

Finance Committee Meeting Douglas County, Nebraska

Tuesday, May 12, 2015

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 May 5, 2015 issue of The Daily Record. County Commissioners present at the start of the meeting were PJ Morgan, Mary Ann Borgeson, Mike Boyle, Clare Duda, Marc Kraft, and Chris Rodgers. Others present at the start of the meeting were Patrick Bloomingdale, Joe Lorenz, Diane Carlson, Catherine Hall, Marcos San Martin, Dianne Wallace, Karen Cole, and Kaieva Williams of Administration; Deb Redding and Melissa Sewick of General Assistance; Eric Carlson of Purchasing; John Solano of the Garage; Derek Kruse, Tracy Svevad, Bob Nord, and Bridget Roy of DOT.Comm; Dan Esch of the Clerk/Comptroller's office; Jeff Stevens of Nebraska Taxpayers for Freedom; and Bev Traub of the League of Women Voters.

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

General Assistance

- General Assistance's current budget for 2014/15: \$6,908,426
- General Assistance's budget target for 2015/16: \$6,942,472
- General Assistance's budget request for 2015/16: \$6,738,304

County Commissioner Jim Cavanaugh entered the meeting during this discussion, as well as Clerk of the District Court John Friend. Ms. Williams left the meeting during this discussion. Speaking during General Assistance's budget discussion were Mr. Lorenz, Commissioner Duda, Commissioner Borgeson, Ms. Redding, Commissioner Cavanaugh, Commissioner Boyle, Mr. Bloomingdale, Ms. Sewick, Commissioner Rodgers, and Clerk of the District Court Friend. Highlights from the discussion included the following:

- Handouts were provided and reviewed during this discussion.
 - Mr. Lorenz provided a handout with budget appropriation figures (see Attachment #1).
 - Ms. Redding provided a handout with an organizational chart and a budget overview from 2010/11 through 2015/16 (see Attachment #2).
- Mr. Lorenz said while Ms. Redding has been the director, General Assistance has always come in below or at the targeted budget, and has never needed a budget supplement.
- Mr. Lorenz said General Assistance's projected revenue for 2015/16 (\$400,000) is down \$150,000 from its 2014/15 budgeted revenue (\$550,000).
 - Ms. Redding said the bulk of General Assistance revenue is from Supplemental Security Income (SSI), but that has leveled off.
 - Ms. Redding said year-to-date revenue for 2014/15 is tracking below budget.
 - Mr. Lorenz said with 85% of the year complete, General Assistance has received \$411,000 in revenue, roughly 75% of its budgeted revenue.

- Purchasing's current budget for 2014/15: \$1,249,848
- Purchasing's budget target for 2015/16: \$1,266,518
- Purchasing's budget request for 2015/16: \$1,272,047

- Mr. Carlson said the Purchasing staff has seen an increase in City projects.
 - Mr. Carlson said 60%-65% of the projects on a monthly basis are City projects.
 - Mr. Bloomingdale said the County Board is going to have to decide if they want to push for re-negotiation of the contract and move away from 50/50 to something that's more reflective of the workload.
- Mr. Lorenz said for 2015/16, there is a projected increase of \$8,000 in revenue for Purchasing.
 - Mr. Lorenz said Purchasing's projected revenue for 2015/16 is \$168,000.
 - Mr. Carlson said Purchasing receives a reimbursement from the City for use of the Mail Room, and the City also reimburses Purchasing for an employee in the Print Shop.
 - Mr. Carlson said there are a couple of other miscellaneous things with surplus that generate revenue, as well.
- Mr. Carlson said Purchasing is going to continue to leverage purchasing cooperatives and other political subdivisions for joint bid/RFP opportunities.
 - Mr. Carlson said Purchasing is in a strategic sourcing group that helps leverage the volume of purchase.
 - Mr. Carlson said the group includes people from University of Nebraska-Lincoln, State of Nebraska, Lincoln Electric, and Sarpy County.
- Mr. Carlson said the union employees in Purchasing are with either Local 571 or IBEW.

- Garage's current budget for 2014/15: \$1,459,218
- Garage's budget target for 2015/16: \$1,467,533
- Garage's budget request for 2015/16: \$1,467,533

- Mr. Solano said for 2014/15 (through May 4, 2015), the average cost per vehicle County-wide is \$0.39/mile.
 - Mr. Solano said during 2012/13, the average cost per vehicle County-wide was \$0.63/mile.
 - Mr. Solano said a lot of the decrease is due to changes the Garage has made in the way they service equipment, as well as Garage employees contacting multiple vendors on items.
 - Mr. Solano said if a vendor has an item that is comparable and less expensive, then the Garage will go with that item.
- Mr. Solano said just before he started at the Garage, the County purchased some CNG vehicles.
 - Mr. Solano said after about a year of those vehicles being in service he was asked to do a cost analysis and the costs broke even.
 - Mr. Solano said the Garage purchases vehicles off of State contract so they're paying significantly less than the average consumer.
 - Mr. Solano said the Garage buys fuel on contract, which is cheaper, as well.

- Commissioner Cavanaugh said in the next five years a certain percentage of hybrid cars need to be added to the fleet.
 - Commissioner Cavanaugh said the fuel savings won't be significant in the short-term, but could be significant in the long-term.
- Mr. Solano said there are 217 vehicles in fleet, and these vehicles have age average of 6.5 years.
 - Mr. Solano said this number does not include the Engineer's vehicles because they have their own fund and buy their own equipment.
 - Mr. Solano said the 217 vehicles would include patrol and administrative vehicles for the Sheriff's office, and then the rest of the County departments.
 - Commissioner Cavanaugh said he'd like to know what departments have vehicles and how many they have.
- Mr. Solano said the Sheriff's seized equipment is paid for out of the forfeiture fund.
- Mr. Carlson said the General Equipment budget for 2015/16 will be at \$531,000, the same amount that was budgeted for in 2014/15.
 - The General Equipment budget is used to purchase vehicles.
- Commissioner Boyle said the City may be interested in having some of their vehicles serviced at the County Garage.
 - Mr. Solano said he'd be worried about getting bombarded with equipment from the City.
- Mr. Solano provided an organizational chart for the Garage (see Attachment #5).
- Mr. Solano said he is the only non-union employee in the Garage.
 - Mr. Solano said Teamsters represents the union employees in the Garage.
- Mr. Solano said he wants to update and implement the fleet management policy.
 - Mr. Solano said the current policy is from 2004.
 - Mr. Solano said this will help streamline vehicle assignment, usage, and replacement.
 - Mr. Solano said a table of organization and a table of equipment would be useful.
 - Mr. Solano said based on a department's personnel, that department would get a certain amount of vehicles.
 - ❖ Mr. Solano said this way there would be a template and every department would know how many vehicles will be in their fleet.
 - ❖ Mr. Solano said currently there's no guidance or history on what that number needs to be.
 - Mr. Solano said he needs the County Board's assistance on enforcing some of the guidelines.
 - Mr. Solano said if the Fleet Management Council met quarterly, he thinks that would provide an opportunity to discuss who's not in compliance, and shed some light on the areas where improvements or changes need to be made.
 - Mr. Lorenz said Mr. Solano's ideas are in line with recommendations made by Mike Dwornicki.
 - Mr. Lorenz said Mr. Solano is trying to put guidelines in place and professionally manage the fleet, which will help the County gain significant cost savings in this area.
 - Mr. Solano said he can come up with a draft policy.

- Mr. Carlson and Mr. Solano left the meeting after the Purchasing and Garage budget discussions.

DOT.Comm

- DOT.Comm's current budget for 2014/15: \$6,568,465
- DOT.Comm's budget target for 2015/16: \$6,568,465
- DOT.Comm's budget request for 2015/16: \$6,979,373* or \$7,413,873**

Speaking during the DOT.Comm budget discussion were Mr. Lorenz, Mr. Kruse, Commissioner Boyle, Ms. Roy, Ms. Svevad, Commissioner Borgeson, Commissioner Cavanaugh, Commissioner Kraft, Commissioner Duda, and Mr. Stevens. Highlights from the discussion included the following:

- *Mr. Kruse said \$6,979,373 is the amount DOT.Comm needs to order to provide services that it is committed to.
 - Mr. Kruse said this would include the following items:
 - Service management.
 - IT Security Analyst.
 - Bandwidth Improvements.
 - Additional Project Manager.
 - Google Apps Analyst.
 - Web Application Support.
 - Health Insurance increases.
 - Mr. Kruse said since DOT.Comm is under 100 bodies, they are expecting a large increase for health insurance costs.
 - Ms. Roy said DOT.Comm has budgeted a 12.5% increase
 - Mr. Kruse said the items listed above have come from the input of the Oversight Committee, as well as the Douglas County IT Advisory Group.
 - Mr. Kruse said DOT.Comm has achieved improved service levels over the last three years.
 - Mr. Kruse said for DOT.Comm to maintain this, DOT.Comm has to get this "committed" budget.
 - Mr. Kruse said DOT.Comm is going to need an additional investment if it is to do some of the things the County departments want DOT.Comm to do.
 - Mr. Kruse said if DOT.Comm doesn't receive this funding, it is going to have to take some actions, which may include reducing staff.
- **Mr. Kruse said \$7,413,873 is the amount needed to not only provide the services DOT.Comm is committed to, but to also to provide some additional items suggested by the Douglas County IT Advisory Group.
 - Mr. Kruse said this would include the following items:
 - Enterprise Architect.
 - Business Analyst.
 - Oracle Analysts.

- Web Programmers.
- Handouts were provided and reviewed during this discussion:
 - Mr. Lorenz provided a handout with DOT.Comm appropriation figures (see Attachment #6).
 - Mr. Svevad provided a slideshow presentation on DOT.Comm's budget (see Attachment #7) and a handout on DOT.Comm's 2014 Executive Summary (see Attachment #8).
- Mr. Lorenz said about \$5.6 million of DOT.Comm's 2014/15 funding comes from the General Fund, and around \$1 million comes from the other funds, i.e. Health Center, Health Department.
- Mr. Kruse said DOT.Comm's total budget for 2015 is \$11,801,384.
 - Mr. Kruse said the total budget includes funding from both the County and City.
 - Mr. Kruse said DOT.Comm's initial operating budget in 2003 was \$11.8 million.
- Mr. Kruse said the way DOT.Comm now provides services to the City and County is on a service-based model.
 - Mr. Kruse said this model shows departments exactly what services they're consuming.
 - Mr. Kruse said this has been a huge shift, and it's made DOT.Comm a better organization.
- Mr. Kruse said there is no budget for capital items, DOT.Comm asks for capital funding on an as needed basis.
 - Commissioner Boyle said he would like to see a vehicle that could provide DOT.Comm funding for capital items.
 - Mr. Kruse said he agrees that there needs to be a model where DOT.Comm can build up a capital fund.
 - Mr. Kruse said DOT.Comm has a capital program and a list of actions that need to happen for structural integrity, and the City and County have funded those things, but asking for funding on an as needed basis is not a good way of doing business.
- Mr. Kruse said DOT.Comm has 80 full-time employees, plus contractors on staff.
 - Mr. Kruse said DOT.Comm has seen a shift towards more contracted services over the last few years.
- Mr. Kruse said DOT.Comm has a stand-alone health insurance plan.
 - Mr. Kruse said DOT.Comm wishes it could ride along with the City or County on health insurance, but DOT.Comm can't do that.
 - Ms. Svevad said it has to do with the liability DOT.Comm would incur because it is not large enough to withstand a self-insured program.

2. Other business.

There was no other business.

The meeting adjourned at 2:50 p.m.