

Finance Committee Meeting

Douglas County, Nebraska

Tuesday, April 12, 2016

The meeting convened at 11:28 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 April 5, 2016, issue of *The Daily Record*. County Commissioners present at the meeting were Marc Kraft, Mary Ann Borgeson, P. J. Morgan, Jim Cavanaugh, Mike Boyle, Chris Rodgers, and Clare Duda. Others present at the meeting were Patrick Bloomingdale, Chief Administrative Officer; Karen Cole, Joe Lorenz, Diane Carlson, Catherine Hall and Marcos San Martin, County Administration; Mike Schonlau and Steve Cacioppo, Geographical Information Services (GIS); John Friend, Clerk of the District Court; Margo Aguilera and Michael Bergstrom, Clerk of the District Court's Office; Jerry Leahy, Public Properties; Allan Jackson, Veterans Services; Jennifer Finigan, Tim Sprakel and Ron Broich, Adult Probation; Joseph Duda; Mary Jane Truemper; 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>.

Clerk of the District Court

	F14/15 <u>Actual</u>	F15/16 <u>Modified Budget</u>	F16/17 <u>Requested Budget</u>
Total Headcount	50	47	47
Expenses	\$ 2,889,582	\$2,943,507	\$3,012,234
Revenues	\$1,625,000	\$1,515,510	\$1,442,400

- Joe Lorenz summarized the Clerk of the District Court's budget and stated that there is no need for a supplement. The budget is 67.7% spent with 77.3% of the year complete. Most expenses are personnel driven with a \$2.6 m payroll (See Attachment A).
- John Friend, Clerk of the District Court, reported that the budget is just \$4 under target (See Attachment B). The office has a couple of positions vacant. When a position becomes vacant, an analysis is done to determine whether the position is needed. The Office uses technology and e-filing to achieve maximum efficiency; consolidating vacancies into existing positions also helps the budget.
- Mr. Lorenz asked how the Clerk of the District Court's Office has been able to do upgrades within its budget without asking for a budget supplement.

- John Friend answered that when vacancies occur, it is possible to hire at a lower rate of pay. It is also possible to delay hiring for vacant positions for a few months and therefore achieve some savings. The office once had 60 employees and now has 47.
- Spending on some supplies is delayed until near the end of the fiscal year to make certain enough funds are available to meet the needs of the office.

Veterans Services

	F14/15 <u>Actual</u>	F15/16 <u>Modified Budget</u>	F16/17 <u>Requested Budget</u>
Total Headcount	6	6	6
Expenses	\$ 483,874	\$511,292	\$514,346
Revenues	0	0	0

- Joe Lorenz summarized the Veterans Services budget and stated that funding is primarily for payroll with 6 employees. No supplement will be needed for the department. (See Attachment C)
- Director Allan Jackson said that 5 of the 6 employees in the department are former veterans.
- The employees in the department recently completed training that certified them with State and Federal Veterans Affairs. Since they are now fully accredited, they will be able to do web training with the Veterans of Foreign Wars, American Legion, Vietnam Veterans of America and Disabled American Veterans. Previously, employees would have to travel to the trainings that could last as long as a week.
- The Veterans Services department is able to request financial aid money from the Nebraska Veterans Aid Fund for veteran and dependent needs such as rent, utilities, medical, food, burials, and some auto repairs. Veterans Services used about \$250,000 from the State Veterans Aid Fund last year for veteran financial aid. Mr. Jackson said funds are adequate for their needs.
- Mr. Jackson said the Nebraska Veterans Aid Fund was approximately \$6 million and the County received \$500,000 last year for veteran financial aid. Veterans Services served 45-50,000 veterans in 2014 and approximately 32,000 in 2015.
- Commissioner Cavanaugh asked about discharge upgrades. If Veterans Services is able to work with Douglas County Corrections to upgrade incarcerated veterans from dishonorable to honorable, the veterans have a better chance of being released and becoming employed members of the community. Mr. Cavanaugh suggested that Veterans Services track the upgrades and monitor recidivism to be able to calculate success for veterans and savings to the County.

- Mr. Jackson said Veterans Services was also asked to work with the Omaha Correctional Center (OCC) in the same capacity as Douglas County Corrections to assist in upgrading veteran discharges.
- Commissioner Morgan suggested that Mr. Jackson make a presentation to the County Board in the near future.

Geographical Information Systems (GIS)

	F14/15 <u>Actual</u>	F15/16 <u>Modified Budget</u>	F16/17 <u>Requested Budget</u>
Total Headcount	3	4	4
Expenses	\$292,149	\$380,477	\$384,921
Revenues	\$334,976	\$380,690	\$384,921

- Joe Lorenz noted that the budget is primarily payroll and that spending is very close to revenue. Though spending is currently at 82 % and the County budget is 77% complete, Mike Schonlau, GIS Coordinator, stated that this spending pattern was a matter of timing and the department would not exceed budget. The draw on the General Fund is fairly constant and transparency is evident through the tracking of time spent on projects.
- Mike Schonlau presented the GIS Budget and overview (See Attachment D).
- GIS recently mapped over 50 tax lien properties that resulted in the sale of those properties and the recovery of over \$10,000 in back taxes to the County. Habitat for Humanity made particular use of the information as they were able to see the properties in context.
- The GIS department was recently awarded a United States Geological Survey grant for new, high-resolution surface elevation data (LiDAR).
- Mr. Schonlau also provided maps analyzing the 2014 Public Safety Bond Issue election results which will be helpful in planning for the 2016 Bond Issue. Data came from the Douglas County Election Commission (See Separate GIS Maps.pdf File).
- GIS is engaged in cost sharing with the City and tracked GIS hours from April 2015 to March 2016. The City was billed for 38% of the hours; the County for 13%; and 48% of the hours were jointly billed.
- Mr. Schonlau said that some aerial photos had been shot with a drone that had been contracted from Digital Sky, a Lincoln based, FAA licensed company. It was the first in the state to become licensed. The County does not fly its own drones because of liability issues.
- Commissioner Boyle requested that a “no drone” policy be drawn up for presentation to the Board of Commissioners. (As per Commissioner Boyle’s request of April 20, the following clarification is added to the minutes: “In the GIS Budget discussion, please indicate my request for a “NO DRONE” policy would apply to Elected Officials and Department Heads. I want to consider this ban to protect the County from liability. I support the contracting for drone services when appropriate

AND WITH PRIOR COUNTY BOARD APPROVAL".) Patrick Bloomingdale said the County Attorney's office and purchasing would be contacted.

- Commissioner Rodgers asked if there was any GIS function in the building that Mr. Schonlau's department could not do. Mr. Schonlau replied that GIS could meet the needs of any department including the functions currently being performed in the Assessor/Register of Deed's office.
- Consolidation of the two departments would result in a cost savings for the County. Mr. Schonlau prepared a proposal for this consolidation for Diane Battiato, then Register of Deeds, about 6 months prior to the consolidation of the Assessor's Office and the Register of Deeds Office. All 4 people in the Assessor/Register of Deed's office were absorbed in the proposal but not the GIS manager. Mr. Schonlau stands by the proposal as a win/win for all GIS employees in both departments. There is support for consolidating the two GIS departments.
- Whether or not the salary amount that would be saved with the elimination of the GIS manager position in the Assessor's office would be retained in the expanded GIS department or not is the subject for budget discussions.
- The 4 employees in the Assessor/Register of Deeds Office are union employees. The employees in the GIS department are not.
- Mr. Schonlau agreed to send a copy of the proposal to County Commissioners.

Adult Probation

	F14/15 <u>Actual</u>	F15/16 <u>Modified Budget</u>	F16/17 <u>Requested Budget</u>
Total Headcount	0 (90 state)	0	0
Expenses	\$129,020	\$132,910	\$142,910
Revenues	0	0	0

- Joe Lorenz began the discussion by saying that this is the first time the Adult Probation department had come before the County Board. Historically, there have never been any budget issues for the County since Adult Probation is largely funded by the State. All employee salaries are State funded; the County pays for rent, furniture, office supplies and fixtures. Ron Brioch, Chief Probation Officer, requested that since the department is tight on this year's budget and faces issues for next year that he meet with the Finance Committee.
- Mr. Brioch presented his budget and explained that he had never come before the Finance Committee in 10 years, but recent legislation is affecting the department (See Attachment E). Adult Probation is growing as a result of this legislation. He specifically cited Legislative Bills 907 and 605.
- The State has approved expansion of Adult Probation's buildings and more employees have been hired. In June 2015, the department had 89 full-time employees. Today it has 101 and 2

more employees have been authorized for this summer. Mr. Brioch anticipates the need for additional staff next year.

- The current County funding is not adequate to support 14 additional employees. The department is not asking for a supplemental budget this year, but will need an additional \$10,000 for next year.
- Contracted services as well as additional space, computer support and furniture needs are anticipated.
- Commissioner Borgeson commented that the County should track all of the unintended costs that legislative mandates are imposing on the County.
- Commissioner Cavanaugh added that there was a provision in Legislative Bill 605 that would allow the County to recoup some of the related costs through a grant to the Crime Commission.
- Patrick Bloomingdale responded that the grant money was for new programs aimed at reducing the jail population and that the County could not apply for funds until 2017.
- Commissioner Cavanaugh suggested that there is another legislative session between now and the time the funding window closes and that the County might be able to influence the legislature to edit the eligibility guidelines to cover County costs.
- Joe Lorenz said that there were significant costs this past year for new space and moving that was needed as a result of the legislation.
- Jerry Leahy, Public Buildings, explained that the Midtown Adult Probation Facility at 83rd and Spring Streets expanded by 5,400 square feet and needed a total buildout at a cost of \$61,000.
- The 42nd and Redmond facility move to 73rd and Blondo was a larger expense. The cost was \$141,000, though the County was given an allowance of \$40,000 from the State.
- Mr. Leahy was asked to provide information about these moves and expansions in writing.
- Mr. Bloomingdale said that the County had spoken with the Legislature about funding and the Legislature allocated \$500,000 statewide, but only for new programming. The State also responded that the savings the County will have as a result of all of the people who will be diverted from detention would be sufficient to cover any costs.
- Commissioner Rodgers suggested that Dr. Foxall look at what programming Corrections has that might tap into the \$500,000 fund.
- Commissioner Cavanaugh said it would not hurt to ask for a change in funding from the State.
- Commissioner Borgeson agreed that the County should track the costs that it incurs from the new legislation and be able to present those numbers to legislators. They won't know what impact the new legislation has on the County unless the Board provides that information.

Board of Equalization

- Mr. Lorenz explained that the Board of Equalization (BOE) has no full-time employees and that the 2 major costs of the budget are \$75,000 for seasonal employees, mostly high school

students who process paperwork in the summer, and \$150,00 for referees who review the BOE appeals.

- Catherine Hall, Administration, provided a report that she had prepared for Patrick Bloomingdale regarding BOE Referee Compensation (See Attachment F).
- Ms. Hall stated that Douglas County pays less to its referees than surrounding counties. Douglas County pays \$50/hour for residential referees and \$60/hour for agricultural and commercial referees. The referees have not had a pay increase in 10 years.
- Sarpy County pays its referees \$15/hour more while Lancaster pays an average of \$66/hour. Referees in Lancaster County set their own fees, so the \$66 reflects the average of those fees.
- The protest period is required by law. The County had over 3,000 property valuation protests last year.
- Commissioner Boyle suggested that the County Board take over hearing the protests. The Douglas County Board of Commissioners could serve as the Board of Equalization and save \$235,000.
- Mr. Bloomingdale said no single commissioner can sit as an assessor. The full Board would have to sit.
- Commissioner Duda said the Board would be hearing over 600 protests/day; this would not be realistic.
- Catherine Hall said property owners have the month of June to protest.
- Commissioner Boyle said that the number of protests is down to 3,000-4,000.
- Commissioner Cavanaugh returned to Ms. Hall's proposal. Increasing the hourly rate for referees by 20% would keep rates in line with the cost of living at 2%/year since the County has not raised compensation at all in the past in 10 years.
- The cost of referees has averaged \$105,000 for the 5 years. A raise of 20% would be an increase of approximately \$20,000 to the overall County budget.
- Joe Lorenz asked if BOE was having difficulty recruiting referees.
- Ms. Hall responded that the numbers of referees have been constant since she has been associated with BOE.
- Mr. Lorenz suggested that the Board see the referees as Service Providers; those who are willing to do the service for \$50 would continue. If there seems to be difficulty attracting referees, then the County could revisit the idea of increasing salaries.
- Commissioner Duda suggested that the Board may want to see something less than a 20% increase; a 15% increase is equal to an additional \$15,000 in the budget; a 10% increase would be \$10,000.
- Commissioner Kraft asked what the additional burden would be on staff if the hearings were done in house. He expressed that he did not feel qualified to assess property values.
- Commissioner Rodgers commented that having the Commissioners sit as the BOE would be more than a full-time job.
- Commissioner Duda recalled that the last year the Board heard the protests, it was a fiasco. The volume was overwhelming and the logistics of hearing that many cases is not realistic.
- Commissioner Borgeson added that it is difficult to assemble the whole board for meetings.

- Commissioner Boyle requested information on how many protests are anticipated and what the time commitment would be. He would like to see an analysis.
- Joe Lorenz stated that the number of protests is down now because property values and taxes are flat to down. If the numbers on values or taxes change, the number of protests will go back up.

The meeting adjourned at 1:22 P.M.