

Finance Committee Meeting Douglas County, Nebraska

Thursday, April 17, 2014

The meeting convened at 1:04 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 April 10, 2014 issue of The Daily Record. County Commissioners present at the meeting were Clare Duda, PJ Morgan, Mary Ann Borgeson, Mike Boyle, Marc Kraft, Chris Rodgers, and Pam Tusa. Others present at the start of the meeting included Joe Lorenz, Patrick Bloomingdale, Diane Carlson, Catherine Hall, Marcos San Martin, and Kaieva Williams of Administration; Tom Riley and Carol Jennings of the Public Defender's office; John Ewing, Tim Cavanaugh, and Patricia Carter of the Treasurer's office; Sherry Glasnapp and Marti Christensen of the Community Mental Health Center; Kathleen Hall and Dan Esch of the Clerk/Comptroller's office; Doug Kagan and Jeff Stevens of Nebraska Taxpayers for Freedom; and Laura McCormack, citizen. Commissioners Duda and Morgan conducted the meeting.

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

Public Defender

Speaking during the Public Defender budget discussion were Mr. Lorenz, Public Defender Riley, Commissioner Rodgers, Commissioner Borgeson, Commissioner Boyle, Ms. McCormack, Ms. Jennings, Commissioner Duda, Mr. Kagan, and Commissioner Morgan. Highlights from the discussion included the following:

- Public Defender's current budget for 2013/14: \$3,994,247
- Public Defender's budget target for 2014/15: \$4,051,658
- Public Defender's budget request for 2014/15: \$4,076,772

- Public Defender Riley said the Public Defender's FY2014/15 budget request is \$25,000 over the FY2014/15 budget target because he is requesting an increase in two areas:
 - \$5,000 increase for depositions and transcripts.
 - \$20,000 increase for psychiatric evaluations.
 - Public Defender Riley said one of the cost centers that he's most concerned about is hiring mental health experts.
 - Public Defender Riley said if a client comes in and he/she is obviously mentally ill, those are issues that need to be resolved.
 - Public Defender Riley said his office is already over significantly what was budgeted in that cost center for FY2013/14.
 - Public Defender Riley said the reason why the Public Defender's office is still on track for this year's budget is because positions were left vacant for a month or two after the previous people in those positions left the Public Defender's office.

- Treasurer Ewing and Mr. Cavanaugh said the Treasurer's FY2014/15 budget request includes \$45,000 for the Treasurer's Real Auction, which has become before the Board previously as a budget supplement.
 - Mr. Ewing said the Real Auction expenses are offset by its revenue.
- Commissioner Boyle said he'd like to know much money the Treasurer collects from all of the taxing entities, and would like to see it in dollar amounts, not just in percentages.
- Treasurer Ewing said the Treasurer's office used to receive a 1% commission from vehicle sales tax, but the State has changed the rules and now the Treasurer only receives \$75/month for this. Accumulatively, not per vehicle.
 - Commissioner Morgan said this needs to be brought up at the breakfast with the State Senators.
 - Commissioner Morgan said he'd like to know how much the County would receive if it were still 1%.
- Don Kleine, Brenda Beadle, and Lance Ivener of the County Attorney's office entered the meeting during this discussion.
- Treasurer Ewing, Mr. Cavanaugh, and Ms. Carter left the meeting after this discussion.

County Attorney

Speaking during the budget discussion for the County Attorney were Mr. Lorenz, County Attorney Kleine, Commissioner Boyle, Ms. McCormack, Commissioner Duda, Mr. Ivener, Mr. Kagan, and Commissioner Morgan. Highlights from the discussion included the following:

- County Attorney's current budget for 2013/14: \$7,625,481
- County Attorney's target budget for 2014/15: \$7,713,466
- County Attorney's budget request for 2014/15: No specific amount yet.
- County Attorney Kleine said the County Attorney's office will have \$85,910 of costs in FY2014/15 that aren't typical.
 - \$71,500 for voice over IP telephone system.
 - \$14,410 for the Microsoft Enterprise Agreement.
- County Attorney Kleine said there will be an increase of \$40,000 for tax foreclosure filing fees because filing tax foreclosure cases together is no longer allowed, there now has to be separate filings for each case.
- County Attorney Kleine said there will be an increase of \$50,000 for court costs, DNA, and autopsies.
 - County Attorney Kleine said these expenses are accrued particularly when there are a large amount of cases.
- Mr. Lorenz said about \$1.3 million of the County Attorney's budget is grant funded.
 - County Attorney Kleine said the County Attorney's office has been aggressive in seeking grants, but he worries about being dependent on grant money.
 - Commissioner Boyle said he encourages the County Attorney's office to get as many grants as it can because if the grants are working and reducing crime, they will stand on their own merit.

- County Attorney Kleine said in the last two months, the County Attorney's office has had 11 first degree murder convictions.
- County Attorney Kleine said he is going to ask for more paralegals and two more attorneys because of the volume the County Attorney's office has been experiencing.
- Mr. Lorenz said the 1.5% payroll increase is now until January 2015. Then in January 2015 there will be an additional increase when the County Board votes on a new increase for the attorneys in the Public Defender's office and County Attorney's office.
 - County Attorney Kleine said he is going to ask for some more funding in that regard because there will be County Attorney employees working very hard and he thinks they deserve to get an increase of more than 1.5%.
- County Attorney Kleine said he'd like to spend more money on continued education for the employees in his office.
- County Attorney Kleine, Ms. Beadle, and Mr. Ivener left the meeting after this discussion.

Health Insurance Discussion

Speaking during the health insurance discussion were Mr. Lorenz, Commissioner Rodgers, Commissioner Duda, and Commissioner Morgan. Highlights from the discussion included the following:

- Mr. Lorenz said he has been tracking employee health costs and he believes the County will have to pay at least \$3,000,000 more next year in this area.
- Commissioner Rodgers said there needs to be a discussion about the "Cadillac" tax.

Health Center and Community Mental Health Center (CMHC)

Speaking during the budget discussion for Health Center and CMHC were Mr. Lorenz, Ms. Will, Commissioner Borgeson, Commissioner Boyle, Ms. Glasnapp, Commissioner Tusa, Commissioner Kraft, Ms. Christensen, Mr. Stevens, Commissioner Duda, and Mr. Bloomingdale . Highlights from the discussion included the following:

- Health Center's current budget for 2013/14: \$42,716,267 (includes CMHC)
- Health Center's target budget for 2014/15: \$43,011,084 (includes CMHC)
- Health Center's budget request for 2014/15: \$44,308,197 (includes CMHC)
- CMHC's current budget for 2013/14: \$5,972,094
- CMHC's target budget for 2014/15: \$6,045,074
- CMHC's budget request for 2014/15: \$6,157,192
- Ms. Will said the Health Center's current FY2014/15 budget request figure is not a hard number and that the Health Center will continue to look at where it can make cuts.
- Commissioner Boyle said he wants to know what the Health Center has budgeted for contracts, excluding union contracts.
 - Commissioner Boyle said he wants extensive information about contracting out employees, such as what positions are being contracted out, what's the cost for these contracted employees, and what the Health Center's experience has been in the last fiscal year.

- Mr. Lorenz said with CMHC, the County is looking at a \$900,000 budget issue. Ms. Glasnapp reviewed what is causing this gap.
 - Ms. Glasnapp said three staff members were not accounted for in last year's budget planning process, which are two Corrections counselors and one Region VI intensive case manager.
 - Ms. Glasnapp said overtime costs have risen.
 - Ms. Glasnapp said during the first quarter of 2014, there were 78 shifts where a potentially violent individual or somebody on sexual-assault precautions required a one-on-one.
 - Ms. Glasnapp said CMHC is projecting a significant decrease in revenue for FY2014/15.
 - Ms. Glasnapp said CMHC's Region VI funding is going to decrease by at least \$121,000 next year due to cuts that took place at the State level.
 - Ms. Glasnapp said revenues from Medicaid, Medicare, and private insurance are down.
 - Ms. Glasnapp said she has begun to explore ways to bring in more revenue.
 - Ms. Glasnapp said CMHC could apply for and become a provider of subacute level of care.
 - Ms. Glasnapp said Magellan is looking for 23:59 providers, which is a psychiatric emergency room type of facility.
 - Ms. Glasnapp said the reason why CMHC is on track for its FY2013/14 budget is because six employees took significant time off without pay, two of which were doctors.
- Mr. Lorenz said costs for mental health are not just having an impact on CMHC's budget, but on the budget for the Public Defender and Corrections, as well. Mr. Lorenz said mental health is driving up costs for the County, but the State is making cuts in those areas.
 - Commissioner Morgan said before the next legislative session, the County Board should start talking to two to three state senators at a time and discuss this issue with them.
 - Commissioner Borgeson said the County Board should put together a document that illustrates the last five years of decisions that were made at the State level that either cut funding to the County or shifted costs to the County.
 - Commissioner Rodgers said the County needs to make the public more aware of the issues with mental health in the community.
 - Commissioner Boyle said taking care of the mentally ill is a top priority of his, and because of this, there may have to be only one Treasurer's branch because the County needs money to pay for a facility that takes care of the mentally ill.
- Electronic health records were discussed.
 - Mr. Lorenz said the team put together to look into electronic health records is ready to make a recommendation to select MediTech.
 - Mr. Lorenz said there would be a year one cost of \$2,224,892, which would include the implementation of the hardware and the software, and an ongoing maintenance cost of \$422,424.
 - Commissioner Boyle said this is over-the-top expensive.
 - Mr. Bloomingdale said there were only two companies that could meet the needs of the County, and MediTech would be less expensive over the long haul.
 - Ms. Will said over \$400,000 was encumbered from last year's budget for this.

- Mr. Lorenz said the County has had good collections from inheritance tax this year, so he thinks a one-time contribution of \$1 million from inheritance tax towards electronic health records could be made.
- Commissioner Borgeson said electronic health records would be able to generate additional revenues for the County.
 - Commissioner Boyle said he would like to see a neutral source, such as a CPA firm, tell the County what the revenue is going to be.
- Mr. Lorenz said electronic health records are mandated. Ms. Will said electronic health records have to be implemented by 2015.
 - Ms. Glasnapp said there would be fines if the County didn't get electronic health records.
- Commissioner Borgeson said with the exception of Methodist, all of the hospitals in the area use Epic for their electronic health records, but Epic won't meet the needs of long-term care.
- PBX was discussed.
 - Mr. Lorenz said using a programmed phone system to take calls could result in \$300,000 in savings.
 - Ms. Will said there would be on-going maintenance, which would be a couple of thousand dollars each year.
 - Commissioner Boyle said this would be a layoff of more employees at the lowest level at the Health Center.
 - Ms. Will said PBX has seven employees.
 - Ms. Will said the system for PBX is not supported anymore.
- Commissioner Rodgers left the meeting during this discussion.

2. Other business.

Commissioner Borgeson said after the budget is rolled up and the County Board sees how much the budget is short, she'll ask the Board members for ideas as to where to cut.

The meeting adjourned at 3:24 p.m.