

Finance Committee Meeting Douglas County, Nebraska

Tuesday, March 18, 2014

The meeting convened at 12:33 p.m. in Room 903 of the Omaha-Douglas Civic Center, 1819 Farnam Street, Omaha, NE 68183. A copy of the Open Meetings Act is located on the wall near the entrance of the room. A notice of the meeting was published in the March 12, 2014 issue of The Daily Record. County Commissioners present at the start of the meeting were PJ Morgan, Mary Ann Borgeson, Chris Rodgers, and Pam Tusa. Others present at the meeting included Patrick Bloomingdale, Joe Lorenz, Diane Carlson, Catherine Hall, and Marcos San Martin of Administration; Jerry Leahy and Jeff McGill of Public Property; Deanna Vansickel-Staudt, Mike Schrad, and Jayne Hutton of Extension; Kathleen Hall and Dan Esch of the Clerk/Comptroller's office; and Jeff Stevens of Nebraska Taxpayers for Freedom. Commissioner Morgan conducted the meeting.

1. Preliminary 2014/2015 County budget review with selected department heads and elected officials.

Public Property/Capital Improvement

- Public Property's current budget for 2013/14: \$4,137,099
- Public Property's budget request for 2014/15: No specific amount yet
- Capital Improvement's current budget for 2013/14: \$620,000
- Capital Improvement's budget request for 2014/15: No specific amount yet

County Commissioners Clare Duda and Marc Kraft entered the meeting during this topic. Speaking during the Public Property/Capital Improvement budget discussion were Mr. Lorenz, Mr. Leahy, Commissioner Borgeson, Commissioner Rodgers, Commissioner Morgan, Mr. McGill, Commissioner Tusa, Commissioner Duda, and Mr. Stevens. Highlights from the discussion included the following:

- Mr. Leahy said Public Property can't keep absorbing utility costs year after year.
- Mr. Leahy and Mr. McGill said in 2008, Public Property had 1,100,000 square feet and had 45 employees. In 2014, Public Property has 1,387,000 square feet and has 43 employees.
- Mr. McGill reviewed some of the Capital Improvement projects for 2015:
 - Replacing a roof at Corrections.
 - Work involving chilled water piping and thin walls on the old side of Corrections.
 - An old boiler at the Criminal Justice Center building is going to be replaced with a high efficiency hot water boiler.
 - A surge tank replacement needs to take place at the Health Center's boiler house.
 - Addressing the heating, AC, and electrical needs at the DOT.Comm Building at 408 S. 18th St., making it more energy efficient.
- Mr. McGill said the Goodwill Building at Midtown Campus is receiving an Energy Star rating.
 - Mr. Leahy said this was due to implementing the geothermal system in the building.
 - Mr. Leahy said Public Property wants to put in a geothermal system at the Fitz Home.
 - Mr. Lorenz and Mr. Leahy talked about the County funding the implementation of the geothermal system at the Fitz Home through the bond offering.
 - Commissioner Morgan said the bond issue is not an automatic situation.

- Commissioner Rodgers asked about the possibility of using solar panels on top of buildings.
 - Mr. Leahy said Public Property will look into the use of solar panels.
 - Mr. McGill said he has discussed the idea with some engineers, and he has heard the cost of implementing solar panels does not override the efficiency yet.
- Mr. McGill said to manage Capital Improvement on large projects, some money needs to be encumbered one year to get all of the projects done the next year.
- Mr. Lorenz said it's good to keep investing in infrastructure because the County may end up with a large bill one day if its infrastructure deteriorates.
- Commissioner Borgeson said she'd like to see the Board re-engage in conversations about creating a Juvenile Justice and Health & Human Services campus.
- Mr. Leahy and Mr. McGill left the meeting after this discussion.

Extension

- Extension's current budget for 2013/14: \$415,635
- Extension's budget request for 2014/15: \$421,869 (rough draft)

Speaking during the Extension budget discussion were Mr. Lorenz, Ms. Vansickel-Staudt, Commissioner Tusa, Commissioner Duda, Commissioner Borgeson, Commissioner Morgan, Mr. Bloomingdale, Ms. Carlson, Commissioner Kraft, and Mr. Schrad. Highlights from the discussion included the following:

- Ms. Vansickel-Staudt said she still has some work to do for the budget, but a rough draft of Extension's total FY2014/15 budget request through Douglas and Sarpy Counties is going to be \$467,208.
 - \$355,452 is Douglas County's share of the budget (76.08% of request)
 - \$111,756 is Sarpy County's share of the budget (23.92% of request)
 - Ms. Vansickel-Staudt said the split between the funding by Douglas and Sarpy Counties is based off the Counties' property values.
 - 2013 Douglas County valuations: \$36.9B (76.08%)
 - 2013 Sarpy County valuations: \$11.6B (23.92%)
 - \$66,417 of Sarpy's share of the budget would be paid to Douglas County, making the total budget request through Douglas County's budget \$421,869 (\$355,452 + \$66,417 = \$421,869).
- Ms. Vansickel-Staudt said 98% of Extension's budget is personal, which leaves about \$40,000 a year that Extension can spend on utilities, supplies, and other non-personal expenses.
 - Ms. Vansickel-Staudt said about \$30,000 goes to OPPD.
 - Ms. Vansickel-Staudt said Extension is basically living off of encumbered money in order to pay ahead on utilities.
 - Ms. Vansickel-Staudt said Extension had to lay off someone, and the 10 faculty members are asked to help pay for operating expenses on a quarterly basis.
 - Ms. Vansickel-Staudt said Extension did receive a grant for \$95,000 that was used to upgrade the interior of the building.

- There was discussion about renting out rooms at the Extension building to generate revenue.
 - Ms. Vansickel-Staudt said Extension has been approached by others who have offered to pay to use rooms at the Extension building.
 - Ms. Vansickel-Staudt said the issues Extension runs into with this is that the money generated would go back into the General Fund, and Extension is not funded enough to adequately service the rooms for the people paying for them.
 - Mr. Lorenz asked Ms. Vansickel-Staudt to develop a model that would project how much it would cost Extension to provide this service, and also project how much revenue the service would generate.
 - Mr. Bloomington said since Douglas County owns the Extension building, he believes only Douglas County would be entitled to the revenue generated by rent.
 - Commissioner Duda said he thinks the Extension building may be put on the tax rolls if Extension started renting out rooms. Commissioner Duda said the County Assessor and the County Attorney need to be involved in these talks.
 - Ms. Carlson said she believes it depends on its predominant use.
- Ms. Vansickel-Staudt said Extension can't charge for its teaching because Extension is already getting paid to teach by tax dollars, Extension builds in operating expenses/consumables into its program fees, but that's all that Extension can charge for.
 - Ms. Vansickel-Staudt said Extension was told this by the State Treasurer.
 - Commissioner Borgeson said she would like to see a written explanation from the State Treasurer.
 - Ms. Vansickel-Staudt said if Extension starts charging to cover salaries and benefits, the land grant mission may be lost, but she is willing to look into it.
- Ms. Vansickel-Staudt said UNL has provided some assistance due to the cuts to Extension's budget on the County level.
- Ms. Vansickel-Staudt said UNL provides Extension with 10 FTEs.
- Ms. Vansickel-Staudt said Extension hasn't filled the position that oversees the Master Gardener Program, nor has it filled a position that has a large role in managing Extension's volunteers.
- Ms. Vansickel-Staudt said Extension couldn't have as much impact as it does without its volunteer base.
- Ms. Vansickel-Staudt said Extension receives pass-through dollars from the National Institute of Food & Agriculture for a nutrition education program that works with people receiving food stamps.

2. Other business.

There was no other business.

The meeting adjourned at 1:27 p.m.