

Finance Committee Meeting
Douglas County, Nebraska
Tuesday, December 18, 2018

The meeting convened at 11:36 A.M. in Room 903, Omaha-Douglas Civic Center, 1819 Farnam Street, Omaha, NE. 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 December 12, 2018, issue of *The Daily Record*. County Commissioners present at the meeting were Mike Boyle, P.J. Morgan, Mary Ann Borgeson, Chris Rodgers, Marc Kraft, and Clare Duda. Others present included Patrick Bloomingdale, Diane Carlson, Catherine Hall, Joe Lorenz, and Mike Dwornicki, County Administration; Theresia Urich and Kristin Lynch, County Attorney; Brad Alexander, Layla Block, and Shirley Nelson, Youth Center; Eric Carlson, Purchasing; and Dan Esch, Sheri Larsen, and Kim Bollow, County Clerk/Comptroller's Office. Commissioners Boyle and Morgan co-chair the committee.

A video recording of the meeting is available on the Douglas County Website:
<http://commissioners.douglascounty-ne.gov/board-meetings/videos>.

Time markers for when each topic/item occurs during the video are in parentheses.

Introduction (0:00 to 0:15) Commissioner Boyle opened the meeting.

1. Accounts Receivable Collections Policy (0:15 to 39:10)

Joe Lorenz: notes two significant deficiencies from BKD, the County's external auditors: Health Center billing and how receivables are administered. There's not a whole uniform policy for receivables. He gave a short Health Center Billing update and referred to Mike Dwornicki to provide more explanation on receivables.

Mike Dwornicki: informed the committee of his internal audit, gave an update on some receivables owed to the county and relayed he does not expect payment. Mr. Dwornicki relayed there are some procedural issues to address, there are many different department billing policies to manage, and he thinks the Clerk's office would need staff to help if they were to take it on. He wants to do an additional internal audit.

Mr. Lorenz: wants to talk about process & organizational changes, maybe with the Clerk's office. He reminded of formal County Board action if receivables are not collected, and how it affects (reduces) the County's general fund reserves. He explained who will get notices of the County's significant deficiencies, and he wants to work with the Clerk's office and some of the impacted departments to deal with these concerns. Mr. Lorenz addressed collections for receivables from other government units/agencies/partners. He wants a policy on how Douglas County can avoid uncollected funds, he wants a team approach (include County Attorney, Corrections), and he wants to write a demand letter to the City. Mr. Lorenz said more information would be gathered and the issue will be addressed again in an executive session because one option could be possible litigation issues, then reminded there would be a reduction in money reserves for receivables not received.

Clerk/Comptroller Esch: reminded that the County Clerk/Comptroller office currently does Accounts Payables, not Accounts Receivables.

Commissioner Boyle: requested Mr. Dwornicki to look at other county or national models, wants a plan of attack and wants the Board to have an accounts receivable policy. He suggested to consult with judges regarding orders, present the case at a City Council meeting, have a receivables contract with the City, and gather help from a state senator.

Kristin Lynch: offered to collect info & present in executive session; explained judges' orders.

Commissioners Duda, Morgan, Kraft, Borgeson and Rogers added to the discussion about how to handle the City and receivables owed. There were suggestions to utilize a press release, include the Appropriations Committee, provide a spreadsheet and letter to the City, speak to City Council members, but all agreed that an exact amount and a uniform accounts receivable policy is needed.

Theresia Urich: explained court orders, other contracts & state statutes, then also mentioned previous attempts at a contract with the City. She relayed there is no contract for receivables with the City at this time.

Brad Alexander: provided some details about billing and forecasted revenues.

Layla Block: clarified an HHA contract question.

Also speaking during this item were Patrick Bloomingdale and Diane Carlson.

[Some attendees left the meeting at the end of this discussion.]

2. Encumbrance Policy (39:12 to 50:40)

Joe Lorenz: referred to a letter for January 1st which cancels requisition encumbrances that were over three years old; he can't find a policy on encumbrances; wants to have a policy brought to the Board; concerned that unused encumbrances reduces cash reserves; concerned about abuses of the system. Mr. Lorenz will work with Eric Carlson on processing and policy; relayed he is interested in what the city does & asked Sheri Larsen for input.

Sheri Larsen: talked about her experience when she was with the City of Omaha Finance Department, and spoke about the communication City Finance Department would have with each department at the end of each year when closing for the audit.

Eric Carlson: gave an explanation of requisitions, encumbrances and purchase orders; will get numbers to Commissioners.

Patrick Bloomingdale: wants to know which are current (less than 1 year); suggested to not cancel out any encumbrances too quickly; wants departments to justify end of year encumbrances; suggested to include details in a policy.

Commissioners Boyle, Borgeson and Kraft added to the discussion, relaying some encumbrances should be brought to the board, put on a consent agenda, and they want a written policy in January to provide better planning for June. It was also suggested to use a capital improvements program to prioritize held-over encumbrances and tie it to a new encumbrance policy.

3. Preliminary F2019/20 Budget Topics (50:42 to 1:07:55)

Joe Lorenz: relayed concerns on funding mental illness issues.

Commissioner Boyle: gave thoughts on what he wants in current Corrections and Youth Center departments; referred to recent news article about high lock down numbers; wants to utilize staff from General Assistance. He also suggested money from encumbrances to pay for mental health funding and using a temporary judge for night court.

Commissioner Rodgers: relayed he is working on a number from UNMC, provided some details on private donors and other funding; working on dates; mentioned issues with Medicaid expansion.

Commissioner Borgeson: conveyed concerns after children leave the Youth Center. She wants more outpatient services and funding for upcoming projects. She suggested including Vickie Maca on quarterly updates to the Board from Corrections. Commissioner Borgeson wants to know what services the Board wants to be funded and at what amounts. She referred to current EPC issues and processes, and suggested addressing outpatient services and night or weekend court (maybe tying this court to mental health).

Commissioner Kraft: relayed issues with funding, concerns of accounts payables, and gave suggestions on where to get money for Youth Center, Correction facility and mental health funding.

Patrick Bloomingdale: reminded the group that using older encumbrance money would not support an ongoing program.

4. Other business (1:07:57 to 1:18:05)

Joe Lorenz: informed the committee that valuations were mailed yesterday and next steps. He relayed that a bond offering could cause a potential increase to the levy and suggested doing so in two phases.

Commissioner Morgan: wants encumbrances and budgets watched; wants to work more with legislators. He relayed property inspections every five years is unnecessary use of staff.

Patrick Bloomingdale: shared concerns of efficiency, budgeting, and increasing the levy.

Commissioner Boyle: shared concerns on staffing including not filling vacancies, more flexible work schedules, priorities and cutting costs.

Commissioner Kraft: gave thoughts on the call letter, wants everyone to rethink their department, and suggests more use of artificial intelligence.

Commissioner Duda: would rather raise levy in two phases instead of one.

The meeting adjourned at 12:55 P.M.