Cheryl E. Johnson, PCC, CTOP
Galveston County Tax Assessor Collector
722 Moody Avenue, Galveston, Texas 77550
(409) 765-3277 ✪ (409) 392-5457
Cheryl.E.Johnson@co.galveston.tx.us

June 3, 2026

Honorable Mark Henry
Galveston County Judge
722 Moody
Galveston, Texas 77550

Re: Consent Agenda Item Requesting Transfer/Appropriation of Accumulated Open Records Funds to Special Inventory Budget (151551) and Receive & File Amendment to Fiscal Year 2026 Special Inventory Budget

Dear Judge Henry:

As you know, the change in County Auditors has resulted in challenges that, although financial, are not insurmountable. With regard to long-term practices in my office – there are two areas of difference: 1) timeliness of supplemental payments to employees for Special Inventory services performed and 2) the use of open records funds.

For more than 10 years, the Special Inventory Tax (SIT) supplement has been paid twice a year – once at the start of the new fiscal year for the prior year's work and in the spring after the SIT rollover (of tax payments to jurisdictions). The timing of these was acceptable to Mr. Rice as he understood we did not know until the end of the year how much interest and penalty was earned that could be apportioned to those performing SIT related work. Mr. Cruz, on the other hand affirmed (appropriately) that employees should be compensated more timely - not retroactively. Further, he believed personnel costs should also be withheld (taxes, AUL, U/E, Medicare, retirement, etc.). Funding of the personnel costs lowered the funds available to pay our team and the pay-as-you-go implementation resulted in us attempting to anticipate revenue available. Certainly looking back at interest and penalty earned was easier than interest and penalty anticipated.

Our first payment implementing the timing change was for a six-month period but, now that we have identified a method of determining the amount available, we will be making quarterly payments to staff. Adding personnel benefit costs (nearly 20%of the earnings) may result in a shortfall that, without assistance, could result in elimination of further SIT supplements this fiscal year. This brings me to the second area of difference between auditors.

Mr. Rice allowed us to retain open records request (ORR) fees and for many years these were deposited into the Voter Registration account because they were easy to track. When the voter duties transferred to the County Clerk, only Chapter 19 funds transferred. The ORR fees (accumulating since 2012) remained in the Voter account and Mr. Rice advised us to retain those until we had a need for them. That day came but Mr. Cruz had a different opinion on how and whether it could be spent. Mr. Cruz and I recently agreed on the source as primarily property tax ($7,823.66) and lesser as voter ($410.50) ORR funds.

ORR funds, as property of the County, are under the jurisdiction of County Commissioners. Therefore, in the interest of continuing the SIT supplemental payments through the end of this fiscal year, I hereby request that Commissioners approve the appropriation of $8,234.16 held in the GCTO Voter account be allocated to the SIT revenue account. Payment of supplements has improved morale, had a positive impact on retention and encourages other members of the team to learn the skills necessary to process these payments. Your approval of this appropriation will enable us to continue to fund payment to employees performing these services.

Assuming approval by the Court, I further ask that you accept the below Receive and File Amendment to the Special Inventory Budget (151551):

TAX ASSESSOR COLLECTOR FISCAL YEAR 2026
SPECIAL INVENTORY (151551) AMENDED BUDGET

Description	Amount	Totals
5100000 Salaries & Wages	56,000	
Personnel Benefit Costs (19.78%)	11,077	
Total Salary & Associated Costs		**$ 67,077**
5492000 Communications (Mobile Phone)	4,000	
5496000: Travel (Business Mileage)	650	
5496000: Travel (Travel and Conference)	3,200	
5498000: Professional Membership & Dues	150	
Total Other Costs		**8,000**
Grand Total All Categories		**$75,077 SAY $75,100**

Thank you. Please let me know if you have questions.

Sincerely,

Cheryl E. Johnson

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cc: Mr. Sergio Cruz