

Finance Committee Meeting

Douglas County, Nebraska

Tuesday, April 5, 2016 (amended)

The meeting convened at 1:18 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 30, 2016, issue of *The Daily Record*. County Commissioners present at the meeting were Marc Kraft, Mary Ann Borgeson, P. J. Morgan, 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; Rob Vinson and Scott Olander, County Fair Board; Jerry Leahy and Jeff McGill, Public Properties; Deb Redding, General Assistance; Jenny Hansen and Kyle Kramer, DC-911; Chief Deputy Tom Wheeler, Sheriff's Office ; Shawne Johnson Coonfare, Juvenile Assessment Center; Janee Pannkuk, Operation Youth Success; Deb Redding, General Assistance; Marty Bilek, Mayor's Office; Tom Doyle and Tom McDonald, Engineer; Tim McNally and Karen Buche, Civil Service Commission/Human Resources; Laura McCormick; Mary Jane Truemper; Doug Kagan, 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>.

Bond Overview

Joe Lorenz provided an update on the proposed bond offering for November:

- Though numbers are not yet confirmed, it appears that the bond is approximately \$45 million. Radios are an issue. The scope of the bond has expanded beyond 911, Corrections and the Sheriff's department to include rural police and fire and Omaha police and fire and fire station alerting.
- The City has applied for a grant that would cover \$2 million for fire station alerting and \$700,000 for Omaha Police to upgrade encryption capabilities on their radios. Marty Bilek of the Mayor's Office said the City should know by Friday if the grant has been awarded.
- The focus of the bond is still on Public Safety.
- Patrick Bloomingdale said he will provide a more formalized overview in writing as the numbers become clear.

Commissioner Morgan suggested that the County identify someone to help move the bond forward like the Omaha Public Schools did, someone who has had experience. First Responders might be a group to contact. Patrick Bloomingdale commented that David Kramer with Baird Holm had talked about forming a group that would spearhead the marketing of it and what the County's limitations might be in

a bond campaign—educating vs. campaigning. Commissioner Borgeson also mentioned there could be other groups willing to work on the bond that would also benefit from the bond.

Budget Overview

- Joe Lorenz stated that the County is facing challenging times. The key driver is that property values are up only 1.2%. Expenses are growing faster than revenues. The instructions to every department have been to increase their budgets 1.5% of payroll and hold everything else flat (See Attachment A).
- Some departments are pushing back, but the County faces 27 pay periods this year as opposed to 26. This happens once every 13 years. It adds \$5 million to the budget. The County has the funds to cover this extra pay period, but that leaves little to cover budget shortfalls. Mr. Lorenz said the County does not want to dip into reserve funds unless there is an emergency. The Board may have to make some decisions and cut back on some requests. Assuming no property tax increase, the County is restrained in what it can do.
- Commissioner Boyle suggested that departments might have to furlough employees if they cannot meet budget guidelines.
- Commissioner Morgan said departments might be asked to make 1% cuts across the board.
- Commissioner Borgeson inquired about supplemental budget requests as the County nears the end of the fiscal year. Mr. Lorenz said he did not anticipate much in the way of supplements; he is just starting to get requests and should have firmer numbers in early May. He may be able to transfer money between departments to meet needs and not increase the overall budget.

County Engineer’s Office

	F14/15 <u>Actual</u>	F15/16 <u>Modified Budget</u>	F16/17 <u>Requested Budget</u>
Total Headcount	91	90	89
Expenses	\$206,640*+ \$6,080,809	\$219,429*+ \$6,211,986	\$221,838*+ \$6,503,441
Revenues	\$38,014,441	\$47,505,286	\$52,290,364

- Joe Lorenz explained that the County Engineer’s Office controls 3 budgets: The Engineer’s Office, Roads and Bridges. There is no need for a supplement.
- Tom Doyle introduced Tom McDonald who manages the budget to discuss the budget (See Attachment B).
- The budget is increasing less than 1%.
- The Q Street project, 180th-194th Streets should be done by the end of the year. It has an \$8.5 to \$9 million dollar budget. This is an Arterial Street Improvement Program (ASIP) project so the County is reimbursed.

*General fund

- In the current budget there is a huge overlay and pavement maintenance budget and that is moving forward. Next year it is down to about \$3.5 million, which should leave most County roads in fairly good shape.
- Recently the Board approved construction on 192nd Street north of Maple Street to Fort Street. This in progress.
- 180th Street from Dodge Street to Maple Street is moving along a little more than it has been in the past ten years.
- 25% more has been budgeted on the construction list; some is ASIP funded, some is design work with an emphasis on bridges. Douglas County bridges are in relatively better shape than the rest of the state.
- A contract was just let to do a road alignment and convert a bridge to culverts at 288th Street and Dutch Hall. This is a little under \$700,000 which is being split with Dodge County.
- The Equipment Budget is down 1/3 for this year. The last 2 years it was high. This year the Department is just replacing 4 large trucks and a number of smaller pieces of equipment.
- This year the department separated gasoline from diesel. That budgeted at \$575,000. Another major expense that is even this year is snow materials. The winter has been fairly mild, so there should be a little money left in the budget.
- \$219,000 is the only General Fund money. The budget request increase from the County is less than 1% . Roads and Bridges are funded from a variety of other sources ASIP is a great benefit to the County. It is a surcharge on new construction starts and amounted to approximately \$10 million this year.

Civil Service Commission/Human Resources

	F14/15 <u>Actual</u>	F15/16 <u>Modified Budget</u>	F16/17 <u>Requested Budget</u>
Total Headcount	11.5	11.5	11.5
Expenses	\$909,652	\$926,012	\$938,441
Revenues	\$500	\$500	\$3,000

- Joe Lorenz stated that the department was on budget and there does not need to be a budget supplement. The department doesn't have any revenue; 80-90 % of the budget is payroll.
- Karen Buche and Tim McNally presented the Civil Service Human Resources budget and power point (See Attachment C).
- In 2015, the department reviewed 10,658 applicants; held 1701 interviews and hired 308 employees.
- The top 5 sources for recruiting are CareerLink, HR Website, County Posting, County Employee Referrals and Government jobs.com. The newspaper is not a major source of recruitment since most people go online to search for positions.

- Apart from salaries, major expense items include \$46,400 for contracts associated with recruitment, pre-employment screening and eLearning; professional fees account for 19% of the non-salary budget at \$19,000.
- The department conducted 32 classes for employees serving approximately 600 people and is also complying with a number of legal changes that have been imposed.
- Commissioner Borgeson requested a list of all of the eLearning programs.

General Assistance

	F14/15 <u>Actual</u>	F15/16 <u>Modified Budget</u>	F16/17 <u>Requested Budget</u>
Total Headcount	42	38	35 + 2 vacancies
Expenses	\$5,993,615	\$6,738,304	\$6,450,574
Revenues	\$513,662	\$242,563	\$350,000

- Joe Lorenz stated that the General Assistance (GA) budget would not need a supplement. Revenue comes from Social Security Insurance (SSI) when clients are approved. This revenue amounts to approximately \$400,000. 30% of General Assistance expenditures go to salaries.
- Deb Redding presented the GA budget. Due to the improved economy, the number of clients GA serves is actually down (See Attachment D).
- Top goals for the Department include working with County Mental Health Clinic to expedite mental health services (GA and the Mental Health Clinic currently share 170 clients); having more services on site for clients such as GED (General Educational Development) classes and job fairs; and delivering services in the most cost effective manner.
- Currently the Department has 35 employees and 2 vacancies. Because of lower client numbers, the need doesn't exist to fill some of the vacant positions.
- Electronic application is also making the process more efficient.
- Expenses will be down about \$380,000 for F16/17. Revenue will also be down.
- Commissioner Rodgers asked if the \$30,000 the County encumbered from the previous year for Extreme Poverty and Workforce training around the County (the City funded \$400,000) could be encumbered again.
- Commissioner Borgeson asked if there was a way to track the top 5 needs of clients and could the Department update the zip code map? She also asked about the desirability of GED classes on site.
- Ms. Redding replied that the top needs for clients are rent and medical assistance. The GED classes would be appropriate because of the familiarity and convenience of the location for clients.
- Ms. Redding said that it takes approximately 3 months to train a case worker.

- Commissioner Rodgers asked about how many people in the Department were eligible to retire. Ms. Redding replied that 4 were eligible.
- Commissioner Boyle is talking to the Department of Corrections about creating a garage to serve some of the GA clients. This would benefit both inmates and GA clients.
- Mr. Lorenz asked about the Electronic Health Records rollout for the Health Care Clinic. The GA Department is participating and paying for the person in charge. GA still has money from last year for this project.
- Commissioner Borgeson asked about the top 5 medical needs and mental health care needs of GA clients. Ms. Redding will ask the Health Care Clinic for data about mental health care and whether needs and numbers have changed recently.

Juvenile Assessment Center (JAC)

	F14/15 <u>Actual</u>	F15/16 <u>Modified Budget</u>	F16/17 <u>Requested Budget</u>
Total Headcount	12	13	13
Expenses	\$806,438	\$894,574	\$916,767
Revenues	\$531,074	\$604,398	\$623,584

- Joe Lorenz noted that the JAC budget would not need a supplement. Approximately \$300,000 of the budget comes from the General Fund and the rest is grant funded; 2/3 of the expenses are payroll related. The grants have evolved over the years.
- Shawne Johnson Coonfare presented the JAC budget and overview (See Attachment E).
- Commissioner Morgan asked about whether there would be a significant savings in the Department given its current budget status. Ms. Coonfare responded that grant related expenses are paid after the fact and that \$197,278 is a pass through to service providers, so there is no significant savings in the budget.
- Commissioner Rodgers said that the Board needs to have a joint meeting between Child and Youth Services and Finance to determine distribution of Community Based Aid. There is a desire of Operation Youth Success to give more funding to the community; new money is going out to the community. The Board needs to be a part of the discussion about this money.
- Commissioner Borgeson agrees that a meeting is needed where an in-depth conversation could be had about what grant funds are used for. A discussion is needed about whether the JAC should remain at the status quo, what services JAC provides and what the role of community based organizations is.
- Mr. Lorenz commented that the County serves as a clearing house for money to go to the community. The Administrative budget has \$500,000 that passes through to the

community. Money from Community Based Aid cannot be used for administration of grants. No administrative charges are made on any grants. The City charges administrative fees on federal grants.

- Mr. Bloomington said he has discussed including the grant administrator for Operation Youth Success (OYS) in all future budgets with Community Based Aid.
- The State and the University of Nebraska-Omaha monitor and report on where the grant money should go to have the most measurable effect.

Juvenile Justice Collective Impact

	F14/15 <u>Actual</u>	F15/16 <u>Modified Budget</u>	F16/17 <u>Requested Budget</u>
Total Headcount	2	3	4
Expenses	\$59,536.57	\$305,775.00	\$446,870.00
Revenues	\$180,000.00	\$300,000.00	\$446,870.00

- Joe Lorenz noted that when the budget was created, the goal was that it should be neutral in terms of its expenses and revenue. The \$300,000 in revenue was received from 4 foundations and the County. There is no need for a supplement. When Juvenile Justice Collective Impact was made a county department, it was determined that it would be neutral receiving \$60,000 from 5 different sources including Community Based Aid.
- The Operation Youth Success (OYS) budget was presented by Janee Pannkuk, who began in the position on April 1 of last year (See Attachment F).
- Ms. Pannkuk stated that OYS strives to engage broad sectors of the community. It includes representatives from the schools, courts system, police, two County Commissioners, as well as the Juvenile Justice League (13-24 year olds who have been impacted by the juvenile justice system in some way).
- The program is completely grant funded. The Community Based Aid (CBA) money is Title II money from the State, funded by the Legislature. It began as a \$400,000 fund and has grown to \$1.7 million. It is targeted to keep young people out of detention.
- Mr. Lorenz added that all of the money that is from private foundations is guaranteed for 3 years.
- Commissioner Boyle inquired about whether the County is committed to picking up the program if the grants run out.
- Commissioner Rodgers reiterated the need to have a meeting to discuss all of the Child and Youth Services grants and understand the funding for various programs.
- Doug Kagan asked why this program is not housed under the Juvenile Assessment Center (JAC). Commissioner Rodgers explained that JAC is under Board control and that OYS has broader

input from the State and City government, service providers, philanthropic groups, an independent attorney, the County Attorney's Office, the Public Defender, judges, schools, as well as County Commissioners. The County is the fiscal agent for OYS.

- JAC is a process to provide alternatives to detention. OYS has a broader, community-based focus to aid youth and families to succeed and eliminate the need for youth involvement in the justice system. Sherwood is conducting a developmental evaluation of the OYS program.

Fair Board

	<u>F14/15</u> <u>Actual</u>	<u>F15/16</u> <u>Modified Budget</u>	<u>F16/17</u> <u>Requested Budget</u>
Total Headcount	NA	0	1
Expenses	NA	NA	\$255,000
Revenues	NA	NA	\$255,000

- Joe Lorenz explained that the Fair Board came under the County's jurisdiction just this past year. It will be funded entirely by tourism money and not from the General Fund. The County provided \$50,000 for the Youth Rodeo; it cost about \$35,000 and generated the same amount of revenue, so it was a break even situation.
- Rob Vinson, treasurer, and Scott Olander presented the Fair Board Budget (See Attachment G).
- The goal of the Fair Board is to be self-sufficient. The current budget includes three events: the Trail Challenge, High School Rodeo and the Fair.
- The Douglas County Fair is the only regional urban fair. Seattle and Los Angeles are other cities that host urban fairs and the Fair Board is looking to them for help. Douglas County also hosts the only High School invitational rodeo.
- The Douglas County Fair will be held at the Crossroads Mall, July 21-23. The High School Championship Rodeo will be held in Elkhorn in October and Three Trail Challenges will be held April 30, June 4 and September 10.
- The Trail Challenges are events held in cooperation with The American Quarter Horse Association (AQHA). They are "learning events" where the AQHA partners with riders to teach safety. The events will be held at Lake Cunningham.
- Commissioner Rodgers added that Dallas County hosts the state fair for Texas and might be another resource for the Fair Board.
- The Fair Board needs a fair manager to lead these initiatives: some startup money that ultimately could be paid back to the County. Suggestions were made to use Visitor Improvement Funding (262) to get started. Commissioner Rodgers suggested that \$90,000 be advanced to the County Fair Board now to fund initial needs. This is the amount that went to Aksarben previously from 262 funds.

- Commissioner Kraft remarked that booths and sponsorships did bring in revenue in the past. Ten events are planned and budgeted at \$255,000. Commissioner Boyle requested more details and line item information about return to the county—a net number. Further discussion about how exactly funding would be split is needed.
- Joe Lorenz said that the Fair should not be funded out of General Fund money.
- Catherine Hall was asked to provide the 262 Fund balance. Discussion followed about whether the fair manager would be contracted or an employee.
- No salaries can be paid from 262 Funds. Questions followed about whether the County could recoup general fund dollars from sponsorships.
- The Fair Board will follow up with their budget report to the Community Services Committee.
- Commissioner Borgeson requested that Catherine Hall draw up a resolution for partial funding of the Fair Board for next week.

The meeting adjourned at 3:32 P.M.