



## WALKER COUNTY COMMISSIONERS COURT

1100 University Avenue  
Huntsville, Texas 77340  
936-436-4910



**DANNY PIERCE**  
County Judge

DANNY KUYKENDALL  
Commissioner, Precinct 1

RONNIE WHITE  
Commissioner, Precinct 2

**AGENDA**  
**SPECIAL SESSION**  
**MONDAY, AUGUST 9, 2021**  
**9:00 A.M.**  
**ROOM 104**

BILL DAUGETTE  
Commissioner, Precinct 3

JIMMY D. HENRY  
Commissioner, Precinct 4

### CALL TO ORDER

- Announcement by the County Judge whether a quorum is present.
- Certification that public Notice of Meeting was given in accordance with the provisions of Section 551.001 et. Seq. of the Texas Government Code.

### GENERAL ITEMS

- Prayer – Pastor James Necker
- Pledge of Allegiance
- Texas Pledge – “Honor the Texas Flag, I pledge allegiance to thee, Texas, one state under God, one and indivisible”
- Citizens Input – Agenda Items

### CONSENT AGENDA

None

### DEPARTMENT REPORTS

None

### STATUTORY AGENDA

#### **Emergency Management**

1. Discuss and take action on applying for HMPG funds for Hurricane Laura and Winter Storm. – Butch Davis  
**Commissioners Court**
2. Discuss and take action on request to waive the 90 day waiting period for county insurance coverage for new EMS Director. – Commissioner Daugette
3. Discuss and take action on changing the location of the regular session of Commissioners Court meeting scheduled for August 30, 2021, from the Walker County Courthouse to the Walker County Storm Shelter. – Judge Pierce
4. Discuss and take action to adopt Order 2021-78 amending the Financial and Budget Policies. – Judge Pierce
5. Discuss and take action on scheduling the public hearing on August 30, 2021, at 9:00 a.m., at the Walker County Storm Shelter on the proposed budget for the fiscal year October 1, 2021, thru September 30, 2022. – Judge Pierce
6. Discuss and review final calculation of the No-New-Revenue tax rate and Voter-Approval Tax Rate. – Judge Pierce
7. Discuss and take action on proposed tax rate for the October 1, 2021 thru September 30, 2022, budget to include in the Notice of Meeting to Vote on Proposed Tax Rate (record vote). – Judge Pierce
8. Discuss and take action on scheduling the public hearing on the proposed tax rate for August 30, 2021, at 9:30 am at the Walker County Storm Shelter for the fiscal year October 1, 2021 through September 30, 2022. – Judge Pierce

### BUDGET WORKSHOP

### EXECUTIVE SESSION

If during the course of the meeting covered by this notice, Commissioners Court shall determine that a closed meeting of the Court is required, then such closed meeting as authorized by Texas Government Code 551, sub-chapter D, will be held by the Commissioners Court at the date, hour, and place in this notice or as soon after the commencement of the meeting covered by this notice as the Commissioners Court may conveniently meet in such closed meeting concerning any and all subjects and for any and all purposes permitted by Chapter 551, sub-chapter D, inclusive of said Texas Government Code, including but not limited to:

**Section 551.071** For the purpose of private consultation between the Commissioners Court and its attorney when the attorney's advice with respect to pending or contemplated litigation settlement offers, and matters

Walker County Commissioners Court – Special Session – August 9, 2021 – Agenda (cont'd)

**Section 551.072** For the purpose of discussion with respect to the purchase, exchange, lease, or value of real property, if deliberation in an open meeting would have a detrimental effect on the position of the Commissioners Court in negotiations with a third person

**Section 551.073** For the purpose of deliberation regarding prospective gifts or to deliberate a negotiated contract for prospective gift or donation to the Commissioners Court or Walker County, if deliberation in an open meeting would have a detrimental effect on the position of the Commissioners Court in negotiations with a third person.

**Section 551.074** For the purpose of considering the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee or to hear complaints or charges against a public officer or employee, unless such officer or employee requests a public hearing.

**Section 551.076** To discuss the deployment, or specific occasions for implementation of security personnel or devices.

**Section 551.086** Deliberation regarding economic development negotiations.

**INFORMATION ITEMS**

- Public Comment – Non-agenda items
- Questions from the media
- Commissioners Court

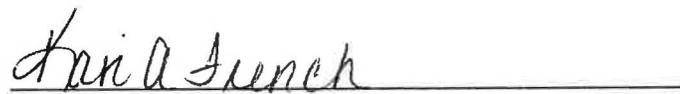
**ADJOURN**

On this 5<sup>th</sup> day of August, 2021, the Executive Administrator to the County Judge filed this notice, and was posted at the main entrance of the Walker County Courthouse.

  
\_\_\_\_\_  
Danny Pierce, County Judge

I, the undersigned County Clerk, do hereby state that the above Notice of Meeting of the above named Commissioners' Court, is a true and correct copy of said Notice, and I posted a true and correct copy of said Notice on the Courthouse Public Notices area of Huntsville, Walker County, Texas, at a place readily accessible to the general public at all times on the 5<sup>th</sup> day of August, 2021 and said Notice remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting.

Dated this 5<sup>th</sup> day of August, 2021.

  
\_\_\_\_\_  
Kari A. French, County Clerk

**FILED FOR POSTING**  
At 4:32 o'clock P M

AUG 5 2021

KARI FRENCH, COUNTY CLERK  
WALKER COUNTY, TEXAS  
By 



# Texas Division of Emergency Management Recovery, Mitigation and Standards

## Section 404 Hazard Mitigation Grant Program (HMGP) Application Introduction, Instruction, and Information

### **INTRODUCTION**

The Hazard Mitigation Grant Program (HMGP) assists states and local communities in implementing long-term hazard mitigation measures following a major disaster. The funding for this program is based on a 75% federal and 25% local cost share. Further information concerning Texas' involvement in the HMGP can be found in the current Texas Division of Emergency Management (TDEM) Hazard Mitigation Grant Administrative Plan.

If you require technical assistance with this application, or to request a copy of the current TDEM Hazard Mitigation Grant Program Administrative Plan please contact Texas Division of Emergency Management, Recovery, Mitigation and Standards (TDEM/RMS), Mitigation Section at (512) 377-0023 or [TDEM-Mitigation@dps.texas.gov](mailto:TDEM-Mitigation@dps.texas.gov).

### **INSTRUCTIONS**

The application and attachments can be found on the following websites:

<http://www.dps.texas.gov/dem/ThreatAwareness/hurricaneHarveyInfo.htm>

<https://grants.dps.texas.gov/>

Please complete ALL sections and provide the documents requested. All questions must be answered completely and accurately. TDEM and the Federal Emergency Management Administration (FEMA) staff reviewing the application will not be familiar with your community, the specific project area, and the need for the proposed project. Therefore, it is the responsibility of the applicants to ensure the application addresses all of the questions and requirements. This is particularly important given the competitive nature of the grant program. If you are unsure as to the meaning of a particular question, contact TDEM for clarification.

### **ELIGIBILITY**

TDEM, as the grantee, is responsible for ensuring applicants meet the eligibility requirements and projects are eligible for HMGP funding.

#### **Applicant Eligibility:**

1. HMGP projects must be from an eligible applicant. (i.e., Municipality, City, County, Special District, Tribe, Eligible Nonprofit Agency, or Organization).
2. Applicant must have an approved hazard mitigation plan. For private non-profit organizations, the community where the project is located must have an adopted plan.

#### **Project Eligibility:**

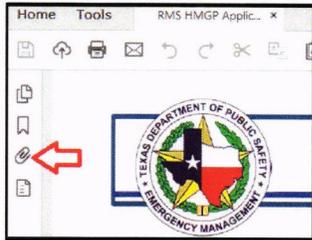
1. Projects cannot be retroactively funded through HMGP. Therefore, projects already in progress or completed will not be considered.
2. HMGP projects must comply with the FEMA approved state and applicable local hazard mitigation plan.
3. HMGP projects must meet all applicable codes and standards for the project locale (i.e., construction, public notifications, etc.).
4. HMGP projects must have a direct beneficial impact upon the designated disaster area, whether or not the project is located in the designated area.
5. HMGP projects must comply with 44 Code of Federal Regulations (CFR) part 9, Floodplain Management and Protection of Wetlands and 44 CFR, part 10, Environmental Considerations.
6. HMGP projects must solve a problem independently or constitute a functional portion of a solution where there is assurance that the project as a whole will be completed. Projects that merely identify or analyze hazards or problems are not eligible.
7. HMGP projects must be cost effective and substantially reduce the risk of future damage, hardship, loss, or suffering resulting from a major disaster.
8. HMGP projects must provide the best solution. Sub-applicants must demonstrate that after consideration of a range of options for the mitigation measure, it has been determined that the proposed project is the most practical, effective, and environmentally sound solution.

## Project Eligibility - Continued

9. HMGP projects must contribute to a long-term solution that is the most practicable. Ideally, it should integrate hazard mitigation principles with existing programs and overall community planning.
10. HMGP projects must consider long-term effects. Projects should address, when applicable, long-term changes to the areas and entities it protects, and ensure manageable future maintenance and modification requirements.
11. HMGP projects must address a problem that has been repetitive or that possesses a significant risk if left unsolved.
12. HMGP projects must cost less than the anticipated value of the reduction in both direct damage and subsequent negative impacts to the area if future disasters occur.

## ATTACHMENTS

Below are the attachments related to this application. You can access the attachments by clicking the paper clip symbol on the left side of the form (see image below).



## Attachment List

1. Budget Worksheet
2. Budget Worksheet Instructions
3. Designation of Subrecipient Agent (DSA) Form (Note: See Grant Management System for additional information below)
4. Environmental Historical Preservation (EHP) Checklist
5. FEMA Benefit Cost Analysis (BCA) Toolkit Instructions to Install
6. Property Site Inventory Worksheet (Required for Acquisition, Elevation, and Mitigation Reconstruction projects)
7. Three SF424 Forms (SF424-Application for Federal Assistance, SF424B-Non-Construction Assurances and SF424D-Construction Assurances)
8. FEMA Form Certifications Regarding Lobbying
9. FEMA Form Disclosure of Lobbying Activities

## REQUIRED DOCUMENTATION

Below is the minimum required documentation that must be submitted with the application.

Note: **This is not an all inclusive list** since requirements may vary depending on project type and the sub-applicant.

1. Application (with supporting documents used for additional space or to clarify answers)
2. Map(s), Photo(s), Drawing(s), etc. as required in the application
3. EHP Checklist
4. FEMA Insurance Rate Map (FIRM) per the EHP Checklist
5. Supporting Documentation per EHP Checklist
6. Budget Worksheet
7. Property Site Inventory Worksheet (Required for Acquisition, Elevation and Mitigation Reconstruction projects)
8. BCA zip file
9. Certification and Signature of Authorized Agent (page 10 of the application)
10. Floodplain Manager Authorization Form (page 11 of the application)
11. DSA Form
12. All three SF424 forms (SF424, SF424B and SF424D)
13. FEMA Form Certifications Regarding Lobbying (also includes Debarment, Suspension and Other Responsibility Matters; and Drug Free Workplace Requirements)
14. FEMA Form Disclosure of Lobbying Activities (Complete to disclose lobbying activities pursuant to 31U.S.C.1352)

## GRANT MANAGEMENT SYSTEM (GMS)

The Division of Emergency Management uses the GMS on-line system to manage the HMGP and other FEMA grant programs. For more information and to register for access please visit <https://grants.dps.texas.gov/index.cfm>.

Note: The DSA Form provides the information needed to set up the contact information in the system.



# Texas Division of Emergency Management Recovery, Mitigation and Standards

## Section 404 Hazard Mitigation Grant Program (HMGP) Application Form

Disaster Declaration #: FEMA- -DR-TX

Declaration Date: \_\_\_\_\_

### SUB-APPLICANT INFORMATION

Name of Sub-applicant Organization/Agency: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ County: \_\_\_\_\_ State: TX Zip: \_\_\_\_\_

Primary Contact Name: \_\_\_\_\_ Title: \_\_\_\_\_

Email: \_\_\_\_\_ Office Phone: \_\_\_\_\_ Cell: \_\_\_\_\_

Secondary Contact Name: \_\_\_\_\_ Title: \_\_\_\_\_

Email: \_\_\_\_\_ Office Phone: \_\_\_\_\_ Cell: \_\_\_\_\_

### Check One:

- State Government    
 Local Government    
 Federally Recognized Tribe    
 Private Non-Profit

Tax ID #: \_\_\_\_\_ DUNS #: \_\_\_\_\_ FIPS Code: \_\_\_\_\_  
(Data Universal Numbering System)

State Legislative House District(s): \_\_\_\_\_ State Legislative Senate District(s): \_\_\_\_\_

Congressional House District(s): \_\_\_\_\_

National Flood Insurance Program (NFIP) Community Identification #: \_\_\_\_\_  
(This number can be obtained from the FIRM map for your area)

NFIP Community Rating System Class # (if available): \_\_\_\_\_

### PROJECT INFORMATION

Project Title: \_\_\_\_\_

### **Application Type: (select from the following)**

- Standard HMGP    
 5% Initiative    
 Planning    
 Phased Project

### **Project Type: (select from the following)**

- Acquisition    
 Elevation    
 Residential Saferoom    
 Community Saferoom  
 Drainage    
 Generator    
 Wildfire    
 Structural Retrofit  
 Other: \_\_\_\_\_

### **Hazards to be Mitigated: (select from the following)**

- Flood    
 Wind    
 Wildfire    
 Subsidence    
 Storm Surge  
 Other: \_\_\_\_\_

*Note: A Property Site Inventory Worksheet (see attached) is required for Acquisition, Elevation, and Mitigation Reconstruction projects)*

**SCOPE OF WORK**

**Project Description:**

*Description must include: what hazard(s) the project will address, type of project (drainage, safe room, fuel reduction, buy-out, etc., and/or infrastructure), step by step description of the major elements of the project (contracting, construction elements, close-out, etc.), and how the project will be accomplished by the end of the 36 month period of performance (PoP). Attach extra pages as necessary.*

[Empty rectangular box for project description]

**Project Objectives - Problem Solutions/Hazard Reduction:**

*Description must include: how the project will independently solve the problem, the level of protection provided by the project, how the project will increase the level of protection to the citizens and/or properties, the number of people and properties that will directly benefit from the project, and how the project will ultimately reduce the costs associated with recovery from future disasters. Attach extra pages as necessary.*

**Project Objectives - Outcome, Level of Effort and Milestones:**

*Description must include: major milestones for the project (contracting complete, final engineering/design complete, mobilization for construction, construction phase(s), activities associated with these steps, percentage of total project budget or dollar amounts associated with these steps. Attach extra pages as necessary.*

**Milestones/Timeline:**

List the major milestones (e.g. designing, engineering, permitting, etc.) for the project by providing an estimated timeline for the critical activities not to exceed a 36 months. These milestones should correspond with the Project Objective description above and budget. For the Starting Month column below, please enter the month (1 through 24) you will begin this milestone once you receive your award (i.e. Month 1 would be the same month as your performance period start date, Month 36 is the last month of your performance period.) For the Mos. to Complete column, please enter the number of months it will take to complete the milestone. (See examples below)

Milestone	Starting Month	Est. Mos. to Complete
	Month #	# Mos to Comp
1. _____	Month #	# Mos to Comp
2. _____	Month #	# Mos to Comp
3. _____	Month #	# Mos to Comp
4. _____	Month #	# Mos to Comp
5. _____	Month #	# Mos to Comp
6. _____	Month #	# Mos to Comp
7. _____	Month #	# Mos to Comp
8. _____	Month #	# Mos to Comp
9. _____	Month #	# Mos to Comp
10. _____	Month #	# Mos to Comp

**Project Objectives - Project Staff and Management:**

*Description must include: how the sub-applicant will organize and manage the project to ensure successful completion within the project period of performance, a brief description of all staff associated with the project by position and what their role and responsibilities are for completing the project within the period of performance. Attach extra pages as necessary.*

**Damage History - Overview of Past Damage:**

Provide a detailed past history of damages in the project area including approximate costs. Include information for Presidential or Federal level disasters as well as State or local level declarations. Attach any supporting documents. Costs should include damages to structures and infrastructure in the project area as a result of the hazard. Additional costs should include the cost to the local government to respond to victims of the hazard in the project area, any interruption to local businesses, losses of public services, and costs for temporary housing of the affected population, etc. **This section helps demonstrate the need for the project.**

**Note:** Acquisition, Relocation, Elevation, or Demolition Project:

Complete a listing of specific damages to each property on a separate spreadsheet and include as an attachment.

Date	Level of Event	Type or Extent of Damage	Total Cost of Damage
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**Project Location:**

Fully describe the location of the proposed project. Describe the area and/or population affected or protected by this project. Include the location if possible (street address with numbers or neighborhood, city, county with zip codes, Lot, Block or Survey). Provide GPS reading (Lat/Long) of the project site in degrees decimal minutes to 5 places if possible (i.e.: 30.326958 / -97.724750). Attach a separate spreadsheet for multiple latitude/longitude coordinates and descriptions as needed.

Latitude: \_\_\_\_\_ Longitude: \_\_\_\_\_

**Description:**

**Population and Structures Affected by Project:**

Indicate the approximate number of people affected by this project to include residents, customers, commuters, or visitors, etc. Provide the number of each type of structure (listed below) in the project area. Include all structures directly affected in project area.

- Number of people affected
- Number of residential properties
- Number of businesses / commercial properties
- Number of public buildings
- Number of schools
- Number of hospitals / medical clinics
- Other (List):

## **MAPS**

Two maps must be provided with your application. One must show the general location of the project site and the other must show the specific project site. In certain cases when there are no maps available, substitute with an overview photo, drawing or sketch. Ensure it is legible, shows magnetic north, and has major landmarks noted for orientation.

Map Depicting Project Site: (check the boxes to indicate what type of maps are attached)

- City, County, or District scale map showing the entire project area with the project site and structures marked on the map.
- USGS 1:24,000 topographical map with project site marked on the map. (Map depicting relationship to existing features – natural and otherwise)
1. Rivers, lakes, streams, wetlands, saltwater, etc.
  2. Geologic features, steep slopes, unstable areas
  3. Roads, bridges, buildings, etc.
- For acquisition or elevation projects**, include a copy of the Parcel Map (Tax Map, Property Identification Map, etc). with each property in the project clearly marked on the map. **Use SAME ID number as in the Property Site Inventory Worksheet.**

**NOTE:** On one or both of the maps and depending on the type of project, you may depict multiple requirements that are listed below, instead of a separate map for each.

## **Photos, Sketches, Drawings, Engineer Designs, etc:**

These help clarify the project setting and the potential impacts of the project on the environment (soils, vegetation, hydrology, wildlife) and they assist in understanding the written description of the project, especially if contours and elevations are provided. The photographs should be representative of the project area, including any relevant streams, creeks, rivers, drainage areas, etc; which affect the project site or will be affected by the project. If photos are provided, then FEMA may not need to conduct a site visit, thereby, reducing the review time. Include ALL engineering calculations and quantity determinations for this project. These are in addition to any map substitutions. Please check the box below for the items you are attaching to your application, if any:

- Photographs                       Engineering Designs (including calculation and quantity determinations)
- Sketches/Drawings               Other

## **ENVIRONMENTAL HISTORICAL PRESERVATION (EHP) COMPLIANCE**

Please complete the EHP Checklist (see attachment) and include in the application submission.

As a Federal agency, the Department of Homeland Security (DHS) / Federal Emergency Management Agency (FEMA) is required to consider the effects of its actions on the environment and/or historic properties to ensure that all activities and programs funded by the agency, including grants-funded projects, comply with Federal EHP regulations, laws, and Executive Orders, as applicable. Grant recipients proposing projects that have the potential to impact the environment, including but not limited to construction of communication towers, modification or renovation of existing buildings, structures and facilities (including installation of equipment), or new construction including replacement of facilities, must participate in the DHS/FEMA EHP review process. More information about the EHP requirement can be found at the following links:

<https://www.fema.gov/environmental-planning-and-historic-preservation-compliance>

<https://www.fema.gov/media-library/assets/documents/26621>

Maps will also be required for this portion of the application. If you have photos, sketches, drawings, engineer designs, etc. that will help clarify the project location and structures, please be sure to include them with your application.

**BUDGET INFORMATION**

Please complete the Budget Worksheet attachment by following the attached "Budget Worksheet Instructions". You can access the attachment by clicking on the paper clip on the left side of the form.

Once the budget has been completed, provide the following information from the worksheet:

*(Note: Enter numbers only (no \$ or comma's) as the fields is automatically formatted)*

**Total Project Costs:** \_\_\_\_\_  
**Applicants Cost Share:** \_\_\_\_\_  
**Federal Amount:** \_\_\_\_\_

*Reminder: Applicant must include the Budget Worksheet when submitting the application*

**BENEFIT COST ANALYSIS**

Applicants must demonstrate mitigation projects are cost effective. The Benefit Cost Tool Version 5.3 is used to perform benefit cost analysis for applications submitted under FEMA's Hazard Mitigation Assistance Grant Programs. To use this tool, you must first download the file from the website (see link below). If you have any questions about the new BCA software program, please contact the BC Helpline at [bchelpine@dhs.gov](mailto:bchelpine@dhs.gov) or at 1-855-540-6744.

<https://www.fema.gov/media-library/assets/documents/128334>

Once the BCA has been completed, provide following information from the BCA:

*(Note: Enter numbers only (no \$ or comma's) as the fields is automatically formatted)*

**Total Project Cost:** \_\_\_\_\_  
**Total Value of Project Benefits:** \_\_\_\_\_  
**Benefit Cost Ratio:** \_\_\_\_\_

*Reminder: Applicant must include a zip file of the BCA when submitting the application*

**BCA Exceptions**

- **Acquisition Projects** - The acquisition of structures that are declared Substantially Damaged (from any origin) and located in a riverine Special Flood Hazard Area (SFHA) on a preliminary or effective FIRM is considered cost effective.
- **Residential Safe Room Projects** - The pre-calculated benefit provides standardized Benefit-Cost Analysis (BCA) benefit values associated with residential safe rooms so that individual BCAs are not required, as long as the project costs do not exceed \$5,421.32 (in Texas).
- **Acquisition and Elevation Projects** - The national average for benefits for acquisition and elevation projects is \$276,000 for acquisition projects and \$175,000 for elevation projects. **FEMA determined the acquisition or elevation of a structure located in the 100-year floodplain for which costs are equal to or less than the amount of benefits noted above is cost effective.** For projects that contain multiple structures, the average cost of all structures in the project must meet this criterion. There is no need for recipients to conduct a separate BCA for a structure that meets this criterion.
- A wind retrofit project is considered cost effective as long as the total project costs are less than the costs listed below:

<u>Mitigation Package Type</u>	<u>Roof Replacement Project</u>	<u>Maximum Costs</u>
Intermediate Protection	No	\$13,153
Intermediate Protection	Yes	\$24,920
Advanced Protection	No	\$40,252
Advanced Protection	Yes	\$52,018

## CERTIFICATION AND SIGNATURE OF AUTHORIZED AGENT FORM

The Chief Elected Official (jurisdiction) or Executive Director (non-jurisdiction) must certify the following statements before the project listed below will be considered for Hazard Mitigation Grant Program (HMGP) funding.

**Name of Sub-Applicant (jurisdiction/non-jurisdiction) Identified in the Application:**  
*(auto-populated from the first page of the application)*

**Project Titles Identified in the Application:**  
*(auto-populated from the first page of the application)*

**To certify, please check the boxes and sign below:**

- The undersigned will ensure all State and Federal requirements related to the HMGP funding are fulfilled.
- The undersigned understands that the jurisdiction/non-jurisdiction applying for this grant is liable for the required matching funds (local share) related to the project listed above.
- The undersigned has reviewed and approved the project and information contained in the application.

**Signature of the Authorized Agent**

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

# FLOODPLAIN MANAGER AUTHORIZATION FORM

Please provide the following information for the designated Floodplain Manager for the project listed below.

Date: \_\_\_\_\_

Sub-Applicant: \_\_\_\_\_

Disaster Declaration: FEMA- \_\_\_\_\_ -DR-TX

Project Title: \_\_\_\_\_

Project Number (if known): \_\_\_\_\_

### Floodplain Manager Contact Information:

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Organization: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip : \_\_\_\_\_

Email: \_\_\_\_\_ Office Phone: \_\_\_\_\_ Cell: \_\_\_\_\_

### Floodplain Manager Certification Information:

CFM Certification Number: \_\_\_\_\_

If not a CFM, please enter the date of attendance for:

CFM - 1 Week Course: \_\_\_\_\_

Floodplain 101 Course: \_\_\_\_\_

### Certification:

By signing below, the above Floodplain Manager is authorized to represent and act on behalf of the sub-applicant in all floodplain matters related to the project and grant listed above

\_\_\_\_\_  
Signature of Authorized Official/Project Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

**Please submit completed form(s) with the application email as an attachment.**

## **SUBMITTAL INSTRUCTIONS:**

- Review the application and ensure all questions are answered and all documents are attached. Below is the minimum required documentation. **Note:** This is not an all inclusive list since requirements may vary depending on project type and the subgrantee.
  1. Application (with supporting documents used for additional space or to clarify answers)
  2. Map(s), Photo(s), Drawing(s), etc. as required in the application
  3. EHP Checklist
  4. FIRM Map(s) per the EHP Checklist
  5. Supporting Documentation per EHP Checklist
  6. Budget Worksheet
  7. Property Site Inventory Worksheet (*Required for Acquisition, Elevation, and Mitigation Reconstruction projects*)
  8. BCA zip file
  9. Certification and Signature of Authorized Agent (page 10 of the application)
  10. Floodplain Manager Authorization Form (page 11 of the application)
  11. DSA Form
  12. All three SF424 forms (SF424, SF424B and SF424D)
- Upon completion of the application, save your file by clicking the Save As button below and name your file with the following structure:

Disaster# Grant - Jurisdiction/Organization Name - Project Type

**Example: 4332 HMGP - Test, City of - Generator**

**Save As**

- Submit completed application via email by clicking on this link: [TDEM-Mitigation@dps.texas.gov](mailto:TDEM-Mitigation@dps.texas.gov)



ORDER NO. 2021-78

**AN ORDER OF THE COMMISSIONERS COURT OF WALKER COUNTY, TEXAS,  
POLICIES AMENDING AND ADOPTING THE FINANCIAL AND BUDGET POLICIES  
OF WALKER COUNTY**

WHEREAS, The Commissioners Court has previously adopted Financial and Budget Policies by Order and has reviewed the additions and amendments to the current policy dated August 9, 2021;

WHEREAS, The Commissioners Court with this action adopts the Financial and Budget Policies as shown in Exhibit A as submitted with changes in grammatical or formatting as needed;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE COMMISSIONERS COURT OF WALKER COUNTY, TEXAS, that: **This order shall take effect immediately after its passage.**

PASSED AND APPROVED on this the 9th day of August, 2021.

WALKER COUNTY TEXAS

\_\_\_\_\_  
Danny Pierce, County Judge

\_\_\_\_\_  
Danny Kuykendall, Commissioner Precinct 1

\_\_\_\_\_  
Ronnie White, Commissioner Precinct 2

\_\_\_\_\_  
Bill Daugette Jr., Commissioner Precinct 3

\_\_\_\_\_  
Jimmy D. Henry, Commissioner Precinct 4

Approved as to form:

\_\_\_\_\_  
Will Durham, Walker County District Attorney



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# Walker County Financial and Budget Policies

As Amended by Order 2021-78 on 08/09/2021

# Financial and Budget Policies of Walker County

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## FINANCIAL AND BUDGET POLICIES OF WALKER COUNTY

### FINANCIAL POLICIES

#### I. FINANCIAL POLICIES - GENERAL INFORMATION

- A. **PURPOSE OF FINANCIAL POLICIES.** The purpose of these Financial and Budget Polices is to identify and present an overview of policies dictated by state law, policies adopted by orders of the courts, and administrative policies. The aim of these policies is to achieve long-term stability and a positive financial condition. These policies set forth the basic framework for the overall fiscal management of the County. The scope of these policies span accounting, auditing, financial reporting, internal controls, operating and capital budgeting, budget amendments, revenue management, cash and investment management, expenditure control, the budget amendment process, asset management and debt management. A substantial portion of the policies and procedures of Walker County are defined by State Law. To document some of the non-statutory policies, the first version of the financial policies was adopted on September 13, 2004, by the then sitting Commissioners Court for the purpose of documenting, formalizing and communicating the policies to the elected officials, department heads, and citizens. Goals included setting up policies for guiding financial planning and maintaining adequate fund balances, enhancing budgetary controls, and enhancing transparency in the financial operations of the County. The Commissioners Court began the process of addressing and formalizing other polices and, over time, has put together a comprehensive set of financial policies that guide and regulate County business and transactions. While subject to change, these policies and procedures have not changed in the core philosophies that were behind the original policies. Modifications to the policies are generally minor and generally include additions to the documentation of the policies and addressing changes in reporting.
- B. **PERSONNEL POLICY MANUAL, PURCHASING POLICIES AND PROCEDURES AND OTHER POLICIES.** In addition to the Financial and Budget Policies, the County has developed a comprehensive set of other policies and procedures that guide and regulate its activities. The Commissioners Court has been actively involved in the formalizing of these policies, many of which have been incorporated into the Personnel Policy Manual. The last major rewrite of the Personnel Policy Manual was in June 2015 with several modifications having been made since then. Formal purchasing polices were first adopted in 2006, followed by a major rewrite and adoption of the Purchasing Policy and Procedures Manual in February 2017. Investment Policies are reviewed each year as part of the budget process. All departmental operations must adhere to the policies adopted by Commissioners Court.
- C. **GENERAL GOVERNMENT FUNCTIONS.** The Commissioners Court is the governing body of the County. The Texas Constitution specifies that the Court consists of a County Judge, who is elected at large, and serves as the presiding officer and four County Commissioners elected by the voters of their individual precincts. The Local Government Code prescribes the duties and grants authorities of the Commissioners Court and other County officers relating to financial management. The Commissioners Court develops and adopts the County budget, establishes the tax rate and develops policies for County operations. Major responsibilities of County government include public safety, maintaining roads, maintaining jails, funding judicial systems, maintaining public records, assessing property taxes, issuing vehicle registrations, registering voters, conducting elections, and oversight of development within the County.

- D. **STRUCTURE OF COUNTY GOVERNMENT.** Counties are agents of the state, and their structure is defined in the Texas Constitution. Counties, unlike cities, are limited in their actions to areas of responsibility specifically described in laws passed by the Texas Legislature and signed by the Governor. In Texas, Commissioners Court conducts the general business and oversees financial matters of the County. To ensure Fiduciary responsibility, the Texas Constitution has established a strong system of financial checks and balances by creating, the position of County Auditor, who is appointed by the District Judges and a Purchasing Agent appointed by the County Judge and the District Judges.
- E. **ELECTED OFFICIALS.** In addition to the County Judge and County Commissioners, other elected officials include the District and County Clerks, County Treasurer, Sheriff, Constables, Justices of the Peace, County Court at Law Judge, two District Judges, a Criminal District Attorney, and the County Tax Assessor. In Walker County the Commissioners Court is responsible for the oversight of the Facilities Maintenance Department, the IT Department, the EMS (Emergency Management Services) operations, and the Planning and Development Department. State statute defines the roles and duties of each of the other elected officials.
- F. **COUNTY FISCAL YEAR.** The County operates on a fiscal year that begins October 1<sup>st</sup> and ends on September 30<sup>th</sup>.
- G. **COMPREHENSIVE ANNUAL FINANCIAL REPORT.** A Comprehensive Annual Financial Report (CAFR) is issued at the end of each fiscal year. Walker County participates in the Government Finance Officer (GFOA) CAFR Review Program and prepares its statements in accordance with their recommended guidelines.
- H. **ANNUAL EXTERNAL AUDIT.** The annually adopted budget for Walker County includes funds for an external annual financial audit. The contract shall require that the external auditor of the financial statements conform to standards promulgated in the General Accounting Office's *Government Auditing Standards*.
1. **SELECTION OF EXTERNAL FIRM.** In the external audit firm selection process, Walker County shall issue a comprehensive request for proposals and follow Best Practice Guidelines issued by the GFOA for external audit procurement. In general, it will be the preferred practice of Walker County to rotate external auditors on a periodic basis. Selection of the external audit firm will generally be for a five year period with an initial contract of one year with review for annual renewals for years two thru five. After a five year consecutive period of service by an external audit firm, a request for proposal will be issued each year.
  2. **EXTERNAL AUDIT REVIEW COMMITTEE.** County policy is for the County Judge to designate an external audit review committee comprised of five to seven members. Once selected, the committee is presented for approval by the Commissioners Court. The primary responsibility of the external audit review committee will be to oversee the external independent audit of the comprehensive annual financial statements, including reviewing the request for proposal and proposal responses, and making a recommendation to commissioner's court for selection of the external audit firm.

## **II. BASIS OF ACCOUNTING**

- A. **ACCOUNTING POLICY.** The County Auditor's Office maintains records on a basis consistent with accepted principles and standards for local government accounting and in accordance with current statements and pronouncements issued by the Governmental Accounting Standards Board, as applicable.
- B. **GOVERNMENTAL FUND TYPES.** The County uses Governmental Funds to account for its general governmental activities. Governmental funds use the flow of current financial resources measurement focus, and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they are 'measurable

and available'). "Available" means collectible within the current year or soon thereafter to pay liabilities within 60 days of the end of the current fiscal period. Substantially all revenues except property taxes and fines are considered susceptible to accrual. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. Principal and interest on long-term debt are recognized as payments are due.

- C. PROPRIETARY FUND TYPES. Proprietary fund types are used to account for business type activities (funds that receive their revenues through user charges). Proprietary funds use the accrual basis of accounting and are based on a flow of economic resources. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. There are two types of Proprietary funds, Enterprise Funds and Internal Service Funds. Enterprise Funds receive their revenues primarily from user fees. Internal Service Funds receive their revenues primarily from other funds. The County has one Internal Service Fund, the Retiree Insurance Fund.

### **III. INTERNAL CONTROL STRUCTURE**

- A. INTERNAL CONTROLS RESPONSIBILITY. Internal controls are designed to provide reasonable, but not absolute assurance, regarding the safeguarding of assets against loss, unauthorized use, or disposition. Internal controls are designed to ensure reliability of financial records for preparing financial statements and for maintaining accountability for assets. The financial operating controls are shared by the Commissioners Court, which is the governing body, the County Auditor, who is appointed by the District Judges, the elected officials and the department heads. The County Auditor maintains the records of all financial transactions of the County and by statute examines, audits, and approves all disbursements from County funds prior to submission to the Commissioners Court for payment.
- B. WRITTEN PROCEDURES. Elected officials and department heads are responsible for ensuring adequate control of the monies collected by their department and for assets assigned to their departmental area. Whenever possible, written procedures shall be established for all functions involving cash handling and accounting for revenues within the department. Each elected official or department head is responsible for ensuring that good internal controls are followed throughout the department.
- C. COMPUTER SYSTEM/DATA ACCESS. The County shall provide security of its computer systems and data files through physical security and shall require passwords for system access. There shall be a requirement that passwords be changed periodically. The IT department shall report to the Commissioners Court and shall recommend security policies for Commissioners Court approval. The IT department is charged with ensuring there are appropriate backups of data and disaster recovery processes are in place.

### **IV. RISK MANAGEMENT**

- A. RISK. The County is exposed to various types of risk of losses related to torts, theft of, damage to, and destruction of capital assets, errors and omission, injury to employees, and natural disasters.
- B. MEMBER TEXAS ASSOCIATION OF COUNTIES RISK POOL. Walker County participates in the Texas Association of Counties Risk Management ('the pool') created by interlocal agreement to enable its members to obtain coverage against various types of risk. The pool is administered by the Texas Association of Counties (TAC). Through this pool, the county obtains general liability, property, public officials liability, law enforcement professional liability, auto physical damage, auto liability, and workers' compensation coverage.

- C. ANNUAL REVIEW OF INSURANCE COVERAGE AND DEDUCTIBLES. Each year nearing time of renewal, the Purchasing Agent shall present to the Commissioners Court an agenda item discussing renewal, alternate methods of insuring the county, and a discussion of the amount of insurance deductibles.

## **V. FIXED ASSETS**

- A. DEFINITION. A fixed asset is a purchased or otherwise acquired piece of equipment, vehicle, furniture, fixture, capital improvement, infrastructure addition, or addition to existing land, or buildings. For financial reporting purposes, a fixed asset's cost or value is \$5,000 or more with an expected useful life of greater than one year, or infrastructure or building improvement at a cost of \$25,000 or more that will extend the life by more than five years.
- B. CENTRAL FIXED ASSET ACCOUNTING MODULE. Fixed assets shall be tagged and information entered into the centralized Fixed Asset Accounting module in a manner defined by the County Auditor.
- C. ANNUAL INVENTORY. An annual physical inventory shall be conducted by the Purchasing Department and as required by Local Government Code 262.01 l(i), a report submitted to the County Auditor, County Judge and District Judges by July 1<sup>st</sup> of each year.
- D. POLICY ON ASSET MANAGEMENT. Commissioners Court has adopted a separate Asset Management Policy that includes small equipment inventory and inventory maintained at the department level. This policy requires that the Purchasing Agent tag assets with a cost of greater than \$1,000 and are susceptible to loss, that these assets be entered and maintained in the centralized asset accounting system, and defines the departments' responsibility to maintain assets records at the department level.
- E. PURCHASE OF A FIXED ASSET. No fixed asset purchase shall be made without specific approval of Commissioners Court. Generally requests for fixed assets shall be planned and included as part of the annual budget process or an approved Capital Project. In the event of an unplanned purchase made after the annual budget is approved, a budget amendment must be submitted and approved.

## **VI. REVENUE MANAGEMENT**

- A. REVENUE GENERATED DURING THE BUDGET YEAR TO FUND OPERATING COSTS BUDGETED FOR THE FISCAL YEAR. Walker County shall strive to fund all on-going costs during a budget year with revenues that are generated in the budget year. On-going costs not funded by revenues to be generated during the budget year shall be specifically identified during the budget process and the funding plan for future years shall be part of the budget planning process. A function that is to be placed in the tax rate over a period of years shall be part of the annual budget review process.
- B. REVENUE SOURCES. County Government revenues are generally limited to what is allowed in state statute. Many of the revenues allowed are set by specific statute with little discretion on the amount to be charged. The primary revenue sources of Walker County are ad valorem taxes, sales taxes, fines, fees paid to the County by the State of Texas for collecting revenues for the State of Texas, fees for EMS services, license and permit fees and certain other fees. The County is also fortunate to receive numerous grants.
- C. CHARACTERISTICS OF THE REVENUE SYSTEM. The County strives for the following in its revenue system:
- Simplicity in naming and grouping. The County shall strive to keep its revenue classifications system simple to promote understanding of the revenue sources.
  - Realistic and Conservative Estimates. Revenues are to be estimated realistically. Revenues of a volatile nature shall be budgeted conservatively.

- Reporting. Reports showing actual revenues vs. budgeted revenues shall be presented in detail at least monthly and the Commissioners Court shall be advised of potential shortfall of revenues that could have an adverse effect on the budget.
  - Monitoring of fee offices timely submittal of revenues to the County Treasurer. As part of the internal audit process, revenue reporting offices shall be carefully monitored.
  - Aggressive collection policy. Elected officials are encouraged to implement aggressive collection policies and practices. The County shall have in place contracts for collections of past due court and ad valorem revenues.
- D. NON-RECURRING REVENUES. One-time or non-recurring revenues shall generally not be used to finance current on-going operations. Non-recurring revenues shall generally be used for one-time expenditures.
- E. PROPERTY TAX REVENUES. As per state statute, all real and personal property located within the County is valued at 100% of the fair market value based on the appraised value supplied by the Walker County Appraisal District. Reappraisal and reassessment is as provided by the Walker County Appraisal District. Property tax shall be maintained at a rate determined by Commissioners Court to fund the budget they establish annually. The County contracts with the Walker County Appraisal District for the collection of current and delinquent taxes. In addition, a third party attorney is hired to collect delinquent taxes. The tax rate is set as part of the annual budget in accordance with the Texas Local Government Code and the Texas Tax Code and in accordance with the Texas Truth in Taxation Guidelines.
- F. INTEREST INCOME. Interest is earned from investment of available monies. The County Treasurer is the investment officer and invests monies in accordance with the Commissioners Court approved investment policy. Monthly reports are presented to the Commissioner Court as required by statute. Interest earning shall be deposited in the fund that was the source of the funds invested (interest follows source).
- G. USER-BASED FEES. Many fees, including court related fees and vehicle registration fees, are established by state statute. Chapter 118 of the Texas Local Government Code outlines many of the fees that are allowable or required to be charged by Walker County. Other fees such as EMS-fees are established by the County. When possible, the County strives to collect fees from the users of the services to recover costs. Fees shall be reviewed each year either under the time line defined by statute or part of the annual budget process.
- H. FINES. Fine amounts are set by the Judges of the various courts.
- I. INTERGOVERNMENTAL REVENUES. Monies received from other governments shall be matched with the fund or department where the costs or expenses associated with the services are budgeted.
- J. GRANT AND SPECIAL REVENUES. Grant and other special revenues received shall be deposited into the fund or department established for this purpose and spent for their intended purpose.
- K. FEMA/DISASTER REVENUES. These monies will be matched with their expenditures. Monitoring of costs vs revenues received shall be maintained by the fund or departments receiving the funds. Refunds due to the provider shall be charged back against the department receiving the funds.

## **VII. PURCHASING**

- A. **CENTRALIZED PURCHASING.** Walker County has adopted a centralized purchasing structure and has an appointed Purchasing Agent. A Purchasing Board comprised of the County Judge and District Judges of the 12th and 278th Judicial Districts appoints the Purchasing Agent. Statutory duties of purchasing agents are defined by Texas State Statute. The Purchasing Agent is appointed for two year terms.
- B. **PURCHASING AGENT.** Local Government Code 262.01 I defines the role of the purchasing agent. The purchasing agent shall purchase all supplies, materials, and equipment required or used, and contract for all repairs to property used by the county, except purchases and contracts required by law to be made on competitive bid. A person other than the Purchasing Agent may not make the purchase of the supplies, materials or equipment or make the contract for repairs. The Commissioners Court has adopted a Purchasing Policies and Procedures Manual that defines the guidelines for making purchases.
- C. **REQUISITIONS/PURCHASE ORDERS.** Local Government Code 113.901 requires a requisition be signed by the county officer ordering the materials or supplies and unless the requirement is waived by Commissioners Court, the requisition must be signed by the County Judge. Walker County has waived the requirement for the County Judge's signature on the requisition.
- D. **CONTRACTS.** A purchase order defines the terms of an agreement to purchase an item. Contracts that define the terms of the agreement must be approved by the Commissioners Court and requires the signature of the County Judge.

## **VIII. PERIODIC REPORTING**

- A. **STATE STATUTE REQUIRED REPORTING.** State Statute sets the minimum periodic reporting requirements for County Government. The reports are to be presented at Commissioners Court meetings in a timely manner.
- Local Government Code 114.024 requires that a report showing a listing of the county's receipts and disbursements and the accounts of the county be presented at each regular meeting of Commissioner Court.
  - Local Government Code 114.025 requires that the County Auditor make monthly and annual reports to the Commissioners Court and to the District Judges of the County. The report is to include: Aggregate amounts received and disbursed, condition of each account on the books, the amount of county and district funds on deposit in the county's depository, the amount of county bonded indebtedness and other indebtedness, and any other facts of interest and information that the County Auditor considers proper or the Court or District Judges request.
  - Local Government Code 111.091 requires periodic reports on the budget. The County Auditor includes these reports as part of the monthly reporting process.
  - County Treasurer Reporting. Statute places numerous reporting requirements on the County Treasurer related to funds on hand and investment reports.
  - Other Elected Officials. Statute places reporting requirements on other elected officials including the County Clerk, District Clerk and Justices of the Peace.
- B. **INTERNAL REPORTING.** Commissioners Court has placed monthly reporting requirements on many of the departmental functions that they supervise.

## **IX. DEBT MANAGEMENT**

- A. **ISSUE OF DEBT.** The County shall issue debt only when specifically approved by Commissioners Court and all monies shall be spent for only their designated purpose.
- B. **LONG-TERM DEBT.** The county will use long-term debt only for the purpose of funding capital projects which cannot feasibly be financed with current revenues or available funds and when future citizens will receive the benefit of the improvement. The payback period of the debt will be limited to the estimated useful life of the capital projects or improvements.
- C. **SHORT-TERM DEBT.** The County will issue short term debt only in instances where funds are not available through current revenues or available for allocation in the budget process from funds in excess of the county's required minimum fund balances as set by policy. In the past this type of debt has been used to issue certificates of obligation to finance equipment. In recent years, the County has been able to finance its equipment through the use of fund balance in excess of the minimum required amount.
- D. **METHOD OF SALE.** The County shall use a competitive bidding process in the sale of bonds or certificates of obligation unless there is specific action of Commissioners Court to vary from the competitive process.
- E. **FINANCIAL ADVISOR.** The Commissioners Court shall review the need and approve the hiring of a Financial Advisor for long term and short-term debt issues as appropriate.
- F. **ANALYSIS OF FINANCING ALTERNATIVES.** Alternatives to the issue of debt including grants, use of reserves, and use of current revenues shall be explored prior to the issue of debt.
- G. **DISCLOSURE.** Full disclosure shall be made available to rating agencies, holders of the debt and other users of financial information. The County shall prepare necessary materials to provide for presentations and the production of the Offering Statement.
- H. **DEBT STRUCTURE.** The County will generally issue debt for a term not to exceed 20 years or the life of asset, whichever is less.
- I. **FEDERAL REQUIREMENTS.** The County shall maintain procedures to comply with arbitrage rebate and other Federal requirements.
- J. **BIDDING PARAMETERS.** The County will work with the Financial Advisor to construct the notice of sales to ensure the best bid for the County, in light of the existing market condition and other prevailing factors including parameters such as coupon requirements relative to the yield curve, use of bond insurance, call provisions, method of the underwriters compensation, discount or premium coupons.

## **INVESTMENT AND CASH MANAGEMENT**

- A. **STATE STATUTES.** As with other functions in Texas county government, there are statutes governing county investments and cash management. The county is required by Government Code 2256, the Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must be written, primarily emphasize safety of principal and liquidity, address investment diversification, yield, and maturity and the quality and capability of investment management; and include a list of authorized investments in which the county's funds may be invested; and include the maximum allowable stated maturity of any individual investment owned by the County. Texas statute also defines very specific reporting requirements for County Treasurers.
- B. **COUNTY TREASURER AS CHIEF CUSTODIAN OF FUNDS.** Texas Local Government Code Chapter 113 establishes the role of the County Treasurer as the chief custodian of county funds. It further requires that monies be kept in a designated depository and defines the responsibility of the

County Treasurer to account for all money belonging to the County. Statute identifies three classes of funds (1) jury fees, (2) money received under the provisions of road and bridge law, including fines and (3) other money received by the Treasurer's office that is not otherwise appropriated. With the exception of delinquent ad valorem taxes, the County Treasurer is to direct prosecution for the recovery of any debt owed to the county, as provided by law and shall supervise the collection of the debt.

- C. **PLEGDED SECURITIES.** The County's funds are required to be deposited under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the County's agent bank approved securities in an amount sufficient to protect County funds on a day-to day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit (FDIC) Insurance.
- D. **CHIEF INVESTMENT OFFICER.** The County Treasurer is the Chief Investment Officer of Walker County as authorized by state law.
- E. **INVESTMENT COMMITTEE.** There shall be an investment committee consisting of the County Investment Officer and at least two other members appointed by the Commissioners Court. The Investment Committee shall meet at least once quarterly.
- F. **WRITTEN INVESTMENT POLICIES UPDATED ANNUALLY.** The County shall maintain a written investment policy and the Commissioners Court shall review the investment policy each September.
- G. **DEPOSITORY CONTRACTS.** Walker County shall conduct its treasury activities with financial institutions based on written contracts.
- H. **FUNDS HELD IN CERTAIN TRUST ACCOUNTS AND COURT REGISTRY ACCOUNTS.** The County Clerk and District Clerk hold money in separate bank accounts not managed by the County Treasurer. Chapter 117 of the Texas Local Government Code defines the law for establishing of a depository, and duties of the custodian of these funds. The County Treasurer is not the custodian of these accounts. Reconciliation and monthly reporting of these accounts is required to be sent to the County Auditor and balances of these accounts are reported to Commissioners Court.
- I. **RECONCILIATION OF BANK ACCOUNTS OTHER THAN TRUST ACCOUNTS HELD BY OTHER ELECTED OFFICIALS.** The County Treasurer shall handle original reconciliation of Walker County Bank Accounts with the Depository Bank.

## **XI. FUND AND ACCOUNT GROUPS**

- A. **ORGANIZATION OF ACCOUNTS.** The County's accounts are maintained on the basis of fund and accounts groups that segregate funds according to their intended purpose. Each fund is a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. The accounts within a fund are grouped by a functional category. Within the department, the expenditures are grouped by expenditure types.
- B. **FUND STRUCTURE.** The Financial Reporting Fund structure will generally consist of the Major Funds - General Fund, Debt Service Fund, Road and Bridge Fund, EMS Fund, Capital Projects Fund, Grants and Contracts and Other Governmental Funds.
  - 1. The Grants and Contracts grouping are Special Revenue Funds set up to account for grants received and monies received from the State. The Other Governmental Funds are Special Revenue Funds set up for either legislatively designated purposes or other revenues committed for a special purpose.
  - 2. All funds with the exception of the Grants and Contract funds shall be included in the annual budget process. Certain other funds (such as the Healthy County Initiative Fund and General Projects Fund) created for budgeting purposes for assigned or committed monies will be

included in the annual budget. For financial reporting purposes, these funds may be included as part of the General Fund.

- C. DEPARTMENTAL FUNCTIONAL CATEGORIES. The departments for the County are grouped by several functional categories; General Government, Financial Administration, Judicial, Public Safety, Corrections and Supervision, Health and Welfare, Education and Culture, Public Transportation, Debt, Contingency and Transfers.
- D. EXPENDITURE ACCOUNT CATEGORIES. Within each department, expenditures are further grouped in the following categories. These categories generally follow the legal level of control for a departmental budget. The following is an example of categories and are subject to change as accounting needs change.
- Salary/Other Pay/ Benefits
  - Operations
  - Capital
  - Projects
  - Debt
  - Intergovernmental Services/Contracts
  - Contingency
  - Transfers
- E. REVENUE ACCOUNT CATEGORIES. For reporting and budgeting purposes, revenues are grouped into categories. The following is an example of categories and are subject to change as accounting needs change.
- Property Taxes
    - Current Taxes
    - Delinquent Taxes
  - Property Taxes Penalty and Interest
  - Sales Tax
  - Other Taxes
  - Licenses and Permits
  - Intergovernmental Revenues
  - Charges for Services/Fees of Office
  - Charges for Service - EMS
  - Fines/Court Costs and Forfeitures
  - Interest Earnings
  - Other Revenues
  - Transfers In

**F. MAJOR FUNDS. Major Funds identified for financial reporting purposes are described below.**

**1. GENERAL FUND.** The General Fund is the main operating fund that accounts for most of the financial resources of the county, which may be used for any lawful purpose. The following is a sample of functions and departments found in the General Fund subject to change as accounting needs change.

<b>General Fund</b>			
<b>Function: General Government</b>	<b>Function: Judicial</b>	<b>Function: Public Safety</b>	<b>Function: Corrections and Supervision</b>
County Judge	Courts-Central Costs	Sheriff	County Jail
County Judge-IT Hardware/Software	Courts-Pretrial Bond Supervision	Sheriff Estray	County Jail-Inmate Medical
County Judge -I.T. Operations	County Court at Law	Courthouse Security	Adult Probation Support
Commissioner's Court	12th Judicial District Court	Constables Central	Adult-Community Services
County Clerk	278th District Court	Constable Precinct 1	
Voter Registration	District Clerk	Constable Precinct 2	<b>Function: Health &amp; Welfare</b>
Elections	Criminal District Attorney	Constable Precinct 3	Veteran's Service
County Facilities	Justice of Peace Precinct 1	Constable Precinct 4	Social Services
Municipal Allocation-Justice Center	Justice of Peace Precinct 2	Department Public Safety Support	Planning & Development
Centralized/NonDepartmental Costs	Justice of Peace Precinct 3	DPS Weigh Station Utilities/Services	Litter Control
Contingency Allocation	Justice of Peace Precinct 4	Weigh Station Site Support	Health and Welfare Intergovernmental/Service Contracts
<b>Function: Financial Administration</b>	Juvenile Probation	Emergency Operations	<b>Function: Education and Culture</b>
County Auditor-Financial Systems		Public Safety Intergovernmental Service Contracts	Historical Commission
County Auditor			Agri-Life Extension Service
County Treasurer			<b>Function: Transfers</b>
County Treasurer - Collections/Compliance			
Purchasing			
Vehicle Registration			
Financial Intergovernmental Service/Contracts			

**Figure 1: General Fund Groupings**

2. **DEBT SERVICE FUND.** This fund is created for servicing the payments on outstanding debt. As part of the budget process, a separate tax rate is adopted each year sufficient to pay the annual debt requirements. The only debt outstanding for Walker County is for the 2012 Certificate of Obligation which had an original issue amount of \$20,000,000. This was a 20 year issue with payments beginning in fiscal year 2013 and final maturity in 2032. The primary purpose was construction of new County Jail. Annual debt payments are approximately \$1,375,000.

**Debt Service Fund**

**Function: General Government**

3. **ROAD AND BRIDGE FUND.** The purpose of this fund is to account for costs associated with maintenance and repairs of roads and bridges in each of the four precincts. A budget is established for each of the four precincts that also includes the salary and benefits of the commissioner. The majority of funding for the Road and Bridge fund is derived from a combination of revenue sources identified in state statute, as well as ad valorem taxes. There is not a specific tax rate adopted for the Road and Bridge Fund, but is part of the operations tax set by Commissioners Court. Unrestricted monies remaining at the end of the fiscal year in the Road and Bridge Fund are committed to the purposes budgeted and are available for expenditure in the following budget year. The following is a sample of functions and departments found in the Road and Bridge Fund subject to change as accounting needs change.

<b>Road and Bridge Fund</b>
<b>Function: Public Transportation</b>
General Road & Bridge
Road and Bridge Precinct 1
Road and Bridge Precinct 2
Road and Bridge Precinct 3
Road and Bridge Precinct 4
Bridge and Special Projects
Weigh Station Operations
Weigh Stations Projects
Transfers

4. **EMERGENCY MEDICAL SERVICES (EMS) FUND.** The purpose of the EMS fund is to account for costs associated with providing EMS emergency services to Walker County residents. There are also several private sector companies operating within Walker County. These private sector providers do not receive funding from Walker County. Primary sources of revenues for EMS service are user fees and a monetary transfer from the General Fund from monies brought in through the ad valorem operations tax rate. Unrestricted monies at the end of each fiscal year in the EMS Fund are committed to the purpose of providing EMS services.

<b>EMS Fund</b>
<b>Function: Public Safety</b>
Emergency Services

5. **CAPITAL PROJECTS FUNDS.** These funds are used to account for capital projects generally paid from the issue of debt. Walker County currently has no Capital Projects Funds. The most recent use of this fund type was for construction of a new County Jail. The balance of the debt issue to fund this construction was spent in the fiscal year ending

September 30, 2016 for improvements at the Justice Center. Currently there are no anticipated debt issues.

6. **GRANTS AND CONTRACT FUNDS.** The County receives numerous grants and also receives funds that are part of the State of Texas General Appropriations Bill for funding of a state-wide Civil and Juvenile unit. The State has contracted with Walker County to administer these funds. Grant funds are set up for the purpose of accounting for specific grants. These funds are not budgeted as part of the annual budget. Budgets for grants are adopted by the Commissioners Court upon acceptance of the grant.
7. **OTHER GOVERNMENTAL FUNDS.** Other governmental funds are generally divided into two types, those that are legislatively designated and those that are committed to account for a specific or committed revenue.
  - a. **Legislatively Designated Funds.** These funds are created to account for the proceeds from specific revenue sources that are restricted to expenditure for specified purposes designated by State Statute. Proceeds from specific restricted revenue sources are the foundation of the fund. The county will disclose the purpose for each legislatively designated special revenue fund.
  - b. **Other Special Revenue Funds.** Transfers from the General Fund are the most common source of revenues for these funds, although specific revenues may be the source of funding as in the case of the Healthy County Initiative Fund. It is the policy of the County Auditor to establish separate funds as may be required/needed for budgeting and accounting for special purpose revenues including, projects, and other revenues for a specific purpose. These funds are budgeted separately, but vary in the reporting in the annual financial report.
    - I. **General Projects Fund.** This fund is generally funded from the transfer of General Fund revenues. These projects generally span multiple years and/or require contribution from the General Fund over a period of several years. Examples of projects that may be included are large facilities maintenance, facilities renovation projects and software replacement. A separate budget is adopted for this fund. Expenditures are reported in the General Fund financial statements, and the Fund Balance of this fund is identified as committed in the General Fund annual financial report. Funds remain committed to the project for which monies were intended until completion of the project, or other Court action.
    - II. **Healthy County Initiative Fund.** This fund is funded from monies received from the Texas Association of Counties Rewards Program. This program rewards its members for efforts and success in helping employees enroll and complete various Healthy County Programs sponsored by the Texas Association of Counties Health and Employee Benefits Pool. These monies has been committed by Commissioners Court for programs that address healthy living initiatives for Walker County employees. A separate budget is adopted for this fund. Expenditures are reported in the General Fund financial statements, and the fund balance of this fund is identified as committed in the General Fund annual financial report.
    - III. **Retiree Health Insurance Committed Funds.** Monies available at the end of each fiscal year that were budgeted or previously budgeted for retiree health insurance benefits are shown as committed fund balance for that purpose in the fund established for that purpose, or accounted for as a trust if a trust has been established.

The following is a sample of functions and departments found in the Legislatively Designated Fund Grouping subject to change as accounting needs change.

**Figure 2: Other Governmental Fund Groupings**

<b>Other Governmental Funds</b>		
<b>Legislatively Designated Funds</b>		
<b>Function: Judicial</b>	<b>Function: Public Safety</b>	<b>Function: General Government</b>
County Records Management and Preservation Fund	Sheriff Forfeiture Fund	Elections Equipment Fund
County Records Preservation (II Digitize) Fund	Sheriff Inmate Medical Fund	Tax Assessor Election Service Contract Fund
County Clerk Records Management and Preservation Fund	DOJ Equitable Sharing Fund	<b>Function: Financial Administration</b>
County Clerk Records Archive Account Fund		Tax Assessor Special Inventory Fee Fund
District Clerk Records Management and Preservation Fund		
District Clerk Rider Fund		
District Clerk Archive Fund		
County Jury Fee Fund		
Court Reporter Service Fund		
County Law Library Fund		
Courthouse Security Fund		
Justice Courts Building Security Fund		
Justice of Peace Truancy Prevention & Diversion Fund		
County Specialty Court Programs		
Justice Courts Technology Fund		
County and District Courts Technology Fund		
Child Abuse Prevention Fund		
District Attorney Prosecutors Supplement Fund		
Pretrial Intervention Program Fund		
District Attorney Forfeiture Fund		
District Attorney Hot Check Fee Fund		
<b>Other Funds</b>		
<b>Function: General Government</b>		
Healthy County Initiative Fund		
General Projects Fund		

**F. FIDUCIARY FUNDS.** In addition to the above major governmental funds, the County reports the fiduciary fund types. Agency funds are used to account for assets held by the County as an agent on behalf of various third parties outside of the County. Agency funds held by the County include Adult Probation, the Sheriff Commissary Fund, Walker County Public Safety Communications Center, LEOSE Training Funds for Law Enforcement Officials, Walker County Entergy Transportation TIRZ#1, and various County Officials Trust and Agency Funds. These funds are not included in the annual budget.

## **XII. FINANCIAL POLICIES - FUND BALANCE**

- A. **GOVERNMENTAL FUNDS DEFINED.** Fund Balance is the difference between current financial assets and current liabilities reported in a governmental fund's financial statement. In governmental funds, only current assets and current liabilities are reported in the financial statements. This means that fund balance is often considered more of a measure of liquidity, than a measure of net worth. Fund balance is the excess of revenues over expenditures over a period of time. In the budget cycle, the beginning fund balance is the amount available from prior years for allocation and expenditure in the current budget and the estimated ending fund balance is the amount that is estimated to be available for allocation in subsequent years.
- B. **FUND BALANCE.** Walker County shall maintain fund balance in the General Fund to pay expenditures caused by unforeseen emergencies or for shortfalls caused by revenue declines, and to eliminate any short-term borrowing for cash flow purposes.
- C. **FUND BALANCE NOT USED TO SUPPORT ON-GOING OPERATION.** Fund balance generally shall not be used to support on-going operations. The exception may be specific approval of Commissioners Court during the budget process to bring a cost into the tax rate over a period of years generally not to exceed three years.
- D. **FUND BALANCE USED FOR ONE-TIME COSTS BUDGETED FOR THE FISCAL YEAR.** Allocations included in the budget for one-time costs including equipment, vehicles, special projects, contracts or purchases are generally funded by use of fund balance in excess of the county's required minimum fund balance set by this policy.
- D. **MINIMUM FUND BALANCE.** It shall be the policy of Walker County to maintain a General Fund Balance of generally two to three months cash flow. At a minimum, the goal will be to maintain at least a fund balance in the 16.67% range of the operating costs reflected in the most current General Fund budget. No minimum fund balance is required for other funds of the County.
- E. **FUND BALANCE CLASSIFICATION.** Fund Balances shall be reported in the Financial Statement in compliance with the Governmental Standards Board (GASB) Statement 54. Each fund will be categorized into one of five classifications, which are described below. The county governmental-fund financial statements will present fund balances classified in a hierarchy based on the strength of the constraints governing how those balances can be spent. The presentation is only for purposes of the CAFR and may result in a consolidation of related funds for reporting purposes.
1. Fund classifications are listed below in descending order of restrictiveness:
    - a. **Nonspendable:** This classification includes amounts that cannot be spent because they: (a) are not in spendable form (e.g., inventories and prepaid items); (b) are not expected to be converted into cash within the current period or at all (e.g., long-term receivables); or (c) are legally or contractually required to be maintained intact.
    - b. **Restricted:** This classification includes amounts subject to usage constraints that have either been: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Legislatively Designated funds fall in this category.
    - c. **Committed:** This classification includes amounts that are constrained to use for specific purposes pursuant to formal action of Commissioners Court prior to the end of the fiscal year. These amounts cannot be used for other purposes unless the Court removes or changes the constraints via the same type of action used to initially commit them. A commitment of fund balance requires formal action as to purpose but not as to amount; the latter may be determined and ratified by the Court at a later date. The Road and Bridge Fund, EMS Fund, Other Special Revenue Funds including the General Capital Projects Fund, and Healthy County Initiative generally fall in this category for non-restricted funds.

- d. Assigned: This classification includes amounts intended by the county for use for a specific purpose but which do not qualify for classification as either restricted or committed. The intent can be expressed by Commissioners Court or by the County Auditor or other selected official. An assignment of fund balance implies intent of Commissioners Court.
  - e. Unassigned: This classification applies to the residual fund balance of the General Fund and to any deficit fund balances of other governmental funds.
- 2. ORDER OF SPENDING: Where appropriate, Walker County will typically use restricted, committed, and/or assigned fund balances, in that order, prior to using unassigned resources. The County reserves the right to deviate from this general strategy.
  - 3. ANNUAL COMMISSIONERS COURT ORDER: Annually during the time frame of August or September, Commissioners Court will adopt an Order classifying how the funds are to be classified in the upcoming financial statements for the fiscal yearend.

### **XIII. GRANT MANAGEMENT**

- A. GRANT APPLICATIONS AND ACCEPTANCE OF GRANTS. Prior to applying for a grant, Department Heads/Elected Officials shall present to Commissioners Court a request to apply for the grant and identify out of pocket or cash requirements. Upon approval, the department or official requesting the grant will complete the application for signature by the County Judge. If the grant application is approved, the county will be notified by the grantor agency of the award, which will require acceptance by the Commissioners Court. Upon acceptance of the Grant, by Commissioners Court, a full copy of the grant application and grant award shall be submitted to the Auditor Department prior to any expenditure or obligation of grant monies.
- B. GRANT COMPLIANCE AND PERFORMANCE REPORTS. The Department Head/Elected Official applying for the grant shall be responsible for ensuring any monies expended meet grant requirements and are within the approved grant budget. The Department Head/Elected Official is responsible for working with the Purchasing Agent to ensure the procurement processes is in compliance with applicable grant requirements.
- C. EXPENDITURES AND FISCAL REPORTING REQUIREMENTS. Department Heads and Elected Officials shall review invoices for payment to ensure the supporting documentation is in compliance with applicable regulations. Grant documentation provided by the receiving department shall provide information as to who is responsible for making requests for reimbursement and fiscal reporting to the granting agency. Amendments to the grant budget shall be the responsibility of the Department Head/Elected Official responsible for receiving the grant.
- D. GRANT BUDGETS. Grant budgets are adopted at the grant level and a budget is accepted/established at the time of receipt of the grant and acceptance by Commissioners Court. Usually grants do not follow the County's fiscal year and are therefore not included as part of the annual budget adoption process or order adopting the county budget. All grant revenues and expenditures are included in the Comprehensive Annual Financial Report (CAFR) and reported on the county's fiscal year.

### **XIV. CAPITAL IMPROVEMENTS PROGRAM AND CAPITAL BUDGET**

- A. CAPITAL IMPROVEMENT PLAN. The County does not have a formalized Capital Improvements Plan. Generally the Capital Improvements Plan is a document with a multi-year plan for capital improvements that is reviewed and updated annually. It is a generally a planning document that over time is funded with debt, grants, fund balance or a combination of sources. Included would be infrastructure improvements or additions, buildings and major software replacements.
- B. ANNUAL BUDGET. During the annual budget process, items that would typically be included as part of a Capital Improvements Plan or Capital Budget are reviewed. The items are most often

presented as supplemental requests and generally have been part of Commissioners Court discussions over a period of time.

- C. OTHER FINANCING PROGRAMS. As the first alternative, the County shall research alternative financing sources including Hazard Mitigation Grants, State and Federal Funds and other grants or funds available for the identified project.
- D. USE OF FUND BALANCE AND COMMITTED FUNDS BEFORE DEBT. After researching sources of external sources of fund, the approach Walker County has used is to next look to fund balance over the minimum fund balance required by policy and committed funds, followed by looking to debt. Projects are often planned over a multi-year period by committing funds to a project each year until sufficient funds are available for the project.
- E. ROAD AND BRIDGE INFRASTRUCTURE. Historically the approach has been to budget a \$600,000 transfer from the General Fund each year to the Road and Bridge Fund from fund balance over the minimum required. Monies available after meeting operating requirements from fines related to a weigh station have been committed to bridge improvements.
- F. SOFTWARE. Software Improvements and replacements are funded by transfers from the fund balance of the General Fund over the required minimum reserves. Prior to purchasing new major software, cloud based alternatives and software as a service options shall be reviewed.
- G. BUILDINGS. The first alternative explored shall be remodeling, updating or expanding the existing structure.
- H. PROJECT LENGTH BUDGET. A budget for a capital project shall be a project length budget. At the end of the fiscal year, the unspent budget shall move forward to the new budget year until the project is completed.
- I. PROJECT MANAGEMENT. Commissioners Court shall assign a project manager to oversee a capital project.
- J. REPORTING. Status reports shall be provided to the Commissioners Court on a capital project by the project manager and financial reporting shall be made available to the Commissioners Court on a regular basis.

## FINANCIAL AND BUDGET POLICIES OF WALKER COUNTY

### BUDGET POLICIES

- XV. **OVERVIEW OF BUDGET AND BUDGET SCHEDULE.** The budget is a financial plan for a fiscal year that matches all planned revenues and expenditures with the services provided the citizens of Walker County. An annual budget is prepared for each fiscal year and, as described in Local Government Code 111.010, Commissioners Court may only levy taxes in accordance with the budget. For a county the size of Walker County, the County Judge serves as the budget officer of the County. The County Auditor assists the Judge in the budget process. Walker County's budget process begins in April of each year with the County Auditor's office coordinating with the County Judge for the upcoming budget preparation and results with the adoption of the budget and tax rate usually sometime in September. Worksheets are distributed to elected officials and department heads in early May; elected officials and departments prepare their base budgets and supplemental requests in May; in June, the County Auditor prepares the budget work book and revenue estimates and assists the County Judge in preparing the budget he will submit to Commissioner Court for discussion; the Commissioners Court receives the budget the first of July; followed by elected officials and department heads presenting their supplemental requests during budget work sessions; extensive budget work sessions follow continuing throughout July with filing of a proposed budget for public review by August 15<sup>th</sup>. Following required notices and public hearings a budget and tax rate is adopted.
- XVI. **COUNTY JUDGE AS BUDGET OFFICER.** By state statute, the County Judge serves as the budget officer of the County. The County Judge presents a budget to Commissioners Court for their review to establish the funding level and supplemental requests to be included in the proposed budget. Generally, a base budget at the No-New-Revenue Tax Rate is presented by the County Judge, with recommended additions to the base budget, and the full list of supplemental requests made by the elected officials and department heads. Commissioners Court then prioritizes the requests within the funds available, projected revenues, projected tax revenues available at the No-New-Revenue Tax Rate, and discuss the tax rate that would be required to fund the recommended requests.
- XVII. **BASIS OF BUDGET.** Annual operating budgets shall be adopted on a basis consistent with generally accepted accounting principles as promulgated by the Government Accounting Standards Board with exceptions that depreciation is not included in the budget, capital purchases are budgeted in the year of purchase, un-matured interest on long-term debt is recognized when due, and debt principal is budgeted in the year it is to be paid.
- A. Governmental Fund Types are budgeted on a modified accrual basis, with exception noted above. Revenues are included in the year they are expected to become measureable and available. Expenditures are included in the budget when they are measurable, a liability has been incurred, and the liability will be liquidated with resources in the budget.
  - B. Capital Projects and General Projects are projects length budgets and are budgeted on a modified accrual basis.
  - C. Proprietary fund types are budgeted generally on an accrual basis with the exceptions noted above. Revenues are budgeted in the year they are expected to be earned and expenses are budgeted in the year the liability is expected to be incurred. The emphasis is to be on cash transactions in lieu of non-cash transactions, such as depreciation. The focus is on the net change in working capital.

D. The County budgets for all funds except Grants and Contracts in the annual budget. Since all funds currently used in Walker County are Governmental funds, the Basis for Budgeting for all funds is the modified accrual basis of accounting.

XVIII. **BALANCED BUDGET.** Walker County shall adopt a balanced budget for each fund meaning that budgeted expenditures for a fund may not exceed the balances in those funds as of the first day of the fiscal year plus the anticipated revenue for the fiscal year.

XIX. **STATUTES AFFECTING THE BUDGET PROCESS.** Texas State Statutes have much to say about the budget process.

1. The statutes of the State of Texas provide that the amounts budgeted in a fiscal year for expenditures from the various funds of the County may not exceed the balances in those funds as of the first day of the fiscal year, plus the anticipated revenue for the fiscal year as estimated by the County Auditor.
2. In addition, the law provides that the Commissioners' Court may, upon proper application, transfer funds from an existing budget (during the year) to a budget of like kind but no such transfer shall increase the total of the budget.
3. The statutes of the State of Texas require an itemized budget be prepared to allow as clear a comparison as practicable between the proposed budget and actual expenditures for the same or similar purposes that were made for the preceding fiscal year. The budget must contain a complete financial statement of the County that shows:
  - o the outstanding obligations of the County;
  - o the cash on hand to the credit of each fund of the County government;
  - o the funds received from all sources during the preceding year;
  - o the funds available from all sources during the ensuing fiscal year;
  - o the estimated revenues available to cover the proposed budget;
  - o the estimated tax rate required to cover the proposed budget.
4. **AD VALOREM TAXES.** Local Government Code 111.010 states that Commissioners Court may levy taxes only in accordance with the budget.
5. **EXPENDITURES OF FUNDS UNDER BUDGET.** After final approval of the budget, the Commissioners Court may spend county funds only in strict compliance with the budget except in the event of an emergency [Texas Local Government Code § 111.010(b)].

XX. **WALKER COUNTY APPROACH TO BUDGETING.** The proposed budget shall be prepared using two very distinct categories, base budget (funded from on-going continuing revenues) and one-time items. The starting point for the budget each year shall be the operations budget for the prior year less all one-time allocations. The base budget is to consist of operating costs essential to the running of the office and funded from on-going or continuing revenues sources. The base budget is intended to fund a department with enough money to sustain current operations at the same level of operations as the current year budget. Items not included in the base budget are items such as vehicles, equipment, capital allocations, projects, and other one-time items that were funded from fund balance. A detailed supplemental request form is required to be submitted for all requested changes to the base budget and for any request for one-time items.

XXI. **CONTINGENCY.** The budget shall include a contingency line item in the General Fund to meet unanticipated expenditures during the budget year. Historically, the amount budgeted is in the \$300,000 range. The monies may be transferred to other line items in the budget only after formal amendment to the budget in an Order adopted by Commissioners Court. In addition, an additional contingency line may be included in the budget to cover legal costs associated with attorney expenses for indigents. The amount generally ranges in the \$500,000 range and are generally reimbursed by the State of Texas.

**XXII. PERSONNEL BUDGET.** The annual budget shall include a detail of the number of positions for each fund and department by job classifications and show the total salaries budgeted. A detail of personnel allocation changes from the current year to the adopted budget shall be presented. The pay classifications and pay scale for the County shall be part of the budget.

1. **NUMBER OF PERSONNEL.** The number of personnel, an elected official, or department head has on the payroll at any one time shall not exceed the number of positions included in the adopted budget for the department. Commissioners Court may approve through official court action the hiring of a temporary position and may fund the temporary position through a formal budget amendment, if necessary.
2. **HIRING PROCEDURES AND PLACEMENT OF THE POSITION ON THE SALARY SCALE.** The hiring procedures and placement of the employee on the salary scale must be in compliance with the County adopted Personnel Policy and total salaries paid shall not exceed the amount budgeted.
  - a. Prior to advertising a position, the elected official or department head shall communicate with the Human Resources officer in the County Treasurer department about the vacancy and hiring of the position and availability of funds for the position. The amount of pay and employee benefits offered to a new employee must be as outlined in the County adopted personnel rules.
  - b. Elected Officials and department heads shall notify the Human Resources officer in the County Treasurer department immediately of any employee terminations and file the appropriate personnel forms.
  - c. A change of status form shall be reviewed by the County Auditor for budget compliance. Prior to allowing an employee to begin work, all paperwork must have been received by Human Resources in the County Treasurer Office and the elected official or department head shall have received notice that the employee may begin work.

3 **AMENDING THE PERSONNEL ALLOCATION.** The adopted personnel allocations and budget shall only be amended by formal action of the Commissioners Court.

**XXIII. EMPLOYEE BENEFITS.** As part of the annual budget, the employee benefit package and costs associated with the benefits shall be part of the budget consideration and supplemental requests shall be prepared for increases or changes in the cost of benefits. A supplemental request is required for any suggested changes in the benefit plan or changes in cost of these benefits.

1. **Pension Plan.** Walker County participates in the Texas County and District Retirement System (TCDRS). TCDRS provides retirement, disability and death benefits.
  - a. The plan provisions are adopted by the County, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Employees are required to contribute 7% of their pay and the county budget includes funding for a 2.1 to 1 match at an approximate cost of 14% of payroll.
  - b. The County Treasurer and County Auditor shall present to Commissioners Court during the budget cycle information related to the contribution rate and cost for the upcoming year and the County Auditor shall submit a supplemental request outlining any changes in costs. The County shall review the actuarially determined contribution amount as provided by TCDRS each budget year and include funds in the budget or adjust plan benefits if necessary. Historically the county has not underfunded the actuarially determined contribution rate.
2. **Health Plan.** The county participates in the Texas Association of Counties Health and Employee and Benefits Pool administered by TAC.
  - a. **Active Employees.** The County budget includes funding for 100% of the cost of

- a full time employee's health insurance. The employee is responsible for any elected dependent coverage or dental coverage.
- b. Retired Employees. The County budget includes funding for 100% of the cost of the coverage for currently retired retirees that met certain conditions at the time of their retirement and that were hired before October 1, 2013. Employees hired after October 1, 2013 are not eligible for the retiree health benefit.
  - c. Future retiree planning for budgetary impacts. Commissioner Court recognizes that the impact on future budgets for retiree health insurance coverage must be addressed if the benefit is to remain in place. A fund has been put in place to assist with future costs. Future transfers to this fund are at the option of the court.
  - d. Base budget. The proposed base budget from on-going revenues shall be submitted to Commissioners Court to include changes in funding needed as employees become eligible for these benefits.
3. Workers Compensation Insurance. The County is a member of the Texas Association of Counties Workers Compensation Pool. Rates are established by the Pool and adjusted for experience on an annual basis.
  4. Social Security/Medicare. The County pays in to the Federal Social Security and Medicare System. Cost is 7.65% of payroll.
  5. Pay and Pay Classification System. The County adopts the pay classification rates as part of the annual budget review process. All changes to the pay system are presented as a supplemental request during the budget process.

**XXIV. STATUTORY RESTRICTIONS ON AMENDING THE BUDGET.** Restrictions are placed on the ability of the County to amend the budget in several sections of the Texas Local Government Code including:

1. Commissioners Court may amend the budget from time to time as provided by law for the purposes of authorizing emergency expenditures. [Texas Local Government Code § 111.010(c)].
2. Commissioners Court may authorize an emergency expenditure as an amendment to the original budget only in a case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonably diligent thought and attention.
3. Commissioners Court by order may amend the budget to transfer an amount budgeted for one item to another budgeted item without authorizing an emergency expenditure. [Texas Local Government Code § 111.010(d)].

4. Special budgets for grants or aid money received by the county that are not included in this budget shall be certified to the Commissioners Court by the County Auditor and a special budget adopted for the limited purpose of spending the grant or aid money for its intended purpose. [Texas Local Government Code § 111.0106].
5. Special budget for revenue received after the start of the fiscal year that are not included in this budget shall be certified to the Commissioners Court by the County Auditor and a special budget will be adopted for the limited purpose of spending the revenues for general purposes or its intended purposes. [Texas Local Government Code § 111.0108].
6. State Law. State Law will be the final authority in governing the budget amendment process and all changes or additions to the budget shall conform to current law.

**XXV. LEGAL LEVEL OF CONTROL.** The legal level of budgetary control is the level at which departments may not exceed their budget in a given fiscal year. The legal level of control for Walker County is the category level. Category levels are established in the budget process and include Salary/Other Pay/Benefits, Operations (Supplies, Services and Charges), Capital Expenditures, Projects, Debt, Inter/Intra Governmental Services/Contracts, Contingency and Transfers within the department budget for all funds, with the exception of Grants and Contracts Funds. The legal level of control for these funds is as established by the granting or funding agency.

Example:

Fund - General Fund

Function - Public Safety

Department - Sheriff

Expenditure Category - Salaries/Other Pay/Benefits

Line Item - Regular Salaries

In the above example, the legal level of control is the expenditure category of Salaries/Other Pay/Benefits within the Sheriff Department. The elected official or department head may not exceed budget allocations at the category level without a formal budget amendment approved by Commissioners Court.

**XXVI. CAPITAL PROJECT FUNDS.** At the time, a capital project fund is established, Commissioners Court shall set the original budget at a category or project level they deem appropriate for the project in accordance with the legal requirements set forth in the funding document and for internal control purposes. Any movement between category levels established in the original budget shall require a formal budget amendment approved by Commissioners Court. Prior to beginning a capital project approved in the budget process, the County Auditor shall certify to Commissioner's Court that funds are available for the project. After approval by the Commissioners Court to begin the project, the Commissioners Court or the County Judge will assign a department head, elected official, or Project Manager to review and recommend approval of payment of invoices through the formal approval process.

**XXVII. BUDGETARY CONTROLS.** Walker County establishes budgetary controls to ensure compliance with Texas State Law and to ensure compliance with the legal provisions embodied in the annual appropriated budget approved by the Commissioners Court. As a method of control, Walker County also maintains an encumbrance accounting system. Available funds are encumbered during the year upon execution of a purchase order, contracts, or other appropriate documents in order to reserve that portion of the applicable appropriation. Outstanding encumbrances lapse at fiscal year-end. Controls also include restrictions on amending the budget.

1. Compliance with Texas State Law and County Policies. Department heads and elected officials may expend money only in compliance with the budget and all purchases must comply with Texas State Law, the County's Procurement Policy, other County Policies, and funds must be available within the legal level of control categories.

2. Line Item Level Control. Departments are encouraged to maintain control at the line item level.
3. Capital Purchases. No capital item may be purchased unless approved as part of the budget process or through a Commissioners Court approved budget amendment.
4. Encumbrance accounting. Encumbrances represent commitments related to unperformed contracts for goods or services. Available funds are encumbered during the year upon execution of purchase orders, contracts, or other appropriate documents in order to reserve that portion of the applicable appropriation. As all encumbrances lapse at year end, those encumbrances (e.g. purchase orders, contracts) outstanding at September 30 must be re-appropriated in the budget of the subsequent year.

**XXVIII. BUDGET AMENDMENTS.** With the exception of Grant and Contract Funds, Department heads or elected official may, without prior Commissioners Court approval, authorize transfers *within* the budgetary legal level of control with the following exceptions:

1. Salaries/Other Pay/Benefits Category

- a. Personnel allocations shall not be changed without specific authorization of Commissioners Court.
- b. When a vacant position is filled with a person making less than the budgeted amount, an account titled "Unallocated Reserves for Pay" will be created. These monies may be allocated to the other employees as long as base pay for every approved position remains. The base budget for the next year will not change. An allocation of these monies to employee pay increases shall not cause an increase in future year's salary and benefits budget.
- c. Salary and benefit saving, including those due to vacancies shall not be transferred from the Salaries/Other Pay/Benefits category group without a formal budget amendment approved by the commissioners court.

2. Operations Category

- a. There shall be no obligations made for recurring charges that will affect subsequent years budgets without consent of the Commissioners (cell phones, service contracts, leases, etc).
- b. There shall be no transfers that will adversely impact the budget for the remainder of the fiscal year.

3. Capital. There shall be no transfers made for the purpose of purchasing capital items without a formal budget amendment approved by Commissioners Court. Additions or replacements to the fleet or purchase or replacement of capital items (cost > \$5,000) shall not occur unless the capital purchase was approved in the budget process or with specific approval of a budget amendment by the Commissioners Court.

4. Centralized Costs/Nondepartmental Costs. The County Judge shall have the authority to authorize expenditures in the Centralized Costs and Nondepartmental budgets and to transfer amounts between line items within the constraint above with the exception of the contingency line item. Transfers of contingency funds will require approval of the Commissioners Court.

5. One-Time Allocations. Commissioners Court approved contingency transfers, special, or one-time allocations approved shall not be spent for other than their designated purpose and cannot be transferred to another line item without prior approval of Commissioners Court.

6. Intergovernmental Services/Contracts. These monies shall not be spent for any purpose other than their specifically designated purpose without prior authorization of Commissioners Court.

7. Transfers. These monies shall not be spent for any purpose other than their specifically designated purpose without prior authorization of Commissioners Court.
8. Projects. These monies shall not be spent for any purpose other than their specifically designated purpose without prior authorization of Commissioners Court.
9. Debt. These monies shall not be spent for any purpose other than their specifically designated purpose.
10. Capital Projects Budget. Changes to Capital Projects Budget require a formal budget amendment by Commissioners Court. Change orders shall be approved by Commissioners Court.
11. State Law. State Law shall be the final authority in governing the budget amendment process and all changes or additions to the budget shall conform to current law.
12. Unplanned Revenues. In the event of unplanned revenues, expenditures associated with the unplanned revenues shall occur only after a formal amendment to the budget is approved by Commissioners Court.
13. Contingency. Commissioners Court approval is required for any transfer from contingency and requires a formal budget amendment. Department heads and elected officials may request a transfer from contingency funds only after a review of departmental budgeted funds and shall justify the unplanned expenditure to the Commissioners Court for the proposed expenditure. Commissioners Court may review the departmental budget.
14. County Auditor Review Budget Amendments: The County Auditor shall review all budget amendments to assure that the transfer will not adversely impact the budget for the remainder of the fiscal year or require increases in future years. After review by the County Auditor, all budget amendments requiring Commissioners Court approval will be forwarded for review at a following scheduled meeting. The Department will be notified when the transfer is approved and entered into the financial system.