

Finance Committee Meeting Douglas County, Nebraska

Tuesday, April 29, 2014

The meeting convened at 12:03 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 22, 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 start of the meeting included Joe Lorenz, Patrick Bloomingdale, Diane Carlson, Catherine Hall, Marcos San Martin, and Kaieva Williams of Administration; John Friend, Jane Alexander, and Margo Aguilera of the Clerk of the District Court's office; Doug Johnson of District Court; Mike Goodwillie and Sue Hurd of the Assessor's office; Derek Kruse, Tracy Svevad, Bob Nord, and Bridget Roy of DOT.Comm; Kathleen Hall and Dan Esch of the Clerk/Comptroller's office; and Doug Kagan of Nebraska Taxpayers for Freedom. Commissioner Morgan conducted the meeting.

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

Clerk of the District Court

County Commissioners Clare Duda and Marc Kraft entered the meeting during this discussion, as well as Douglas County Assessor Roger Morrissey and Ray Curtis of Juvenile Court. Ms. Williams left the meeting during this discussion. Speaking during the Clerk of the District Court budget discussion were Mr. Lorenz, Clerk of the District Court Friend, Commissioner Morgan, Ms. Alexander, Commissioner Rodgers, Mr. Kagan, Mr. Bloomingdale, and Mr. Curtis. Highlights from the discussion included the following:

- Clerk of the District Court's current budget for 2013/14: \$2,853,174
- Clerk of the District Court's budget target for 2014/15: \$2,886,555
- Clerk of the District Court's budget request for 2014/15: \$2,889,182
- Clerk of the District Court Friend said his office is shifting \$48,000 from unclassified seasonal to a classified structure.
 - Clerk of the District Court Friend said the employees put in the unclassified seasonal category are part-time employees and a member of the Board of Mental Health.
- Clerk of the District Court Friend said whenever an employee leaves the office, the Clerk of the District Court's office seeks to merge duties where it can and will not re-hire for an extended period of time.
- Clerk of the District Court Friend said a sixth Juvenile Court judge would be the only thing that would hurt his office as far as trying to manage the budget for next year.
- Mr. Lorenz said with 82% of the year done, the Clerk of the District Court has received 91% of its budgeted revenue for FY2013/14.
- Clerk of the District Court Friend said he expects Title IV-D revenue to be around \$700,000/year from now on.
 - Clerk of the District Court Friend said Title IV-D involves domestic cases where there's child support due and it's not being paid for. The federal government grants money to

DHHS, who reimburses the Clerk of the District Court's office for the activities they do regarding these cases.

- Clerk of the District Court Friend, Ms. Alexander, and Ms. Aguilera left the meeting after this discussion.

District Court

Dianne Wallace, IT Coordinator, entered the meeting during this discussion. Speaking during the District Court budget discussion were Mr. Lorenz, Commissioner Tusa, Mr. Johnson, Commissioner Rodgers, Commissioner Borgeson, Mr. Curtis, Mr. Bloomingdale, Mr. Kagan, Commissioner Morgan, Commissioner Duda, and Ms. Kathleen Hall. Highlights from the discussion included the following:

- District Court's current budget for 2013/14: \$3,674,058
- District Court's budget target for 2014/15: \$3,709,057
- District Court's budget request for 2014/15: \$3,809,767
- Mr. Lorenz said Mr. Johnson has told him that District Court may need a budget supplement of up to \$100,000 for the remainder of FY2013/14.
 - Mr. Johnson said District Court is tracking to be about \$95,000 over budget for indigent defense and \$100,000 over budget for jury duty.
 - Mr. Johnson said there has been savings in other areas of the budget so District Court is tracking to be around \$100,000 over for its total FY2013/14 budget.
- Mr. Johnson reviewed what makes up the difference of \$100,453 between the FY2014/15 target budget for District Court and District Court's FY2014/15 requested budget:
 - \$25,000 increase for jury duty
 - \$25,000 increase for indigent defense
 - \$14,553 increase for payroll
 - \$5,000 increase for a JAG grant
 - Mr. Johnson said this grant will be used to upgrade the microphones in the District Court courtrooms.
 - \$30,900 increase for a law clerk.
 - Mr. Johnson said the District Court judges would like a fifth law clerk starting in October 2014 to help them with their workload.
- The Law Library was discussed
 - Commissioner Morgan asked about the possibility of the County using the law library at Creighton.
 - Mr. Bloomingdale said he received a letter from Creighton stating that they would not open their law library to the public if the County closed theirs.
 - Commissioner Borgeson said she'd be interested in knowing how many individuals use the Law Library, specifically a comparison between how many individuals from the public versus how many individuals who work within the Civic Center and Hall of Justice.
 - Commissioner Borgeson said if those statistics aren't tracked, she would like to start tracking it now through the end of the year.
- Mr. Johnson said the judges have raised attorney fees that will become effective during the FY2015/16 budget year.

- Mr. Johnson said he projects this will cause an increase of around \$85,000 by 2016, and another increase of around \$40,000 the following year.
- Mr. Johnson said the County, not the State, is paying for the judges' bar association dues, as well as for other membership dues and seminar registrations.
- Mr. Johnson said District Court's projected revenue for FY2014/15 will be about \$15,000 higher than its FY2013/14 revenue.

Juvenile Court

Speaking during the budget discussion for Juvenile Court were Mr. Lorenz, Mr. Curtis, Mr. Bloomingdale, Mr. Kagan, Commissioner Tusa, Commissioner Duda, Commissioner Borgeson, and Commissioner Morgan. Highlights from the discussion included the following:

- Juvenile Court's current budget for 2013/14: \$3,912,170
- Juvenile Court's target budget for 2014/15: \$3,926,874
- Juvenile Court's budget request for 2014/15: \$3,854,447
- Mr. Lorenz said with 81.6% of the way through FY2013/14, Juvenile Court has only expended 76.1% of its FY2013/14 budget.
 - Mr. Lorenz said he believes this is driven by the changes made to out-of-home placements.
 - Mr. Curtis said Probation took over a lot of the costs for out-of-home placements.
 - Mr. Lorenz said if District Court does in fact need a budget supplement for FY2013/14, that supplement may come out of Juvenile Court's budget.
- Mr. Curtis said effective July 1, 2014, the Juvenile Court judges are raising attorney fees from \$60/hour to \$65/hour, but that cost can be absorbed due to the decrease in out-of-home placement costs.
 - Mr. Curtis said the attorney fee increase is reflected in Juvenile Court's FY2014/15 budget request.

■ FY2013/14 budget for attorney fees:	\$2,400,000
■ FY2014/15 projection for attorney fees:	\$2,600,000
■ FY2013/14 budget for out-of-home placements:	\$386,000
■ FY2014/15 projection for out-of-home placements:	\$70,000
 - Mr. Curtis said even after this raise, Juvenile Court's attorney fee rate is well under the average rate across the state.
- Mr. Curtis said Juvenile Court is in desperate need of additional judicial resources.
 - Mr. Curtis said in 2013, 2,486 cases were filed in Juvenile Court, an average of 497 cases per judge. Mr. Curtis said in the next closest jurisdiction, there were 1,396 cases filed, an average of 349 cases per judge.
 - Mr. Curtis said starting on January 1, 2015, there are going to be more cases filed in Juvenile Court due to the passage of LB464.
 - Mr. Curtis said for the last five years, the Nebraska Judicial Resource Commission has supported Douglas County receiving a sixth Juvenile Court judge, but it has never been approved by the Legislature.

- Mr. Curtis said the Supreme Court has the ability to re-allocate resources as needed, so it is possible that a retired judge or a judge from another district could be brought in to help out Juvenile Court.
- Commissioner Rodgers left the meeting during this discussion.
- Mr. Curtis and Mr. Johnson left the meeting after this discussion.

Assessor

Speaking during the budget discussion for the Assessor were Mr. Lorenz, Assessor Morrissey, Commissioner Morgan, Mr. Bloomingdale, Commissioner Borgeson, Commissioner Tusa, Mr. Kagan, Mr. Goodwillie, and Ms. Hurd. Highlights from the discussion included the following:

- Assessor's current budget for 2013/14: \$3,418,044
- Assessor's target budget for 2014/15: \$3,458,277
- Assessor's budget request for 2014/15: No specific amount
- Mr. Lorenz said the merger of the Assessor and Register of Deeds is not reflected yet in the FY2014/15 budgeting process for the Assessor or the Register of Deeds.
- Assessor Morrissey said he expects the Assessor's office to come in around \$100,000 under budget for FY2013/14.
- Assessor Morrissey said the FY2014/15 budget request for the Assessor's office will be about \$50,000 less than what was targeted.
- Assessor Morrissey said the informal hearings and getting the values done by January will continue to be big challenges for the Assessor's office.
- Assessor Morrissey said the Assessor's office would like to purchase four new vehicles.
 - Assessor Morrissey said one of those four vehicles is to replace a vehicle that was totaled out this year.
 - Assessor Morrissey said the additional vehicles will help the Assessor's office meet the mandate of preliminary hearings.
 - Assessor Morrissey said the vehicles would be purchased out of the Assessor's FY2013/14 budget.
- Assessor Morrissey said the computer assisted mass appraisal system used by the Assessor's office is not handled by DOT.Comm.
- Commissioner Rodgers returned to the meeting during this discussion.
- Assessor Morrissey, Mr. Goodwillie, and Ms. Hurd left the meeting after this discussion.

DOT.Comm

Speaking during the budget discussion for DOT.Comm were Mr. Lorenz, Mr. Kruse, Commissioner Tusa, Commissioner Morgan, Ms. Wallace, Commissioner Duda, Commissioner Kraft, Commissioner Rodgers, Commissioner Borgeson, Ms. Kathleen Hall, Ms. Svevad, and Mr. Nord. Highlights from the discussion included the following:

- DOT.Comm's budget is on a calendar year basis and the figures presented to the Finance Committee by DOT.Comm were based on its calendar year budget.
 - 2014 DOT.Comm budget: \$11,705,421 (\$6,472,502 from Douglas County)

- 2015 DOT.Comm proposed budget: \$11,801,384 (\$6,568,465 from Douglas County)
 - Mr. Kruse said the increase in the County's contribution for DOT.Comm in 2015 is in tune with the County's request to keep DOT.Comm's budget increase within 1.5%.
- Mr. Kruse said DOT.Comm is continuing a trend of moving its payroll to professional services with strategic sourcing.
 - Mr. Kruse said this means DOT.Comm is looking to be more efficient and nimble through outsourced contracts that can provide the skill needed for a project at the time of that project.
- Mr. Kruse said DOT.Comm's technology and maintenance contracts will increase in 2015.
- Mr. Kruse said DOT.Comm is working towards having their cost profile broken down by service so there's full transparency for the City and County as to where dollars are being allocated.
 - Mr. Kruse said the services will be categorized by the following:
 - Enterprise Services
 - This would include network connectivity, client services, Service Desk, facilities, enterprise security, user account management, and disaster recovery.
 - Employee Services
 - This would include desktop support, telephony support, e-mail & calendaring, and printer support.
 - Application Services
 - This would include the Mainframe, Commercial off the Shelf (COTS) applications, Oracle, and web applications.
 - Mr. Kruse presented a sample document of what DOT.Comm's future cost reports will look like for each City and County department.
 - Mr. Kruse said the cost reports will show what services the department is consuming and how much each of those services is costing that department.
- Mr. Kruse said DOT.Comm received \$11,931,507 in revenue during 2013, and expended \$11,460,776 during 2013.
 - Mr. Kruse said the remaining balance of \$470,731 was put into DOT.Comm's Capital Fund Balance, which is used to help fund City and County capital projects.
 - Mr. Kruse said such projects go through the DOT.Comm Oversight Committee for approval.
 - Mr. Kruse said DOT.Comm has identified the long-term capital needs for the City and County.
- Mr. Kruse said DOT.Comm is in the process of engaging in a managed print services model and a PC leasing model which will help all of the departments for the City and County become more efficient and cost-effective in the areas of PCs and printers.
 - Mr. Lorenz said the Microsoft Enterprise Agreement will keep the County from having to deal with PCs going obsolete.
- Commissioner Borgeson said this would be a good time to have a conversation with County departments about what can and cannot be moved from paper to a technology platform for the paper records that haven't already been moved.
- Mr. Kruse said moving away from the legacy technology currently being utilized and moving towards new realms will require thoughtful dialogue.

- Mr. Kruse said it will involve people from many departments to have these conversations.
- Mr. Lorenz said the County IT Advisory Committee believes it would be a good idea to incorporate a technology piece to the County's strategic plan, and to start viewing technology as an enabler in the long-term instead of just as a cost center.
- Mr. Kruse reviewed an executive summary of DOT.Comm's accomplishments during 2013, which included moving the City/County's e-mail system to Google, the Oracle R12 upgrade, and implementing Service Level Agreements (SLAs) to measure customer service performance.
- Commissioner Rodgers left the meeting during this discussion.

2. Other business.

There was no other business.

The meeting adjourned at 2:09 p.m.