

Finance Committee Meeting Douglas County, Nebraska

Tuesday, May 19, 2015

The meeting convened at 11:34 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 May 12, 2015 issue of The Daily Record. County Commissioners present at the start of the meeting were Jim Cavanaugh, Clare Duda, and Marc Kraft. Others present at the start of the meeting were Patrick Bloomingdale, Joe Lorenz, Diane Carlson, Marcos San Martin, Cheri Albin, Karen Cole, and Kaieva Williams of Administration; Tom Cavanaugh, Kathleen Hall, and Dan Esch of the Clerk/Comptroller's office; Brad Alexander, Mark LeFlore, Marlene Rollins, and Rondy Woodard of the Youth Center; Doug Kagan of Nebraska Taxpayers for Freedom; and Bev Traub of the League of Women Voters. Commissioner Cavanaugh conducted the meeting.

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

Clerk/Comptroller

- Clerk/Comptroller's current budget for 2014/15: \$1,659,166
- Clerk/Comptroller's budget target for 2015/16: \$1,678,229
- Clerk/Comptroller's budget request for 2015/16: \$1,704,493

County Commissioner Chris Rodgers entered the meeting during this discussion, as well as Catherine Hall of Administration. Ms. Williams left the meeting during this discussion. Speaking during the Clerk/Comptroller's budget discussion were Mr. Lorenz, Ms. Kathleen Hall, Clerk/Comptroller Cavanaugh, and Commissioner Duda. 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).
 - Mr. Esch provided:
 - A letter from Clerk/Comptroller Cavanaugh regarding the 2015/16 budget requirements for the Clerk/Comptroller's office (see Attachment #2).
 - A handout with an organizational chart, an expenditure budget history going back to 2008/09, and an employee count going back to 2008/09 (see Attachment #3).
- Clerk/Comptroller Cavanaugh said since 2009, the Clerk/Comptroller's office has gone from 29 full-time positions to 23 full-time positions.
 - Clerk/Comptroller Cavanaugh said two positions were internal County transfers, so there's been a net reduction of four positions from the Clerk/Comptroller's office since 2009.
- Mr. Lorenz said the Clerk/Comptroller's budget request is over target due to two upcoming retirements in the Clerk/Comptroller's office.
 - Mr. Lorenz said the Clerk/Comptroller's office is going to run parallel on those positions for a while in order to train the new people filling those positions.
 - Clerk/Comptroller Cavanaugh said these positions require on-the-job training.
 - Mr. Lorenz said he thinks it's a good idea to run parallel on these two positions.

- Mr. Lorenz said training people for these two positions is very important because these are key positions in putting together the audit and the financials.
- Commissioner Duda said he thinks this approach is a good investment.
- Clerk/Comptroller Cavanaugh said after this transition period, the Clerk/Comptroller's office will go back to 23 full-time positions.
- When asked if the Clerk/Comptroller's office will require less dollars next year after this training transition is over, Clerk/Comptroller Cavanaugh said it depends on:
 - What the Legislature does or doesn't do as far as imposing or reducing duties placed on the Clerk/Comptroller.
 - What the County Board does or doesn't do relative to salary adjustments.
- Mr. Lorenz said the Clerk/Comptroller's office is expecting an increase of \$57,000 in revenue due to an increase in marriage license fees.
 - Budgeted revenue for 2014/15: \$99,100
 - Projected revenue for 2015/16: \$156,100
- Clerk/Comptroller Cavanaugh and Ms. Kathleen Hall left the meeting after this discussion.

Youth Center

- Youth Center's current budget for 2014/15: \$7,899,756
- Youth Center's budget target for 2015/16: \$7,893,840
- Youth Center's budget request for 2015/16: \$8,001,889

Speaking during the Youth Center's budget discussion were Mr. Lorenz, Mr. Alexander, Commissioner Duda, Commissioner Rodgers, Commissioner Cavanaugh, Mr. LeFlore, Commissioner Kraft, and Mr. Kagan. Highlights from the discussion included the following:

- Mr. Lorenz said the Youth Center's 2015/16 budget request is \$108,049 over target, but that will be offset by grant revenue.
 - Mr. Lorenz said over the last couple of years, the Youth Center has been the department with the greatest incremental growth in grant funding.
 - Mr. Lorenz said the Youth Center's tax support has gone down over the last year or two.
- Revenue for the Youth Center was discussed.
 - Mr. Lorenz said the Youth Center had a 2014/15 revenue budget of \$3,588,290, but year-to-date has received \$5,457,140 in revenue.
 - Mr. Lorenz said incremental grants and the timing of grants from the previous budget year are two reasons why the revenue budget was exceeded.
 - Mr. Lorenz said expenses for some of the grants were incurred during the 2013/14 budget year, but the revenue from those grants wasn't actually received until the 2014/15 budget year.
 - Mr. Lorenz said the Youth Center is projecting \$4,912,219 in revenue for 2015/16.
 - Commissioner Cavanaugh said if grant funding goes away, he'd be interested in knowing how the Youth Center can long-term sustain some of the good things it has done with that grant funding.

- Handouts were provided and reviewed during this discussion.
 - Mr. Lorenz provided a document with budget appropriation figures (see Attachment #4).
 - Mr. Alexander provided:
 - An organizational chart (see Attachment #6).
 - A five-year history of expense and revenue (see Attachment #7).
 - Youth Center accomplishments since December 2012 (see Attachment #8).
 - A budget narrative for 2015/16 (see Attachment #5).
 - This document provided a breakout of the Youth Center budget by object code, and included an employee count.
 - ❖ There was an indication for each object code if the amount increased, decreased, or stayed the same from 2014/15.
 - For most of the object codes, an explanation was offered if the amount changed from 2014/15.
- Mr. Alexander said the Youth Center is budgeting \$43,183 for drugs and pharmacy in 2015/16.
 - Mr. Alexander said in 2010/11, the Youth Center budgeted \$208,486 for drugs and pharmacy.
 - Mr. Alexander said this decrease is due to the Youth Center's contract with UNMC.
 - Mr. Alexander said this contract was signed in May of 2011.
- Mr. Alexander said OPS provides around \$600,000 in educational support to the Youth Center.
 - Mr. Alexander said OPS reimburses for all of the teachers.
 - Mr. LeFlore said the Title I materials are through OPS.
- Mr. Alexander said there will be 132 employees at the Youth Center in 2015/16.
 - Mr. Alexander said about 95-100 of these employees are in a union.
 - Mr. Alexander said there were 125 employees budgeted for 2014/15.
 - Mr. Alexander said a Transition Specialist, two Teachers, and a Special Education Teacher have been added to the EPIC staff (Evening Reporting Center), but those salaries are offset by funding from Sherwood.
 - Mr. Alexander said a Community Programs Specialist was added to the Home Program, but the salary is offset by the Community Based Juvenile Services Grant.
 - Mr. Alexander said the Youth Center has eliminated its budget for temporary employees for 2015/16, which is equal to a reduction of \$124,800.
 - Mr. Alexander said that savings was used to hire three Juvenile Detention Technicians.
 - Mr. Alexander said there will be 55 Juvenile Detention Specialists in 2015/16, down one from 56 in 2014/15.
- Mr. Alexander said the Youth Center is forecasting a daily population average of 96 for 2015/16.
 - Mr. Alexander said this is a combination of secure and staff secure populations.
 - Mr. Alexander said the average daily population was 100 in 2014.
 - Mr. Alexander reviewed the average daily population for each year going back to 2004.
 - The highest average was 167 in 2007, and the lowest average was 92 in 2013.

- Mr. Alexander and Mr. LeFlore discussed the following programs being run at the Youth Center:
 - HOME Program
 - More information on this program can be found on the second page of Attachment #5, and on the third and fourth pages of Attachment #8.
 - The truancy program
 - More information on this program can be found on the second and third pages of Attachment #5, and the fourth page of Attachment #8.
 - Bridge Program
 - More information on this program can be found on the third page of Attachment #5, and the fifth page of Attachment #8.
 - Step Up Program
 - More information on this program can be found on the fifth page of Attachment #8.
- Diane Battiato, Denise Lickei, and Kris Pierce of the Assessor/Register of Deeds' office entered the meeting during this discussion.
- Mr. Alexander, Mr. LeFlore, Mr. Woodard, and Ms. Rollins left the meeting after this discussion.

Assessor/Register of Deeds

- Assessor/Register of Deeds' current budget for 2014/15: \$4,732,509*
- Assessor/Register of Deeds' budget target for 2015/16: \$4,790,962
- Assessor/Register of Deeds' budget request for 2015/16: \$5,044,159

Speaking during the budget discussion for the Assessor/Register of Deeds were Mr. Lorenz, Assessor/Register of Deeds Battiato, Commissioner Kraft, Mr. Bloomingdale, Commissioner Rodgers, Commissioner Cavanaugh, Ms. Lickei, Commissioner Duda, Ms. Carlson, and Mr. San Martin. Highlights from the discussion included the following:

- *Mr. Lorenz said there were separate 2014/15 budgets for the Assessor and Register of Deeds.
 - The offices weren't merged until January of 2015.
 - The \$4,732,509 figure is a combined total of the two budgets.
- Mr. Lorenz provided a document with budget appropriation figures (see Attachment #9).
- Assessor/Register of Deeds Battiato said when working to put together the Assessor's side of the budget, there was not a lot of documentation to work off of.
 - Assessor/Register of Deeds Battiato said the previous administration for the Assessor only budgeted dollars in five line items.
 - Assessor/Register of Deeds Battiato said it took a long time to dig through the expenses and find out where the dollars belonged.
- Assessor/Register of Deeds Battiato said the seven positions needed to fill the mandate of the preliminary hearings were never hired.
 - Assessor/Register of Deeds Battiato said last Fall the previous administration for the Assessor said there would be money in the coffers come January for seven positions.
 - Assessor/Register of Deeds Battiato said there were fewer preliminary hearings this year than there were last year.

- Assessor/Register of Deeds Battiato said she's decided that she's going to hire six positions.
 - Assessor/Register of Deeds Battiato said these six positions will include four listers, one GIS staff person, and one administrative staff person.
 - Assessor/Register of Deeds Battiato said there are close to a total of 216,000 parcels in Douglas County, so right now each appraiser has to handle 14,500 – 15,000 parcels.
 - Assessor/Register of Deeds Battiato said some areas have been neglected and she thinks a reason for that is manpower.
 - Commissioner Cavanaugh said the Assessor had 48 FTEs in 2011/12, and that went up to 54 FTEs in 2012/13.
 - Commissioner Cavanaugh said the Assessor side still has 54 FTEs.
 - Commissioner Cavanaugh said he'd like to know where those six employees went in the Assessor's office.
- Mr. Bloomingdale asked Assessor/Register of Deeds Battiato to provide Mr. Lorenz with what specifically makes up the \$253,000 over target.
 - Mr. Bloomingdale said the increase can't be attributed to personnel because the money for the preliminary hearings should have been previously allocated and now part of the base.
 - Commissioner Rodgers said the Assessor received a total increase of \$500,000 over two years for the preliminary hearings.
 - When asked by Commissioner Rodgers if she knew what happened with that increase for those two years, Assessor/Register of Deeds Battiato said she did not.
 - Assessor/Register of Deeds Battiato said in regards to being \$253,000 over target, a lot of it is due to software upgrades and some of it is due to the increase in staff.
 - Assessor/Register of Deeds Battiato said the Realware for the CAMA (Computer Assisted Mass Appraisal) system needs to be upgraded.
 - Assessor/Register of Deeds Battiato said it hasn't been updated since 2008 or 2009.
 - Assessor/Register of Deeds Battiato said the tough books used by the appraisers are still on XP, and those need to be upgraded to Windows 7 so they can be supported.
 - Assessor/Register of Deeds Battiato said upgrades for the tough books will be around \$59,500.
 - Assessor/Register of Deeds Battiato said the Assessor/Register of Deeds' portion for the pictometry costs is also included in the budget increase.
 - Assessor/Register of Deeds Battiato said postage and handling will increase.
 - Assessor/Register of Deeds Battiato said currently the Register of Deeds Technology Fund can only be used on Register of Deeds' items, per statute.
- Assessor/Register of Deeds Battiato said she would like the opportunity to hone the combined office to the best she can, and asked for the compatibility and willingness of the County Board to allow her to use her judgment in making it work.
- Assessor/Register of Deeds Battiato said LB492 didn't advance out of committee this year.
 - Assessor/Register of Deeds Battiato said LB492 would lift the five-year sunset on the technology funds.
 - Assessor/Register of Deeds Battiato said this is the third year of the technology funds.

- Assessor/Register of Deeds Battiato said the County needs to pursue the State Senators on lifting that sunset.
- Assessor/Register of Deeds Battiato said there is no money for office relocation in the Assessor/Register of Deeds' 2015/16 budget.
- Mr. Lorenz said the Assessor/Register of Deeds is projecting \$4,160,000 in revenue for 2015/16, down \$32,500 from the 2014/15 revenue budgets for the Assessor and Register of Deeds.
 - Mr. Lorenz said almost all of this revenue is from the Register of Deeds side.
 - Assessor/Register of Deeds Battiato said \$10,000 of the projection is Assessor revenue.
 - Assessor/Register of Deeds Battiato said all of the revenue for the Register of Deeds is derived from filing fees and copy fees.
 - Mr. Lorenz said the decrease is driven by the actual performance year-to-date.
 - Mr. Lorenz said he thinks the Register of Deeds' revenue is a good leading indicator of the Douglas County property markets, and this year it's been surprisingly soft.
- The Lancaster County Assessor/Register of Deeds was discussed.
 - Assessor/Register of Deeds Battiato said the Lancaster County Assessor/Register of Deeds did not reduce any staff until they were combined for ten years, and in the tenth year they reduced their staff by four people.
 - Assessor/Register of Deeds Battiato said the Lancaster County Assessor/Register of Deeds' budget in those ten years had risen 35%.

2. Other business.

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

- Mr. Lorenz said he'd like to have a Finance Committee meeting scheduled for June 2, 2015.

The meeting adjourned at 1:24 p.m.