

Finance Committee Meeting Douglas County, Nebraska

Tuesday, March 10, 2015

The meeting convened at 11:25 a.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 3, 2015 issue of The Daily Record. County Commissioners present at the start of the meeting were James Cavanaugh, PJ Morgan, Mary Ann Borgeson, Clare Duda, Marc Kraft, and Chris Rodgers. Others present at the start of the meeting included Patrick Bloomingdale, Joe Lorenz, Diane Carlson, Marcos San Martin, Cheri Albin, and Karen Cole of Administration; Lee Lazure and Tim McNally of Civil Service Commission/Human Resources (HR); Jerry Leahy and Jeff McGill of Public Property; Kathleen Hall and Dan Esch of the Clerk/Comptroller's office; and Jeff Stevens of Nebraska Taxpayers for Freedom. Commissioners Cavanaugh and Morgan conducted the meeting.

1. Preliminary 2015/2016 County budget review with selected department heads and elected officials.

Civil Service Commission/Human Resources (HR)

- HR's current budget for 2014/15: \$897,574
- HR's budget target for 2015/16: \$910,0000
- HR's budget request for 2015/16: No specific amount yet

County Commissioner Mike Boyle arrived during the HR budget discussion, as well as Catherine Hall of Administration and Bev Traub of the League of Women Voters. Speaking during the HR budget discussion were Mr. Lorenz, Mr. Lazure, Mr. McNally, Ms. Carlson, Commissioner Duda, Mr. Leahy, Commissioner Morgan, Commissioner Kraft, Mr. Bloomingdale, Commissioner Boyle, Commissioner Rodgers, Commissioner Cavanaugh, Ms. Albin, Commissioner Borgeson, and Ms. Kathleen Hall. Highlights from the discussion included the following:

- Mr. Lazure said he anticipates HR being able to submit a 2015/16 budget request within the parameters set out in the budget call letter.
 - Mr. Lorenz said in the 2015/16 budget call letter, elected officials and department heads were told they could target a budget increase of 1.5% of their base salaries.
- Handouts were provided and reviewed during this discussion.
 - Mr. Lorenz provided a handout with HR budget appropriation figures (see Attachment #1).
 - Mr. Lazure and Mr. McNally provided the following:
 - Organizational chart for HR (see Attachment #3).
 - Budget overview document (see Attachment #2), which included:
 - A list of HR's major non-payroll obligations.
 - A history of HR's budget allocation going back to 2011.
 - ❖ Note: this document contains HR's adopted budget figure for 2014/15 (\$881,119), it does not include a recent salary adjustment which brings HR's current 2014/15 budget figure to \$897,574.

- ❖ Commissioner Cavanaugh said he'd like to see HR's budget allocations from 2011 to 2014 to be divided into payroll vs. non-payroll for each of those years.
 - A list of changes in the services delivered by HR.
 - ❖ Commissioner Cavanaugh said he'd like to see on-set dates for the HR services that started after 2011.
- Mr. Lazure said HR has 11.5 FTEs.
 - 9 FTEs work at the Omaha-Douglas Civic Center.
 - 2 FTEs work at the Health Center
 - 0.5 FTE works at Corrections.
 - Mr. Lazure said HR has maintained 11.5 FTEs since budget cuts in 2011.
 - Mr. Lazure said all of the HR staff is non-union.
- Mr. McNally said HR has recently been involved in contractor vs. employee review.
 - Mr. McNally said when somebody is put on as a contractor, the County needs to be sure the person does in fact meet the classifications of a contractor.
 - Mr. McNally said the IRS has strict criteria regarding employee vs. contractor.
 - Mr. McNally said if someone is classified as a contractor but should be classified as an employee, the IRS can come back at an organization for back taxes, back withholdings, and back social security.
 - Mr. McNally said before a contract for a contractor goes in front of the County Board, HR and the County Attorney's office reviews it to make sure the person meets the classification of a contractor.
 - Mr. McNally spoke about grants for teachers that have recently been received by the Youth Center, so it needed to be determined whether or not those teachers should be classified as employees or as contractors.
 - Commissioner Cavanaugh said he'd like to know how many people are:
 - Regular County employees.
 - Grant-funded County employees.
 - Independent contractors for the County.
 - Commissioner Cavanaugh said it would be interesting to see these categories going back five years to see what movement there has been in those areas.
- Commissioner Rodgers wanted to know how many employees take the biometrics test.
 - Mr. McNally said percentage-wise it would be pretty low.
 - Mr. McNally said the biometrics screening is not a pre-requisite for health insurance, but it is a way for employees participating in the wellness program to earn points.
 - Mr. McNally said this year if an employee receives a certain amount of points for doing wellness activities, the employee will receive a gift card worth \$150.
 - Mr. McNally said last year the gift card was worth \$75, so he believes the higher gift card value may motivate more employees to participate in the wellness program.
 - Mr. Lorenz said the plan is to eventually make it so an employee would receive some sort of credit towards his/her health insurance rate on an opt-in basis.

- ❖ Mr. Lorenz said this way has shown it is how an organization can get higher employee participation in its wellness program.
- Commissioner Kraft asked how the County can get employees to take more of the eLearning courses that are offered.
 - Mr. Lazure said he thinks the department heads and elected officials need to ensure their employees have completed the courses.
- Commissioner Boyle said he would like to have further discussions about what the County can do to make sure it has an employee workforce that is more representative of the community.
- Commissioner Cavanaugh said capturing institutional memory is invaluable to the County.
- Mr. Lazure and Mr. McNally left the meeting after the HR budget discussion.

Public Property & Capital Improvement

- Public Property's current budget for 2014/15: \$3,876,007
- Public Property's budget target for 2015/16: \$3,913,000
- Public Property's budget request for 2015/16: No specific amount yet
- Capital Improvement's current budget for 2014/15: \$635,000
- Capital Improvement's budget target for 2015/16: \$670,000
- Capital Improvement's budget request for 2015/16: \$670,000

Speaking during the Public Property and Capital Improvement budget discussion were Mr. Lorenz, Mr. Leahy, Mr. Bloomingdale, Commissioner Rodgers, Commissioner Duda, Mr. McGill, Commissioner Morgan, Commissioner Boyle, Commissioner Borgeson, Commissioner Cavanaugh, Ms. Carlson, Commissioner Kraft, and Ms. Albin. Highlights from the discussion included the following:

- Handouts were provided during this discussion:
 - Mr. Lorenz provided handouts containing Public Property and Capital Improvement budget appropriation figures (see Attachments #4 and #5).
 - Mr. Leahy and Mr. McGill provided the following:
 - Budget review document (see Attachment #6)
 - Note: this document contains Public Property's adopted budget figure for 2014/15 (\$3,871,456), it does not include a recent salary adjustment which brings Public Property's current 2014/15 budget figure to \$3,876,007.
 - Organizational chart for Public Property (see Attachment #7)
 - List of building maintenance projects (see Attachment #8)
 - List of properties owned by the County, and leased by the County (see Attachment #9).
 - Mr. Leahy said currently the County owns 1,383,806 square feet of property.
 - ❖ Mr. Leahy said in 2003, the County owned 750,000 square feet of property.
- Mr. Leahy reviewed some of the cost increases Public Property expects to see during 2015/16.
 - Projected increase of \$33,153 in utility costs.
 - Mr. Leahy said this is due to an OPPD rate increase of 3%, and a MUD rate increase of 5.5%.

- Leased space will increase by 1.3%, which would be an increase of \$47,859.
 - Mr. Leahy said this increase is due to some of the following:
 - DHHS office relocation from 24th & Cuming to 24th & Hamilton.
 - Additional space for Adult Probation at 8303 Spring Plz.
 - Additional space for Adult Probation at 4937 S 84th St.
 - ❖ Commissioner Borgeson said new provisions for LB561 monies no longer allow the County to use those dollars on rent for probation offices.
- Mr. Leahy and Mr. McGill went over some of the capital improvement projects that need to take place at Corrections.
 - Attachment #8 includes a list of capital improvement projects for Corrections.
 - Mr. Leahy said many of the facilities at Corrections are old so there is a lot of mechanical and physical wear.
 - Mr. Leahy said a bond at a later date for Corrections may be needed to help catch up on its capital improvements because he doesn't think it can be done on \$635,000 per year.
- Revenue for Public Property was discussed.
 - Mr. Leahy said cable TV fees are Public Property's biggest revenue generator.
 - Mr. Leahy said last year cable TV revenue was around \$2.4 million.
 - Mr. Leahy said by federal law cable companies have to pay a 5% fee to cities or to counties.
 - Mr. Leahy said Douglas County receives the fee for any residential area in the County that hasn't been annexed by the City.
 - Mr. Leahy said when an area is annexed by the City, then the City starts receiving the fee for that area.
 - Mr. Leahy reviewed some of the other revenue sources for Public Property, which includes:
 - Field Club lease (around \$96,000/year).
 - Grey Hound lease (around \$60,000/year).
 - Hospital engineering reimbursement from Health Center (around \$600,000/year).
 - All of Public Property's revenue goes to the General Fund.
- Mr. Leahy said Public Property has been at 43 employees for the last 5 years.
 - Mr. Lorenz said the majority of Public Property employees are union members.
 - Commissioner Rodgers asked Mr. Leahy and Mr. McGill if they foresee any problems in the future with being able to hire enough skilled/trade workers.
 - Mr. McGill spoke about the need for engineers at Corrections and at the Health Center.
- Commissioner Boyle said he thinks it would make more sense for the County to buy a building and renovate it then to lease property from private companies.
 - Commissioner Boyle said the County should look into the property at 1805 Harney Street because United Way is moving out of the building there.
 - Commissioner Duda said the Building Commission did look into that building a few years ago, and it was their opinion that they would tear the building down if they owned the property because the building is in such bad condition.

- Commissioner Boyle said he'd like to know how much it costs to maintain the Fitzgerald Home.
- Commissioner Rodgers said he would like to know what it would cost to potentially consolidate all of the Juvenile offices onto one campus.
- Commissioner Boyle said there may be a way to set out a plan to combine some of the County's operations with some of the City's operations at certain locations.
- Energy efficiency was discussed.
 - Mr. Leahy said the geothermal energy systems are working out well for the County.
 - Mr. McGill said he could get figures together to show how much money it's saved the County.
 - Commissioner Boyle said he like to see geothermal energy used in other County facilities.
 - Commissioner Borgeson said these are the types of things where establishing a business plan would be beneficial.
 - Commissioner Borgeson said being able to see what the return on investment will be for certain projects would be a good planning tool for the County Board.
 - Commissioner Borgeson said she thinks the County doesn't do a good job of tracking the things it has implemented that are saving taxpayers' money.
 - Commissioner Boyle asked Public Property to look into using solar energy.
- Commissioner Kraft left the meeting during this discussion.

2. Other business.

There was no other business.

The meeting adjourned at 1:11 p.m.