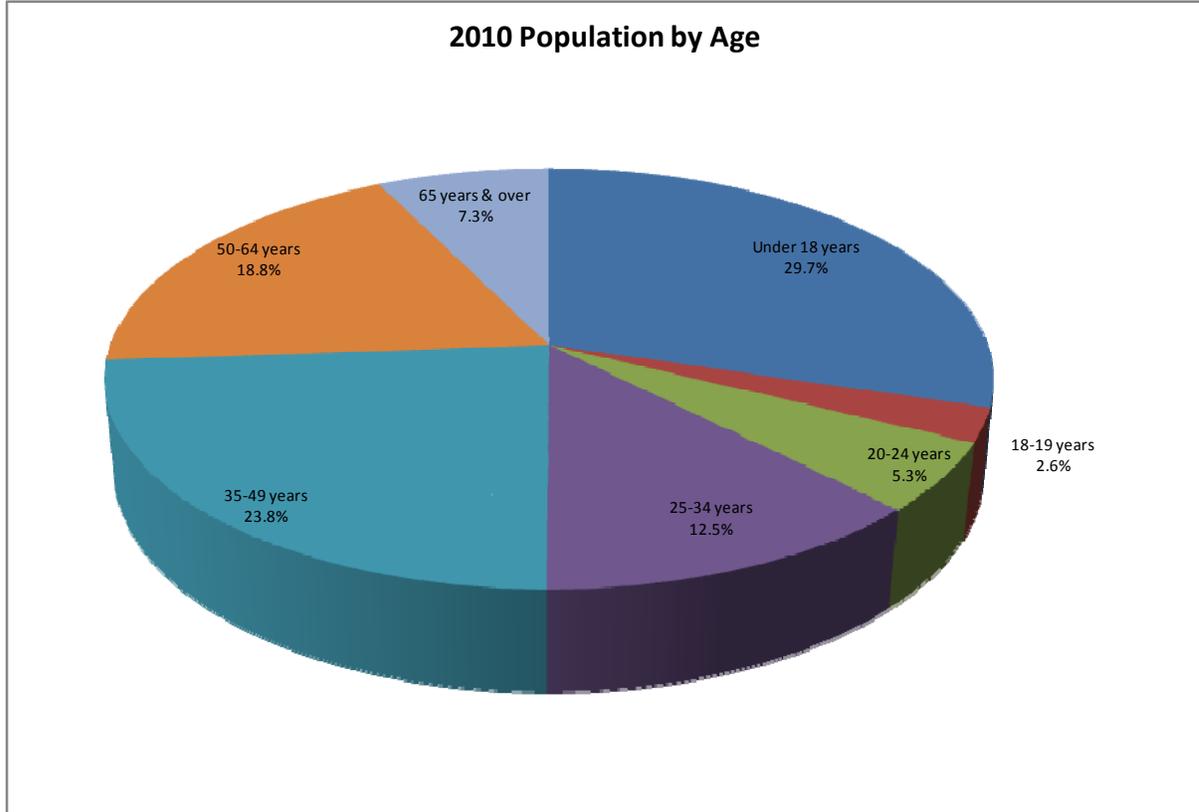
Fort Bend County is divided into what the U.S. Census Bureau calls minor civil divisions to designate the primary governmental and/or administrative divisions of a county. Those MCD's are Sugar Land, Stafford-Missouri City, Fulshear-Simonton, Rosenberg-Richmond, Needville, and Orchard-Kendleton. Of those six divisions, 42% of Fort Bend County lives in the Sugar Land MCD, while another 22.5% lives in Stafford-Missouri City.



Source: U.S. Census Bureau, Census 2010

2. Population Distribution by Age

The following population distribution chart shows a large number in the Under 18 years group and in the 35-49 years group with 70.3% of the population of Fort Bend County over the age of 18.



Source: U.S. Census Bureau

The population of the County by age is very much concentrated in the young family categories. People are continuing to locate to Fort Bend to take advantage of the quality of life provided by the cities, County and school districts. In the foreseeable future, the age distribution should be assumed to be essentially the same as in 2010. As the baby boomers get older, an increase in the over 60 age group is expected to occur.

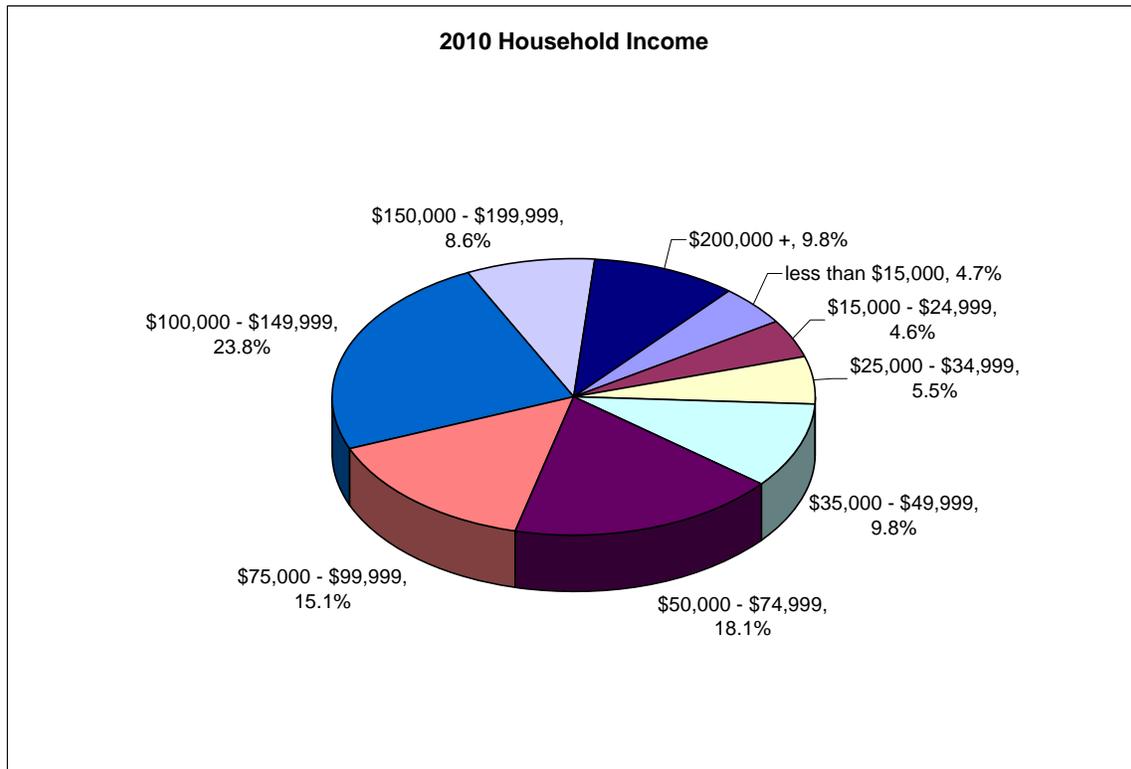
3. Household Income

Household incomes were generally higher in Fort Bend County in 2010 than in the surrounding counties, as well as the national average.

Median Household Income (\$)	
Fort Bend County	\$77,016
Harris County	\$49,977
Texas	\$47,563
United States	\$50,740

Persons Below Poverty Level	
Fort Bend County	8.4%
Harris County	16.3%
Texas	16.3%
United States	13.0%

Source: U.S. Census Bureau



Source: Greater Fort Bend Economic Development Council

4. Population by Race and Ethnicity

The race and ethnicity population distribution is from the 2011 Census estimates. The distribution is assumed to remain approximately the same throughout the time frame of the budget period.

POPULATION BY RACE

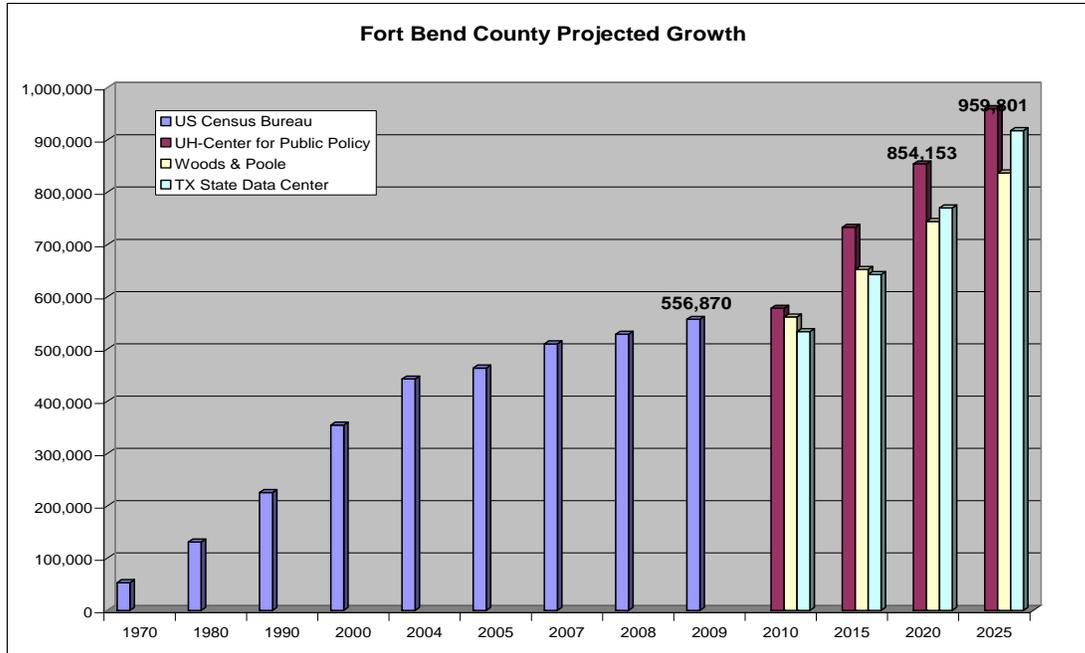
	Fort Bend County	Texas
White persons	58.3%	80.9%
Black persons	21.5%	12.2%
American Indian and Alaska Native persons	0.6%	1.0%
Asian persons	17.5%	4.0%
Native Hawaiian and Other Pacific Islander persons	0.1%	0.1%
Persons reporting two or more Races	1.9%	1.7%
Persons of Hispanic or Latino Origin	24.2%	38.1%
White persons not Hispanic	36.1%	44.8%

Source: ESRI forecasts for 2009.

5. Population Projections and Expected Growth

Projections by Woods and Poole Economics for the Greater Fort Bend Economic Development Council show increasing population growth continuing through the year 2030. The projections of the *Fort Bend Mobility Plan* update uses Houston Galveston Area Council (HGAC), the regional Council of Governments numbers. Information from the Texas State Data Center (TXSDC) at Texas A&M University, uses two growth scenarios. One is for the population growth from 1990 to 2030 to continue at a rate that is 50% of the growth from 1980 to 1990; the other is for 100% of that same period.

The following table shows those projections.



Source: Greater Fort Bend Economic Development Council

These projections for the population growth for Fort Bend County are based on the historical growth trends. For the past few years' growth has exceeded four percent (4%) per year. This level is expected to continue for the next three years, then continue at three percent (3%) for the next ten years with a long-term sustained growth of two percent. Even the most conservative population estimates are triple in the next 20 years.

F. NATIONAL RANKINGS

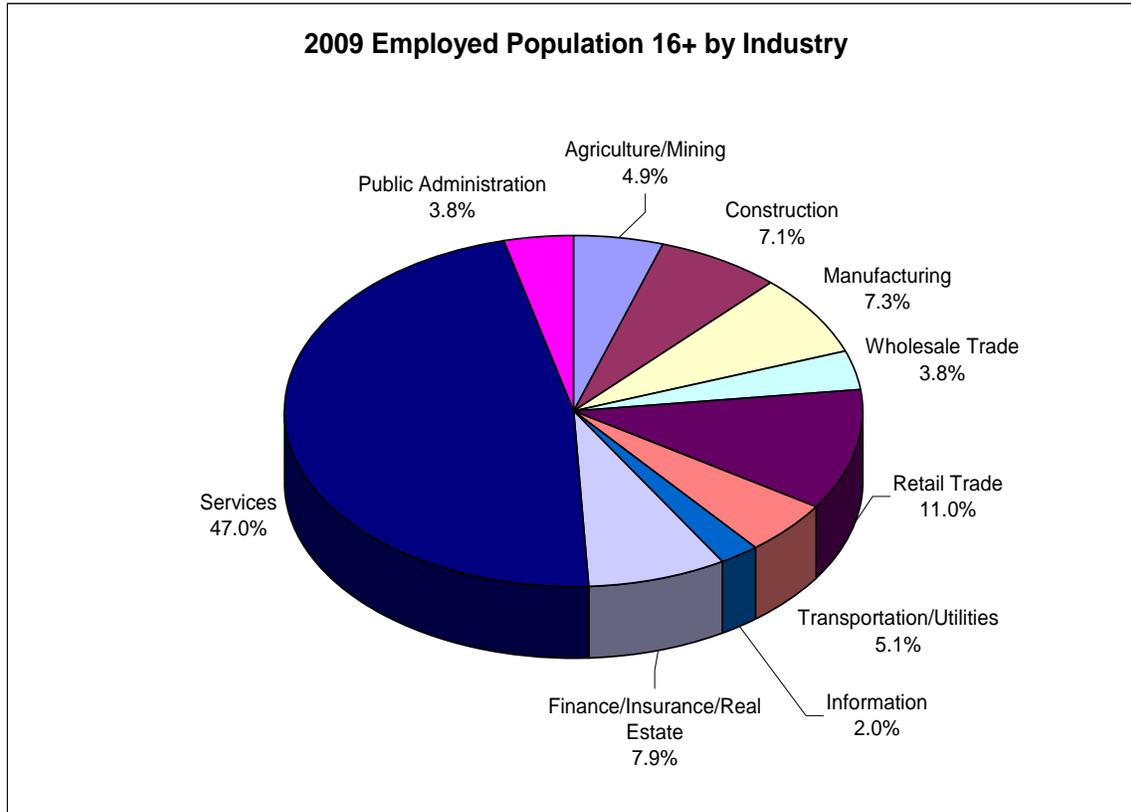
Recently, the County was ranked against all 3,091 counties in the United States for factors that make up economic and demographic excellence. In the sixteen categories measured, the County ranked in the top 10% of all counties in 14 categories. By each ethnic grouping, the citizens of Fort Bend County have the highest educational attainment in the region; and exceed the national averages. The high school dropout rates are well below area, state, and national averages. All six of our school districts exceed state and national testing standards.

Fort Bend ranks 8th in the nation for percentage of traditional families (married with children). 74% of the population lives in family households; and 45% are married with children compared to the national average of 26%. 75.6% of Fort Bend residents own their own homes. The average household income is \$75,517 versus \$58,449 for Texas and \$56,184 for the United States. Each ethnic grouping in Fort Bend County outpaces its counterpart in the comparison with state and national household income levels.

CNN Money ranked Fort Bend County 6th in Job Growth in 2009. The job growth between 2000 and 2008 was 61.3%. With about 250,000 jobs in the County, many residents work within Fort Bend in traditional agricultural industries like cattle, cotton, and sugar cane, and for the number of new companies to the area like Minute Maid. Fort Bend Economic Development Council has been actively upgrading the area's infrastructure to attract more employers.

G. THE ECONOMY

Recognized as a very fast growing business and industrial area, Fort Bend County still maintains a viable agricultural base, dating all the way back to the original settlers who raised cattle, cotton, and sugar cane. Agriculture, petrochemicals, technology industries, and sugar refining are the major businesses in Fort Bend County. The following table shows employment by industry in the County.



Source: U.S. Census Bureau, 2000 Census of Population and Housing. ESRI forecasts for 2009.

This year’s economic downturn has caused Fort Bend County’s normally low unemployment rate to increase along with the state and national rate. The County’s unemployment rate was 8.1 percent in August 2009 compared to 8.2 percent for the state of Texas and 9.8 percent nationally. Many new companies, particularly “high tech” ones, are locating their offices and plants in the County due to the favorable business environment, quality living conditions and outstanding educational facilities. The County is expected to grow in commercial and retail developments. More companies are considering Fort Bend County to locate their offices, as well as manufacturing and distribution facilities.

H. LAND USE

Although county governments in Texas do not exercise land use control, it is important to know how the land is being used, how the uses have changed and what might be expected in the future. The County is comprised of 562,560 acres of land. Over the past twenty years residential development has increased more than six times. Even with all the residential development, the County is still primarily agricultural. The following table gives an overview of the land use distribution in the County over the past twenty years and a general estimate of the changes that may occur.

LAND USE (ACRES)			
Type	1996	1990	1970
Residential	31,671	22,320	5,443
Single family	29,755		
Multi-family	506		
Mobile homes	1,410		
Commercial	5,382	3,385	3,331
Industrial	4,519	4,500	
Educational	1,122	1,100	
Parks and Open Space	8,025	7,640	4,897
Resource Production	5,475	5,475	
Government	5,358	N/A	
Roads and ROW	5,310	5,310	
Agricultural, Including Undeveloped and Vacant	466,864	510,000	528,094
Water	7,163	7,140	7,958
Total Acres	562,560	562,560	562,560

Sources: H-GRTS 1990, 1996 and Farm Bureau, 1997

