

Finance Committee Meeting

Douglas County, Nebraska

Tuesday, March 22, 2016

The meeting convened at approximately 12:04 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 March 15, 2016, issue of *The Daily Record*. County Commissioners present at the meeting were Marc Kraft, Jim Cavanaugh, Mary Ann Borgeson, P. J. Morgan, Mike Boyle, Chris Rodgers, and Clare Duda. Others present at the meeting were Patrick Bloomingdale, Chief Administrative Officer; Dan Esch, Douglas County Clerk/Comptroller; Karen Cole, Joe Lorenz, Catherine Hall and Marcos San Martin, County Administration; Jerry Leahy and Jeff McGill, Public Properties; Teri Malfait, Records Imaging; John Friend, Clerk of the District Court; Deanna Vansickel-Staudt, David Ulferts, and Mary Dierks, Extension; Jeff Stevens, Nebraska Taxpayers for Freedom; and Constance Mierendorf, Douglas County Clerk/Comptroller's office. Commissioners Boyle and Morgan chair the Committee. Joe Lorenz conducted the meeting.

A video recording of the meeting is available on the Douglas County Website:

<http://commissioners.douglasCounty-ne.gov/board-meetings/videos>.

Mr. Lorenz opened the meeting stating that he and Patrick Bloomingdale had a meeting yesterday regarding the bond issue. Commissioner Morgan suggested that the discussion be held later in the meeting when all commissioners were present.

Public Property

	F14/15 <u>Actual</u>	F15/16 <u>Modified Budget</u>	F16/17 <u>Requested Budget</u>
Total Headcount	43	43	43
Expenses	\$3,871,456.00	\$4,007,940.00	\$4,046,261.00
Revenues	\$3,324,500.00	\$3,350,000.00	\$3,290,400.00

- Joe Lorenz introduced the Public Properties budget and an overview of all three departments being reviewed today (see Attachment A). The department is on budget and will not have to come back for a May supplement. It is a department that generates significant revenue—approximately \$3,350,000 from the cable television fee. The department will introduce a 3-5 year major Capital Improvements plan.
- Jerry Leahy explained that the budget consists of the General Public Properties fund and Capital Improvements (see Attachment B). The General fund supports 43 employees, and the majority of the budget goes to support those employees.

- The Capital Improvements budget has been sparse for the past ten years, generally in the \$600,000 range. This year the expenditure is approximately \$635,000. The request for Building Maintenance Projects for the next five years (see Attachment C) addresses facilities upgrades and building maintenance projects. The County is behind in its building maintenance and the projects listed are essential.
- Commissioner Morgan asked whether or not the roughly \$9 million in Capital Improvement costs 2017-2021 should be considered in the bond.
- Jeff McGill presented the Building Maintenance Projects list. The 408 Building houses DOTComm. Commissioner Boyle asked what the agreement was with the city since it is a DOTComm partner with the County.
- Joe Lorenz responded that under the DOTComm Interlocal agreement, the County maintains the 408 Building and the city maintains space in this building.
- Commissioner Rodgers asked what portion of the Department of Corrections maintenance requests could be covered under the bond. Mr. McGill said that most of it could be covered if the bond passes. Joe Lorenz responded that most of the requests for Corrections are for the old building, not the annex, and that much could be covered by the bond. \$7 million has been planned for Corrections in the bond.
- Joe Lorenz began an update on the bond. On 3/21/2016 he, Patrick Bloomingdale, Jerry Leahy and Jeff McGill met with 911. The scope of the cost of radios is growing. Currently the \$2.6 million allocated for radios and equipment was just for the Sheriff's office, but now the scope is increasing and encompasses rural fire districts, Omaha Fire Department and some additional spending for the Omaha Police Department. The bond may increase from \$40 million to \$47 million. The discussion regarding the radios was held on 3/21/2016, so firm numbers are not yet available.
- Patrick Bloomingdale explained that the discussion began in 2014 and there were radios that were not included. It was thought each jurisdiction would be responsible for purchasing their own equipment, but not every entity has allocated money for their radios. The sheriff determined that it would be necessary for all of the rural law enforcement as well as the city police and fire to have radios so they could communicate with the County system. He and Mr. Lorenz will be meeting with city to get a number that the Board can vet.
- Commissioner Cavanaugh asked how the County would be compensated if it has to purchase the radios for the city. Mr. Lorenz replied that the County could buy these radios up front and negotiate with Omaha Fire and Police on an amortization of the radios over ten years. The County could be reimbursed for 85% of that cost each year. Mr. Bloomingdale added that in addition, the County will need additional staffing and will want the city's support. Their political support is also needed.
- The life span of the radios is from 5-7 years and Motorola agrees to support current radios only until their end of life which is 2018.

- Commissioner Rodgers suggested that the mayor be in the discussion. Lorenz said he and Mr. Bloomingdale would be meeting with representatives of the mayor's cabinet to discuss.
- Mr. Bloomingdale explained that in addition to the radios, there are base stations at 7 hospitals, radios for fire, and software needs for police radios. Commissioner Boyle stated that there needs to be coordination between city police and the Sheriff.
- Commissioner Duda added that there are 7 volunteer fire departments in the County and 2 paid departments including Eppley.
- Commissioner Cavanaugh asked about where the County is on bond counsel and is there an RFP.
- Mr. Lorenz said he anticipated concerns and met with Baird Holm to negotiate two pieces to an agreement: one piece for all of the assistance they give the County until the election in November; that would cost \$5,000, and assuming it passes, they would charge \$1/thousand which at \$40 million would cost the County \$40,000. This is down 20% over last time.
- Commissioner Cavanaugh asked why the County would not go out for bid on something this big; it would be essentially a no bid contract. Best Practice would be to go to the bond community and ask for bids.
- Mr. Lorenz responded that bond counsel was specialized and that Baird Holm is the expert in town. If the County went out for bid, the County might have to go to others out of town who would be competent and experienced.
- Commissioner Boyle responded that with professional services, the County doesn't do RFP's. These kinds of services aren't based on money alone but other intangibles. Baird Holm was with us when the last bond failed. Commissioner Boyle is happy with what Mr. Lorenz negotiated.
- Commissioner Borgeson responded that because of the work Baird Holm had done previously on the bond issue, they are familiar with the County's bond situation and made her feel comfortable when they met.
- Commissioner Cavanaugh asked Mr. Lorenz to find out what the County paid Baird Holm in 2014 for the last bond.
- Jeff McGill continued discussion of the Capital Plan stating that most of the request was for mechanical equipment and infrastructure. Public Properties has been pushing maintenance costs forward over the past 4-5 years and eventually they will get caught by the need for repairs. Mr. Lorenz said that if the County financed the capital improvements with bond money, there is a specific time frame when that bond money can be spent—18 months.
- Commissioner Kraft asked if the County could hold back and do Series A and B bonds.
- Commissioner Boyle asked what the cost would be if the improvements were financed with a property tax increase. Every 1 cent generates \$3.5 million dollars spread over two years. In the current bond, only Corrections would be covered.

- Mr. Lorenz suggested that the County could do a hybrid approach to covering the costs of the Building Maintenance projects for next couple of years, some in the bond and some in the future increase mill levy.
- Commissioner Rodgers suggested that raising the levy would alienate tax payers in June and no one would support the bond in November. Cutting insurance for retirees would yield approximately \$4.5 million/year. Now retirees can go to the Exchange and the County is alone in funding its retirees.
- Commissioner Boyle stated that the County should look at the Election Commission office. Consideration should be given to selling it. Commissioner Borgeson questioned whether the County is plugging money into buildings that are high maintenance and whether or not moving out of them is an option. Commissioner Morgan said that the Election Commission building is 50 years old and that a location with access to buses would be desirable.
- Commissioner Morgan asked Joe Lorenz to find out how soon the County would have to spend its bond money.

Records Imaging

	F14/15 <u>Actual</u>	F15/16 <u>Modified Budget</u>	F16/17 <u>Requested Budget</u>
Total Headcount	4	4	5
Expenses	\$243,532.08	\$249,592.08	\$286,637.60
Revenues	\$7,769.10	\$6,309.00	\$8,000.00

- Terri Malfait presented the Records Imaging Department Budget (see Attachment D). The requested budget includes an additional staff member to deal with the backlog in the Imaging Department.
- Commissioner Kraft asked if the city is compensating the County adequately and Ms. Malfait replied that it was. Revenue is generated by work the Department does for Councilman Gernandt's office, Permits and Inspection, and storage costs for the Hutchison, Kansas, salt mines.
- Suggestions were made that a part time person or temporary worker might be hired to see how much the department could get caught up.
- John Friend, Clerk of the District Court, strongly recommended that a full time person be hired. Every government entity associated with records is governed by a Records Retention Schedule set by the Secretary of State's office. He added that he has a half of a football field of documents that need to be scanned. Clerk of the District Court Friend said the District Court has years of records backlogged. The County is bound by the Durable Medium Definition which currently defines "durable" as microfilm or paper.

Microfilm, if stored properly, will last 150 years. Because electronic media changes so quickly, microfilm has been maintained as a Durable Medium. Additional revenue could be generated if easy access to FileBound eventually meets the definition of Durable Medium.

- An issue for the Records Imaging Department, and one that slows down their progress, is the fact that files are often in disarray when they come to the Department.
- The majority of departments send documents that have to be prepped by Records Imaging and that is what takes so long.
- Discussion continued regarding the use of interns, the possibility of hiring someone temporarily to get the department "caught up", and the possibility of departments organizing their material before it comes to Imaging.
- Confidentiality issues were brought up as a barrier to the use of interns or outside agents processing records.
- Discussion followed regarding the possibility of each department being charged internally for their use of Records Imaging.

Extension

	F14/15 <u>Actual</u>	F15/16 <u>Modified Budget</u>	F16/17 <u>Requested Budget</u>
Total Headcount	10 Douglas 1 Sarpy 17 UNL/NIFA	11 Douglas 1 Sarpy 20 UNL/NIFA	10 Douglas 1 Sarpy 23 UNL/USDA
Expenses	\$429,495 \$1,249,832 UNL/NIFA	\$443,913 \$1,758,548 UNL/NIFA	\$449,842 \$1,942,048 UNL/NIFA*
Revenues	\$62,976 Sarpy \$46,408 Sarpy 1 FTE	\$68,910 Sarpy \$48,851 Sarpy 1 FTE	\$74,900 Sarpy \$51,702 Sarpy 1 FTE

- Deanna Vansickel-Staudt presented the Extension Budget and Overview (see Attachment E).
- The Douglas and Sarpy Counties Extension Program has distinguished itself on a national level. Omaha has been selected as one of three cities to be chosen for a \$500,000 pilot program that collaborates with the YMCA, Boys and Girls Club and Girls, Inc. Douglas County is one of 8 Counties selected in the U.S. to participate in the Growing Food Connection.
- 4H urban reaches one in five youth in the County (more than Dallas and Orange County). Its goal is to reach one in four. 4H teaches STEAM (Science, Technology, Engineering and Architecture) in 66 schools.

- The Nutrition Education program serves the most vulnerable populations in Douglas-Sarpy Counties. After participation in YOUTH, 77% of participants chose foods according to Dietary Guidelines and 27% increased their physical activity.
- The Community Environment initiative produced and harvested 10,615 pounds of produce from the HOPE garden and donated the food to homeless shelters. It logged 14,522 certified volunteer hours which is the equivalent of \$335,022. It provided consultation to 171 environment professionals.
- Its goals for the next year include transitioning from Action Teams to Issue Based Teams, moving from traditional board participation to Advisory and Advocacy Board Roles and intentionally incorporating professional development to WE TEACH: VOLUNTEERS.
- The budget is essentially flat and on schedule.
- Following up on the discussion about yard waste at today's Douglas County Board meeting, Ms. Vansickel-Staudt commented that Extension does educate people about how to use yard waste and be sustainable on a low budget. She also stated that Extension is beginning to develop on-line education programs.
- The County Extension budget has remained flat while the request from UNL has increased from \$1.2 million to \$1.9 million in two years.
- Commissioner Cavanaugh asked about Extension's involvement with OPS, yard waste, and Earth Day.
- MS. Vansickel-Staudt replied that Extension is working on getting STEAM into all of the Omaha Public Schools and has an agricultural program at Bryan High School that is bringing in an entrepreneurial professor from Lincoln to work with students. Extension has 12 community gardens whose purpose is to educate the community. The horticultural staff and master gardeners will attend Earth Day.

*National Institute of Food and Agriculture

The meeting adjourned at 1:42 P.M.