

Finance Committee Meeting Douglas County, Nebraska

Tuesday, April 14, 2015

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 7, 2015 issue of The Daily Record. County Commissioners present at the meeting were James Cavanaugh, PJ Morgan, Mary Ann Borgeson, Mike Boyle, Clare Duda, and Marc Kraft. Others present at the start of the meeting were Patrick Bloomingdale, Joe Lorenz, Diane Carlson, Catherine Hall, Cheri Albin, Karen Cole, Kaieva Williams, and Dianne Wallace of Administration; Tom Riley, Carol Jennings, Scott Sladek, and Martha Wharton of the Public Defender's office; Jeff Lux and Lance Ivener of the County Attorney's office; Jim Tourville and DeDe Will of the Health Center; Sherry Glasnapp, Marti Christensen, and Mike Phillips of the Community Mental Health Center (CMHC); Dan Esch of the Clerk/Comptroller's office; and Doug Kagan and Jeff Stevens of Nebraska Taxpayers for Freedom. Commissioners Morgan and Cavanaugh conducted the meeting.

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

Public Defender

- Public Defender's current budget for 2014/15: \$4,208,183
- Public Defender's budget target for 2015/16: \$4,267,574
- Public Defender's budget request for 2015/16: See below*

County Attorney Don Kleine entered the meeting during this discussion, as well as Bev Traub of the League of Women Voters. Ms. Williams left the meeting during this discussion. Those speaking during this discussion were Commissioner Boyle, Mr. Lorenz, Public Defender Riley, Commissioner Morgan, Commissioner Borgeson, County Attorney Kleine, Ms. Albin, Mr. Bloomingdale, Commissioner Kraft, Mr. Kagan, and Ms. Carlson. Highlights from the discussion included the following:

- *The Public Defender's office submitted a budget request through Hyperion of \$4,559,728 (as shown on Attachment #1), but there were some issues with payroll and grant money input in Hyperion, so that figure is not the correct request.
 - Public Defender Riley handed out an updated proposal for the Public Defender's 2015/16 budget request, which was for \$4,450,943 (see Attachment #2), but this proposal included a 3% salary increase instead of a 1.5% salary increase.
 - Mr. Lorenz said the budget request will be cleaned up, but during "Other Business" he said he expects the Public Defender's office to be around \$75,000 over target for 2015/16.
- Mr. Lorenz said with 77.26% of 2014/15 complete, the Public Defender's office has spent 81% of its budget.
 - Public Defender Riley said as of now he does not think the Public Defender's office will need a supplemental budget for 2014/15.
 - Public Defender Riley said the Public Defender's office is way over on expert witness fees.
- Public Defender Riley said for 2015/16 he is requesting \$20,000 more for expert witness fees.

- Public Defender Riley said with some of the issues at the Crime Lab, the Public Defender's office is put into a position to hire experts to double-check on their work.
- Commissioner Boyle said he supports the Public Defender and the County Attorney budgeting realistically.
 - Public Defender Riley said he is comfortable with only asking for \$20,000 more because he's counting on there not being as many big cases next budget year.
- Public Defender Riley said the Public Defender's office would like partial funding for a social worker and add a position for an immigration attorney.
 - Public Defender Riley said both of these positions are currently with the Public Defender's office.
 - Public Defender Riley said he is seeking \$6,250 for a social worker position that is mostly funded by a grant (around \$40,000 in grant funding).
 - Public Defender Riley said the purpose for this position is to aid clients who are out on bond, or bondable, and have responsibilities to go to treatment facilities.
 - Public Defender Riley said this position facilitates getting the clients to the facilities.
 - ❖ Public Defender Riley said this helps keep people out of jail because they're not missing their appointments, and it keeps them out of jail because they're doing the things the judges told them to do.
 - Public Defender Riley said the Public Defender's office had a one-year grant of \$55,000 for an immigration attorney, and the Public Defender's office is asking to add that position.
 - Public Defender Riley said the Public Defender's office represents a lot of people who are in jail for low-grade offenses, like driving offenses or misdemeanors, who also have ICE holds.
 - Public Defender Riley said many of these people are bondable.
 - Public Defender Riley said the immigration attorney can facilitate getting them into court quicker and getting them out of Corrections quicker, which will save the County money.
 - Public Defender Riley said many times the people in these situations say they'll go back to their home country, but they can't go back when they're in jail waiting to go to court.
 - Public Defender Riley emphasized that he's only talking about those with an ICE hold who have a low-grade offense.
 - ❖ Public Defender Riley said if the person is considered dangerous, then the Court would set a bond that person wouldn't be able to make.
 - Public Defender Riley said if someone with an ICE hold finishes serving a sentence at Corrections, then Corrections will let that person go because it's unlawful to keep that person for an ICE hold, there needs to be an ICE warrant to keep that person.
 - Public Defender Riley said he feels the Public Defender's office is adequately staffed, but urges the addition of the immigration attorney position.
- Mr. Bloomingdale said the better the Public Defender's staff is, the faster trials are moved along, and that has a positive impact on population numbers at Corrections by reducing the amount of time people wait in Corrections.

- Public Defender Riley said the Public Defender's office and the County Attorney's office work together to move cases along.
- Public Defender Riley, Ms. Jennings, Mr. Sladek, and Ms. Wharton left the meeting after this discussion.

County Attorney

- County Attorney's current budget for 2014/15: \$7,947,485
- County Attorney's budget target for 2015/16: \$8,046,567
- County Attorney's budget request for 2015/16: \$8,201,816

Speaking during this discussion were Mr. Lorenz, County Attorney Kleine, Commissioner Morgan, Mr. Kagan, Commissioner Boyle, Ms. Will, Commissioner Cavanaugh, Mr. Lux, Commissioner Kraft, and Commissioner Borgeson. Highlights from the discussion included the following:

- County Attorney Kleine said he has been in the County Attorney's office for a while and it has been as busy as he's ever seen, the volume's as high as he's ever seen, and the profiles of the cases are as high as he's ever seen.
 - County Attorney Kleine said there are 40 pending murder cases in the County.
- Mr. Lorenz provided a handout with County Attorney budget appropriation figures (see Attachment #3).
- County Attorney Kleine said professional witness fees are up, as well as costs for autopsies.
- County Attorney Kleine reviewed some of the cost increases being asked for in 2015/16:
 - \$23,000 for the autopsy account.
 - \$25,000 for body trays at the morgue.
 - County Attorney Kleine said about a month and a half ago after a weekend where there was a quadruple homicide, there was no space at the County morgue cooler for bodies.
 - County Attorney Kleine said there is a contingency plan for this, but he can see it being an ongoing issue.
 - \$36,000 for an assistant to the acting County Coroner, to help keep up with death certificates and autopsies.
 - \$6,000 for a tracker.
 - County Attorney Kleine said this is a computer system that tracks property and evidence when it comes into the County Attorney's office.
 - \$6,000 - \$12,000 to pay for half of a program the County Attorney's office uses with the City Prosecutor in regard to notifications for officers in court.
 - County Attorney Kleine said this program is used so there isn't a situation where an officer comes in unnecessarily and charges the County or City for overtime for being there when the officer was not needed as a witness.
 - \$2,500 for additional equipment for courtroom presentations.
- Mr. Lorenz said the County Attorney's office receives around \$1.1 million - \$1.2 million in grants.
 - Mr. Lux said the County Attorney's office has 12 grants that partially funds 17 attorneys and 12 staff members.

- In regards to the County potentially creating a grant administrator position, County Attorney Kleine said it would be nice to have someone whose only assignment is to look for funding.
- Commissioner Boyle asked County Attorney Kleine if he'd prepare a plan to consolidate crime labs.
 - County Attorney Kleine said he'd be happy to do that.
 - County Attorney Kleine said it's something that needs to be done.
 - County Attorney Kleine said he'd like to have the Med Center involved.
- On the idea of consolidating of the City Prosecutor's office and the County Attorney's office, County Attorney Kleine said he thinks it's only natural and he sees that progression happening eventually.
 - County Attorney Kleine said in most counties in Nebraska, the county attorney handles all of the prosecution cases in the county.
 - County Attorney Kleine said he thinks it's a good thing for the elected county attorney to be responsible for all prosecution in a county.
- County Attorney Kleine, Mr. Ivener, and Mr. Lux left the meeting after this discussion.

Health Center

- Health Center's current budget for 2014/15: \$44,646,872
- Health Center's budget target for 2015/16: \$45,133,223
- Health Center's budget request for 2015/16: \$47,200,333*

Speaking during this discussion were Mr. Lorenz, Commissioner Duda, Ms. Will, Commissioner Cavanaugh, Commissioner Borgeson, Commissioner Morgan, Commissioner Boyle, Mr. Tourville, Ms. Wallace, Mr. Kagan, and Ms. Albin. Highlights from the discussion included the following:

- *Ms. Will provided a handout (see Attachment #5) which indicated the Health Center would be requesting a 2015/16 budget of \$47,200,333, but she said she thinks she can get the Health Center's budget request down to the target.
- Other handouts were provided and reviewed during this discussion.
 - Mr. Lorenz provided a handout with Health Center budget appropriation figures (see Attachment #4).
 - Referring to the third page of this document, Commissioner Cavanaugh said the Health Center's increases are under the average of the healthcare community of Nebraska and Iowa annually.
 - Commissioner Cavanaugh said until recently the increases have been ranging up between 5% and 10% per year per institution.
 - Ms. Will provided a handout with Health Center budget considerations for 2016 (see Attachment #6) and an organizational chart for the Health Center (see Attachment #7).
- The Health Center's budgeted revenue for 2014/15 is \$30,633,954, and Ms. Will said the Health Center's projected revenue for 2015/16 is \$32,330,821.
 - Ms. Will said this revenue is generated from Medicaid, Medicare, and private pay.

- Commissioner Borgeson asked Ms. Will to provide a breakout of how much revenue comes from each of these three sources.
 - Ms. Will said 30 out of the 250 residents are private pay.
- Mr. Tourville said Medicaid expansion would not have affected the Health Center, but it would have benefitted the General Assistance Primary Health Care Clinic.
- Ms. Will said the process of implementing Electronic Health Record (EHR) for the Health Center, CMHC, and General Assistance has started.
 - Ms. Wallace said the cost for EHR was around \$1.3 million.
- Commissioner Borgeson said the Health Center needs to track how the savings or revenue realized from the implementation of HMA recommendations are being used to help implement other recommendations.
 - Commissioner Borgeson gave the example of how \$1,100,000 of revenue generated in 2015 from the implementation of short term rehabilitation is helping the County implement EHR.
- In regards to PBX, Ms. Will said the Health Center plans on using a voiceover system, and then utilizing the PBX people as receptionists.
- Mr. Tourville said the Health Center will be having discussions with the new VA director to see what type of collaborative efforts there can be between the VA and the Health Center, such as the sharing of some services, or providing the VA with services the Health Center is not providing them now.
- Ms. Will said the Health Center would see it as a positive thing if there was an addition of a County grant administrator.
- Commissioner Boyle said he opposed to hiring people and not giving them benefits.
- Commissioner Cavanaugh said believes the Health Center does the best job of any healthcare facility in the State for long-term care and care of Alzheimer's patients.
- CMHC's budgeted expense and budgeted revenue are included in the Health Center's budget.

Community Mental Health Center (CMHC)

- CMHC's current budget for 2014/15: \$6,451,518
- CMHC's budget target for 2015/16: \$6,530,000
- CMHC's budget request for 2015/16: \$7,006,098*

Speaking during this discussion were Mr. Lorenz, Ms. Glasnapp, Commissioner Boyle, Commissioner Cavanaugh, Commissioner Borgeson, Ms. Will, Ms. Christensen, Mr. Tourville, Commissioner Kraft, Commissioner Duda, and Commissioner Morgan. Highlights from the discussion included the following:

- *Ms. Glasnapp said she would go back and look again to see if there's something incorrect in the CMHC budget request regarding salaries because she did not think CMHC's budget request was going to be more than \$175,000 over target.
 - Ms. Glasnapp said she may have under-projected 2015/16 revenues, as well.
- Ms. Glasnapp said CMHC's 2015/16 budget request does include a significant amount of overtime added in for EHR implementation and costs added in for EHR equipment.

- Ms. Glasnapp said the overtime was added in because CMHC wants to make sure it does the EHR implementation correctly and doesn't end up with a system that is not user friendly.
- Ms. Glasnapp said CMHC has had many organizations tell them about having to go back and spend more money because their EHR wasn't implemented correctly.
- Handouts were provided and reviewed during this discussion.
 - Mr. Lorenz provided a sheet with CMHC budget appropriation figures (see Attachment #8).
 - Ms. Glasnapp provided an organizational chart for CMHC (see Attachment #9).
- Ms. Glasnapp reviewed a slideshow presentation (see Attachment #10).
 - This presentation included:
 - Projected 2016 payroll, expense, and revenue for CMHC.
 - Payroll, expense, and revenue for CMHC for each year from 2011 to Year-to-Date 2015.
 - 1 Year Plan, 3 Year Plan, and 5 Year Plan for CMHC.
 - The following was discussed during the presentation:
 - Ms. Glasnapp said CMHC's revenue dropped in 2014 because of less funding from Region VI due to changes made at the State level.
 - CMHC actual revenue in 2013: \$5,084,040.
 - CMHC actual revenue in 2014: \$4,447,384
 - Commissioner Cavanaugh said he'd like to see a breakout of CMHC revenue.
 - Ms. Glasnapp said CMHC's 2015 expenses are currently below projections primarily due to being down one full-time psychiatrist.
 - Ms. Glasnapp said CMHC has three psychiatrists currently, but there should be four psychiatrists.
 - Ms. Glasnapp said a new psychiatrist will start on July 6, 2015.
 - Douglas County Corrections was discussed.
 - Ms. Glasnapp said CMHC has a grant to provide an intensive outpatient program at Corrections, where CMHC staff is housed at Corrections.
 - Commissioner Cavanaugh said a goal of his is to move from a model where sick people are treated at Corrections, and move to a model where they are treated at CMHC.
 - ❖ By treating them at CMHC, Commissioner Cavanaugh said:
 - The individual will get better care, and
 - The County won't be spending money on them as an inmate, but rather the County could generate revenue because they'd be at a place where they'd be Medicaid eligible.
 - ❖ Commissioner Borgeson said the County has looked into having a "forensic unit" but the hurdle to expanding is an issue with IMD (Institutions for Mental Diseases).
 - While speaking about CMHC's 1 year plan, Ms. Glasnapp said CMHC would like to add a fiscal liaison to its executive staff and add a registrar individual.

- Ms. Glasnapp said the fiscal liaison would focus on CMHC expenses and revenues, help forecast federal regulations, help with grants and grants billing, and serve as a liaison to Magellan and Region VI.
- Ms. Glasnapp said the registrar would serve as an entitlement verification person.
 - ❖ Ms. Glasnapp said many of the individuals who come in tell CMHC staff that they have no entitlements, then CMHC will find out that the individual actually had Medicaid or Medicare.
 - ❖ Ms. Glasnapp says currently CMHC shares a registrar with the Health Center, but she thinks an entitlement verification person could be busy in behavioral health.
 - ❖ Commissioner Cavanaugh asked for some examples of savings, and said if there was a large enough population, he could see this position being totally self-funding just by the savings CMHC could realize by making sure everybody was getting all of their entitlements.
- Ms. Glasnapp said these positions are not included in the 2015/16 budget request.
- Commissioner Boyle left the meeting during this discussion.

2. Other business.

Speaking during this item were Commissioner Morgan, Mr. Lorenz, Commissioner Borgeson, Commissioner Cavanaugh, Commissioner Duda, and Ms. Carlson. Highlights from the discussion included the following:

- Mr. Lorenz said he's in the process of rolling up the budget requests submitted by every department.
- Mr. Lorenz said the numbers aren't final, but it looks like close to \$5 million in budget requests will need to be cut in order for there not to be a property tax increase.
- Mr. Lorenz reviewed some of the departments who submitted budget requests over target:
 - Public Defender: \$75,000 over target.
 - County Attorney: \$155,000 over target.
 - Youth Center: \$162,000 over target.
 - Corrections: \$180,000 over target.
 - Sheriff: \$185,000 over target.
 - Mr. Lorenz said both the Sheriff and the County Attorney have incremental expenses for the Anthony Garcia trial in their budgets.
 - District Court: \$215,000 over target.
 - 911/Communications: \$240,000 over target.
 - Mr. Lorenz said this increase is driven by a lease payment to Motorola for new equipment needed.
 - Mr. Lorenz said 85% of this cost will be paid by the City of Omaha.
 - Juvenile Court: \$3,300,000 over target.
 - Mr. Lorenz said this is driven by Guardian Ad Litem (GAL) costs.

- Mr. Lorenz said \$800,000 will be reduced from the Fees & Contracts budget due to the expiration of GAL contracts, but Juvenile Court's budget will increase.
- Commissioner Cavanaugh said the GAL costs are unsustainable, irresponsible, and don't help the children.
- Commissioner Borgeson said with that increase, the County Board may have to have a conversation about whether or not to go back out for an RFP, or a conversation about an in-house operation, or let what's happening continue to happen.
 - ❖ Commissioner Cavanaugh said the County used to do it in-house in the Public Defender's office for a fraction of the cost being talked about now.
- Mr. Lorenz said he expects there to be an increase in employee benefits, primarily driven by health and accident costs.
- Mr. Lorenz said there will be 27 pay periods next year, which happens once every eight to ten years.
 - Mr. Lorenz that can be funded through Inheritance Tax as a one-time expense, but that's \$1.5 million of Inheritance Tax dollars that can't be used for something else.
- Mr. Lorenz said on the revenue side, there was an overall increase in property valuations worth about \$3,000,000 in property tax dollars to the County.
 - Mr. Lorenz said much of the increase came from commercial or professionally managed properties, like large office buildings, shopping malls, strip malls, and apartment buildings.
 - Mr. Lorenz said he anticipates many of these properties will have their valuations protested, so the County will have to wait and see if those valuations make it through that process.

The meeting adjourned at 2:30 p.m.