

MINUTES
LANCASTER COUNTY BOARD OF COMMISSIONERS
TUESDAY, AUGUST 28, 2012
COMMISSIONERS HEARING ROOM, ROOM 112
FIRST FLOOR, COUNTY-CITY BUILDING
9:30 A.M.

Advance public notice of the Board of Commissioners meeting was posted on the County-City Building bulletin board and the Lancaster County, Nebraska, web site and emailed to the media on August 24, 2012.

Commissioners present: Deb Schorr, Chair
Larry Hudkins, Vice Chair
Bernie Heier
Jane Raybould
Brent Smoyer

Others present: Kerry Eagan, Chief Administrative Officer
Gwen Thorpe, Deputy Chief Administrative Officer
Brittany Behrens, Deputy County Attorney
Dan Nolte, County Clerk
Cori Beattie, Deputy County Clerk
Ann Taylor, County Clerk's Office

The location announcement of the Nebraska Open Meetings Act was given and the meeting was called to order at 9:30 a.m.

1) **MINUTES: Approval of the minutes of the Board of Commissioners meeting held on Tuesday, August 21, 2012.**

MOTION: Hudkins moved and Smoyer seconded approval of the minutes. Hudkins, Raybould, Heier, Smoyer and Schorr voted aye. Motion carried 5-0.

2) **CLAIMS: Approval of all claims processed through Tuesday, August 28, 2012.**

MOTION: Heier moved and Raybould seconded approval of the claims. Raybould, Heier, Smoyer, Hudkins and Schorr voted aye. Motion carried 5-0.

3) **PUBLIC HEARINGS:**

A. **Keno Fund Projects (on file with the County Budget and Fiscal Office)**

The Chair opened the public hearing.

Dennis Meyer, Budget and Fiscal Officer, was administered the oath. He noted that last year \$1,575,000 was transferred from the Keno Fund into the General Fund for property tax relief. Meyer said this year the funds in the Keno Fund, with the exception of 5% which is used for prevention, will be set aside for future projects.

PUBLIC HEARINGS CONTINUED:

Raybould inquired about the fund balance. Meyer said it was \$860,000 going into this year. He said the budgeted amount will be higher than that because he has to account for incoming revenues. Meyer added funds are not spent until they are received.

The Chair closed the public hearing.

B. Lancaster County's Proposed Budget for Fiscal Year 2012-2013

The Chair opened the public hearing.

Commissioner Schorr read a prepared statement regarding the budget process and the proposed Fiscal Year 2012-13 budget into the record (Exhibit A).

Coby Mach, President and Chief Executive Officer (CEO), Lincoln Independent Business Association (LIBA), was administered the oath. He thanked the Board for their efforts to reduce expenditures. Mach said LIBA is pleased that the County tax levy is not increasing this year, but noted taxes will increase for many due to increased property values. He said LIBA supports the reallocation of the Railroad Transportation Safety District (RTSD) levy but would like 0.6% cents to go towards property tax relief. Mach also encouraged the Board to tighten the General Assistance (GA) application process, increase the number of hours that employees must work to qualify for benefits from 20 to 30 hours per week, continue to explore other interlocal agreement opportunities and work to reduce the employee retirement match. He cautioned that Lancaster County is in danger of losing future inheritance tax revenue, and urged the Board to let citizens know that there may be a new proposed plan that would reduce that revenue stream. Mach added that the LIBA Budget Monitoring Committee believes the County has under-projected the increase in revenue it will receive from property re-evaluations. He noted the County has budgeted for a 4% increase but will actually see increased tax dollars of close to 5.74%. Mach said this should allow the County Board to reduce taxes. He said four things will occur if the Board moves forward with the 4% projected budget increase and retains the RTSD changes: 1) The County will have a balanced budget; 2) The Board will be able to fund priorities, such as public safety and additional jail staff; 3) Property taxes could be lowered by \$1,500,000 (\$1,000,000 would come from the 0.6% cents reallocation and \$500,000 would come from additional monies the County will receive beyond the 4% increase that was budgeted); and 4) There would still be sufficient funds to set aside \$400,000 in a reserve fund. Mach said the County could still maintain \$5,000,000 in the general reserves and would have \$1,300,000 in reserve from the sale of Lancaster Manor. He said LIBA feels this would be an opportune time to lower property taxes.

Heier asked Mach how much he thinks the County should have in cash reserves with a \$160,000,000 budget. Mach said it is in the 10% range for most governing bodies. Hudkins said he believes the County should have 10% to 15% in reserves.

Raybould thanked Mach for raising awareness of the inheritance tax issue. She agreed that it would be wonderful to provide tax relief but said the reality is that the County does not have that "wiggle room" this year as the County's reserves are woefully underfunded.

Hudkins said he would appreciate suggestions from LIBA on how to replace inheritance tax revenue.

PUBLIC HEARINGS CONTINUED:

Smoyer said he had pushed for a 0.5 cent property tax cut this year but, after looking at some of the issues the County will be facing, he no longer believes it would be prudent . He said he will continue efforts to reduce taxes in the future.

Schorr said she has consistently stated that she felt the 1.6 cent RTSD reallocation was an excessive amount but said if the Board feels that the RTSD is sitting on an unnecessary cash balance then those funds should be returned to taxpayers.

MOTION: Schorr moved to reduce the 1.6 cents reallocation of the Railroad Transportation Safety District (RTSD) levy to 1 cent.

Brittany Behrens, Deputy County Attorney, noted that the public hearing was still open.

The motion died for the lack of a second.

The Chair closed the public hearing.

4) **NEW BUSINESS:**

A. **A resolution in the matter of exceeding the budgeted restricted funds limit for the 2011-12 fiscal year by an additional one percent. (R-12-0067)**

Dennis Meyer, Budget and Fiscal Officer, appeared and said the lid on restricted funds can grow by an additional 1% with a vote by the County Board. He said it does not automatically increase property taxes, rather it allows the base to grow. The County currently has unused levy authority of \$17,000,000.

Smoyer noted this has been the standard procedure for the last few years.

MOTION: Heier moved and Raybould seconded approval of the resolution. Hudkins, Raybould, Heier, Smoyer and Schorr voted aye. Motion carried 5-0.

B. **A resolution in the matter of final allocation of levy authority to all political subdivisions subject to County levy authority. (R-12-0068)**

MOTION: Hudkins moved and Heier seconded approval of the resolution. Raybould, Heier, Smoyer, Hudkins and Schorr voted aye. Motion carried 5-0.

C. **A resolution in the matter of approving the Lancaster County budget for the Fiscal Year of July 1, 2012 to June 30, 2013. (R-12-0070)**

MOTION: Heier moved and Hudkins seconded approval of the resolution

FRIENDLY AMENDMENT: Schorr offered a friendly amendment to allocate 0.6 cents from the proposed County budget as a property tax refund.

The maker of the motion and the seconder did not accept the friendly amendment.

NEW BUSINESS CONTINUED:

Heier said he would consider an amendment to take half of the remaining 1 cent allocation to the RTSD as a refund to the taxpayers. Schorr indicated that she would not support that proposal.

AMENDMENT: Schorr moved and Smoyer seconded to allocate 0.6 cents from the proposed County budget as a property tax refund.

Heier said the 1.6 cents reallocated from the RTSD was intended to build up the County reserves. He said the RTSD currently has a reserve of \$18,200,000, with no projects on line that have been started. Heier said the County currently has reserves of \$6,000,000, with approximately \$2,000,000 from the Lancaster Manor proceeds. He said a 10% reserve, which was suggested earlier in the meeting, would be \$16,000,000.

Schorr noted that the RTSD is unable to bond for projects.

Hudkins said he only sees two possible ways to fund a property tax reduction: 1) Spend the Lancaster Manor proceeds; and 2) Reduce the RTSD allocation.

ROLL CALL ON THE AMENDMENT: Smoyer and Schorr voted aye. Heier, Hudkins and Raybould voted nay. Motion failed 2-3.

Commissioner Raybould read a prepared statement regarding the budget into the record (Exhibit B).

ROLL CALL ON THE ORIGINAL MOTION: Heier, Smoyer, Hudkins and Raybould voted aye. Schorr voted nay. Motion carried 4-1.

D. **A resolution approving the execution and delivery of a sublease agreement between Lancaster County and the City of Lincoln, Nebraska, for the acquisition and installation of new communication equipment and related improvements. (R-12-0071)**

Scott Keene, Vice President and Managing Director; Ameritas Investment Corporation, and Lauren Wismer, Gilmore & Bell P.C. (Bond Counsel), appeared and discussed terms of the sublease agreement. Keene noted the City of Lincoln is contemplating a \$10,000,000 certificates of participation financing to finance equipment and real estate projects. Included in that financing is \$2,000,000 for a joint City/County Voice over Internet Protocol (VoIP) System, the County's share of which is approximately \$816,000. Keene said a four-year financing term is proposed that, in current market conditions, will allow for an all-inclusive cost of approximately 1.6%.

In response to a question from Hudkins, Keene said a shorter amortization is proposed to make sure the financing term is shorter than the useful life of the equipment. He said the financing is also structured to match what the County is currently paying for its communication system (\$360,000 a year). Keene added that the County will own the equipment once the financing is paid off.

Wismer said the sublease agreement is a typical financing lease with standard terms and provisions.

NEW BUSINESS CONTINUED:

MOTION: Hudkins moved and Raybould seconded approval of the resolution. Smoyer, Hudkins, Raybould, Heier and Schorr voted aye. Motion carried 5-0.

- E. **A 2010 sub-recipient agreement for the Southeast Region in the amount of \$412,755 from the Nebraska Emergency Management Agency. Term of the agreement is October 1, 2010, to July 31, 2013. (C-12-0482)**

Doug Ahlberg, Emergency Management Director, appeared and said the agreement reflects a \$32,000 increase in the amount of Homeland Security funding the Southeast Region will be receiving.

MOTION: Hudkins moved and Smoyer seconded approval of the agreement. Hudkins, Raybould, Heier, Smoyer and Schorr voted aye. Motion carried 5-0.

- F. **A resolution authorizing the installation of one "School Bus Stop Ahead" sign (S3-1) on Princeton Road 500 feet west of 18300 Princeton Road for eastbound traffic. (R-12-0069)**

MOTION: Heier moved and Raybould seconded approval of the resolution. Raybould, Heier, Smoyer, Hudkins and Schorr voted aye. Motion carried 5-0.

- G. **An agreement between NMC, Inc., and Lancaster County, on behalf of the Lancaster County Engineering Department, in the amount of \$325 per month for rental of a Cat 256C 4-wheel skid loader. Term of the rental agreement is one year from the date of execution. (C-12-0494)**

At the request of Commissioner Hudkins, Bob Walla, Assistant Purchasing Agent, appeared to answer questions. Hudkins asked whether the Purchasing Department had analyzed whether it would be more cost effective to lease, rather than purchase, the equipment. Walla said they did not, noting the County Engineering Department has leased the equipment for several years. Hudkins noted that the cost increases for every hour over 250 hours on the vehicle's hour meter and asked whether County Engineering has exceeded 250 hours in the past. Walla said he is not sure.

MOTION: Heier moved and Hudkins seconded approval of the agreement. Heier, Smoyer, Hudkins, Raybould and Schorr voted aye. Motion carried 5-0.

- H. **An agreement between Nebraska Salt and Grain Company, Lancaster County and the City of Lincoln for the annual supply of road salt. Term of the agreement is one year from the date of execution by all parties. (C-12-0483)**

MOTION: Raybould moved and Heier seconded approval of the agreement. Smoyer, Hudkins, Raybould, Heier and Schorr voted aye. Motion carried 5-0.

NEW BUSINESS CONTINUED:

- I. **A contract with Martin Marietta Materials for the production of limestone rock, gravel and ice control material on an as needed basis. The County will pay for products listed in Line Item 2 of the contractor's proposal. Term of the contract is July 1, 2012, to June 30, 2013. (C-12-0484)**

MOTION: Raybould moved and Hudkins seconded approval of the contract. Hudkins, Raybould, Heier, Smoyer and Schorr voted aye. Motion carried 5-0.

- J. **An amendment to County Contract C-09-0574 between Winter Equipment, Lancaster County and the City of Lincoln for the annual supply of grader blades. The amendment renews the agreement for an additional one-year term from September 1, 2012, to August 31, 2013, and provides for the price changes as shown in Attachment A. (C-12-0485)**

MOTION: Hudkins moved and Raybould seconded approval of the amendment. Raybould, Heier, Smoyer, Hudkins and Schorr voted aye. Motion carried 5-0.

- K. **An amendment to County Contract C-09-0575 between NMC, Lancaster County and the City of Lincoln for the annual supply of grader blades. The amendment renews the agreement for an additional one-year term from September 1, 2012, to August 31, 2013. (C-12-0486)**

MOTION: Raybould moved and Hudkins seconded approval of the amendment. Heier, Smoyer, Hudkins, Raybould and Schorr voted aye. Motion carried 5-0.

- L. **A unit price contract between Schmieding Concrete, Inc., Lancaster County, the City of Lincoln and the Lincoln-Lancaster County Public Building Commission for pavement construction services. Term of the contract is four years from the date of execution by all parties. (C-12-0487)**

MOTION: Hudkins moved and Raybould seconded approval of the contract. Smoyer, Hudkins, Raybould, Heier and Schorr voted aye. Motion carried 5-0.

- M. **A unit price contract between Cather & Sons Construction, Inc., Lancaster County, the City of Lincoln and the Lincoln-Lancaster County Public Building Commission for pavement construction services. Term of the contract is four years from the date of execution by all parties. (C-12-0488)**

MOTION: Raybould moved and Hudkins seconded approval of the contract. Hudkins, Raybould, Heier, Smoyer and Schorr voted aye. Motion carried 5-0.

- N. **A unit price contract between Dickey & Burham, Inc., Lancaster County, the City of Lincoln and the Lincoln-Lancaster County Public Building Commission for pavement construction services. Term of the contract is four years from the date of execution by all parties. (C-12-0489)**

MOTION: Hudkins moved and Raybould seconded approval of the contract. Raybould, Heier, Smoyer, Hudkins and Schorr voted aye. Motion carried 5-0.

NEW BUSINESS CONTINUED:

- O. **A unit price contract between K2 Construction, Lancaster County, the City of Lincoln and the Lincoln-Lancaster County Public Building Commission for pavement construction services. Term of the contract is four years from the date of execution by all parties. (C-12-0490)**

MOTION: Heier moved and Raybould seconded approval of the contract. Heier, Smoyer, Hudkins, Raybould and Schorr voted aye. Motion carried 5-0.

- P. **A unit price contract between Walton Construction Company, Inc., Lancaster County, the City of Lincoln and the Lincoln-Lancaster County Public Building Commission for pavement construction services. Term of the contract is four years from the date of execution by all parties. (C-12-0491)**

MOTION: Hudkins moved and Raybould seconded approval of the contract. Smoyer, Hudkins, Raybould, Heier and Schorr voted aye. Motion carried 5-0.

- Q. **A unit price contract between Pavers, Inc., Lancaster County, the City of Lincoln and the Lincoln-Lancaster County Public Building Commission for pavement construction services. Term of the contract is four years from the date of execution by all parties. (C-12-0492)**

MOTION: Hudkins moved and Raybould seconded approval of the contract. Hudkins, Raybould, Heier, Smoyer and Schorr voted aye. Motion carried 5-0.

- R. **A contract between OfficeMax North America, Inc., Lancaster County, the City of Lincoln and the Lincoln-Lancaster County Public Building Commission for digital print and copy services. The County will pay for products and services according to WSCA/State of Utah, Contract MA041. The agreement is effective upon execution and will continue through March 31, 2014. (C-12-0493)**

MOTION: Heier moved and Raybould seconded approval of the contract. Raybould, Heier, Smoyer, Hudkins and Schorr voted aye. Motion carried 5-0.

- S. **A contract with Crop Production Services for the annual supply of brush killer. The County will pay for products and services according to the line item pricing as listed in the contractor's proposal on an as needed basis. Term of the contract is for one year from the date of execution. (C-12-0495)**

MOTION: Hudkins moved and Raybould seconded approval of the contract. Heier, Smoyer, Hudkins, Raybould and Schorr voted aye. Motion carried 5-0.

- T. **A unit price contract between Sprague Roofing Company, Lancaster County, the City of Lincoln and the Lincoln-Lancaster County Public Building Commission for miscellaneous roofing services. Term of the contract is four years from the date of execution by all parties. (C-12-0496)**

MOTION: Raybould moved and Hudkins seconded approval of the contract. Smoyer, Hudkins, Raybould, Heier and Schorr voted aye. Motion carried 5-0.

NEW BUSINESS CONTINUED:

- U. **A unit price contract between Weathercraft Company, Lancaster County, the City of Lincoln and the Lincoln-Lancaster County Public Building Commission for miscellaneous roofing services. Term of the contract is four years from the date of execution by all parties. (C-12-0497)**

MOTION: Raybould moved and Hudkins seconded approval of the contract. Hudkins, Raybould, Heier, Smoyer and Schorr voted aye. Motion carried 5-0.

- V. **A unit price contract between Midwest Roofing, Inc., Lancaster County, the City of Lincoln and the Lincoln-Lancaster County Public Building Commission for miscellaneous roofing services. Term of the contract is four years from the date of execution by all parties. (C-12-0498)**

MOTION: Hudkins moved and Raybould seconded approval of the contract. Raybould, Heier, Smoyer, Hudkins and Schorr voted aye. Motion carried 5-0.

- W. **An amendment to County Contract C-11-0512 with Physicians Laboratory Services, Inc., for the annual requirements of laboratory testing services. The amendment renews the agreement for an additional one-year term from September 9, 2012, to September 8, 2013. (C-12-0499)**

MOTION: Hudkins moved and Raybould seconded approval of the amendment. Heier, Smoyer, Hudkins, Raybould and Schorr voted aye. Motion carried 5-0.

- X. **An agreement between Eastman Park Micrographics, Inc., and Lancaster County, on behalf of Records and Information Management, for repair of a Kodak Prostar Archive processor. The County will pay \$4,231 for the services. Term of the agreement is July 1, 2012, to June 30, 2013. (C-12-0500)**

MOTION: Raybould moved and Hudkins seconded approval of the agreement. Smoyer, Hudkins, Raybould, Heier and Schorr voted aye. Motion carried 5-0.

- Y. **A grant contract with Volunteer Partners in the amount of \$5,000 to provide funding for the Peer Mentoring Youth Program. Term of the grant contract is July 1, 2012, to June 30, 2013. (C-12-0501)**

MOTION: Hudkins moved and Raybould seconded approval of the contract. Hudkins, Raybould, Heier, Smoyer and Schorr voted aye. Motion carried 5-0.

- Z. **A grant contract with OMNI Behavioral Health in the amount of \$17,500 to provide funding for Functional Family Support Services. Term of the grant contract is July 1, 2012, to June 30, 2013. (C-12-0502)**

MOTION: Raybould moved and Hudkins seconded approval of the contract. Raybould, Heier, Smoyer, Hudkins and Schorr voted aye. Motion carried 5-0.

NEW BUSINESS CONTINUED:

- AA. **A grant contract with HUB Central Access Point for Young Adults in the amount of \$12,500 to provide funding for the Lincoln Education Outreach Program. Term of the grant contract is July 1, 2012, to June 30, 2013. (C-12-0503)**

MOTION: Heier moved and Raybould seconded approval of the contract. Heier, Smoyer, Hudkins, Raybould and Schorr voted aye. Motion carried 5-0.

- BB. **A grant contract with CASA for Lancaster County in the amount of \$15,000 to provide funding for the court appointed advocates program. Term of the grant contract is July 1, 2012, to June 30, 2013. (C-12-0504)**

MOTION: Hudkins moved and Raybould seconded approval of the contract. Smoyer, Hudkins, Raybould, Heier and Schorr voted aye. Motion carried 5-0.

- CC. **A building usage agreement with Saint Paul United Methodist Church for County Government Day. The County will pay a \$65 room charge for use of the facility on November 7, 2012, from 10:00 a.m. to 1:30 p.m. (C-12-0505)**

MOTION: Raybould moved and Heier seconded approval of the agreement. Hudkins, Raybould, Heier, Smoyer and Schorr voted aye. Motion carried 5-0.

- DD. **A request for a refund of 2011 personal property tax for Rallis Orthodontics.**

Scott Gaines, Deputy County Assessor/Register of Deeds, appeared and recommended approval of the request, explaining both the lessor and lessee reported the same equipment item. He said the refund will be to the lessee.

MOTION: Heier moved and Raybould seconded approval of the refund request. Raybould, Heier, Smoyer, Hudkins and Schorr voted aye. Motion carried 5-0.

- EE. **Labor negotiations and pending litigation (executive session)**

The Chair announced the item would be held until the end of the meeting.

- 5) **CONSENT ITEMS:** *These are routine business items that are expected to be adopted without dissent. Any individual item may be removed for special discussion and consideration by a Commissioner or by any member of the public without prior notice. Unless there is an exception, these items will be approved as one with a single vote of the Board of Commissioners. These items are approval of:*

- A. **A right-of-entry contract and a right-of-way contract between the County Engineer and Kenneth Miller, west of N. 56th Street on Branched Oak Road, in the amount of \$455.25; Project CP-B190. (C-12-0506) (C-12-0507)**

CONSENT ITEMS CONTINUED:

- B. **Receive and place on file the County Treasurer's Mid Term Report on 2010 Distress Warrants.**

MOTION: Raybould moved and Hudkins seconded approval of the consent items. Smoyer, Hudkins, Raybould, Heier and Schorr voted aye. Motion carried 5-0.

- 6) **PUBLIC COMMENT: Those wishing to speak on items relating to County business not on the agenda may do so at this time.**

There was no public comment.

- 7) **ANNOUNCEMENTS:**

- A. **The Lancaster County Board of Commissioners will hold a staff meeting on Thursday, August 30, 2012, at 8:30 a.m., in Room 113 on the first floor of the County-City Building.**
- B. **The Lancaster County Board of Commissioners will hold their next regular meeting on Tuesday, September 4, 2012, at 9:30 a.m., in Room 112 on the first floor of the County-City Building.**
- C. **The County Commissioners can be reached at 402-441-7447 or commish@lancaster.ne.gov.**
- D. **The Lancaster County Board of Commissioners meeting is broadcast live. It is rebroadcast on Tuesday and Saturday on 5 City-TV, Cable Channel 5. In addition, the meeting may be viewed on Nebraska On Demand Time Warner Channel 411 and on the internet at lancaster.ne.gov. Click on 5 City-TV Video on Demand.**

The Chair recessed the meeting at 10:39 a.m.

The Chair reconvened the meeting at 10:41 a.m.

RETURNING TO ITEM 4EE:

MOTION: Smoyer moved and Raybould seconded to enter executive session for the purpose of labor negotiations and pending litigation and to protect the public interest at 10:41 a.m.

The Chair restated the motion for the record.

ROLL CALL: Heier, Smoyer, Hudkins, Raybould and Schorr voted aye. Motion carried 5-0.

MOTION: Hudkins moved and Smoyer seconded to exit executive session at 10:55 a.m. Smoyer, Hudkins, Raybould, Heier and Schorr voted aye. Motion carried 5-0.

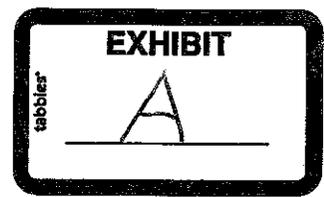
8) **ADJOURNMENT**

MOTION: Smoyer moved and Raybould seconded to adjourn the Board of Commissioners meeting at 10:55 a.m. Hudkins, Raybould, Heier, Smoyer and Schorr voted aye. Motion carried 5-0.

Dan Nolte

Dan Nolte
Lancaster County Clerk





2012-2013 Lancaster County Budget Hearing

Before we start, I would like to make some comments relative to the budget process and the proposed 2012-2013 budget:

The Lancaster County Board's proposed budget that was filed with the County Clerk's office on July 31 was completed using the property tax rate of 27.83 cents along with a projection of a 4% increase in valuation. The budget numbers have changed from the proposed budget because the County Board has determined to use a property tax rate of 28.43 cents along with the actual valuation increase of 5.74%. The property tax rate is a 1.6 cents increase over the prior year budget. The County Board will also take action to reduce the Railroad Transportation Safety District's budget by 1.6 cents.

Lancaster County does not receive any sales or income tax and relies heavily on property tax to fund the budget. The general fund also receives a substantial amount of inheritance tax. Inheritance tax is deposited in the general fund and is utilized to decrease the amount of property tax required. Lancaster County received \$8.2 million in inheritance tax for fiscal year 2011-12. If it were not for the use of inheritance tax, an additional 4 cents would have been needed in property tax in order to maintain the current level of services that are both mandated under state law and that our county taxpayers deserve and expect.

The total budget of expenditures for the proposed budget is \$159,829,415 which is a 3.58% increase from last year. The amount of property taxes for the proposed budget is \$57,201,022.

The total budget of expenditures in the general fund has increased by 6.50%. Property tax for the general fund will increase by \$6.7 million.

Here are some of the notable increases to the General Fund:

- The Corrections budget was reduced throughout the budget process by \$600,000 but the total budget increased by \$2.7 million. The new jail will be completed and opened during fiscal year 2012-13. District Energy payments will be approximately \$1.2 million and there will be a need for an additional 39 employees. The additional employees will cost the county approximately \$1.6 million in fiscal year 2012-13 and will be hired throughout the fiscal year.
- The Election Commissioner budget will increase by \$400,000 because of the election cycle. There will be 3 elections this fiscal year compared to only 1 last year.
- Information Services is developing a property tax system for the County Treasurer's office for \$244,950.

- Board of Equalization costs have increased by \$209,000 because of the revaluation done.
- The prior year budget was prepared with the removal for funding of the Post Employment Health Plan for employees beginning September 1. Savings were projected at approximately \$300,000. The savings never occurred and the funding is again included in this budget. The County is waiting on a ruling from the CIR.

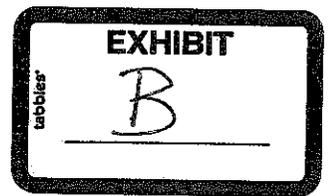
Here are some other notable increases and decreases in other funds:

- Fund balance has become a concern for the Other Self Insurance Loss Fund so there will be a \$300,000 transfer from the general fund. Funding by the County departments has changed for this fiscal year to ensure funds are available for insurance purposes.
- Keno Fund expenditures are decreasing by over 34%. The balance of the fund has decreased because last fiscal year there was a \$1,575,000 transfer to the general fund for property tax relief.
- Expenditures have decreased by 2.24% in the Mental Health Fund. Property taxes will be approximately \$620,000 less than last fiscal year.

The complete 2012-2013 proposed budget can be found on the County's website – www.lancaster.ne.gov.

We appreciate the cooperation of the elected officials and appointed department heads in arriving at this year's budget. Also, a special thanks to all county employees for their assistance in providing the necessary services within the budget restraints.

At this time, we welcome any comments you may have relative to the County proposed budget.



2012-2013 County Budget

To say that this has been a challenging fiscal year would be an understatement. Last year we used \$1.5 million in Keno funds to help with our deficit. We did not use Keno funds this year to help bridge a deficit but used the 1.6 cents or \$3.1 million from the RTSD Railroad Transportation Safety District. We were most fortunate to have an almost \$2 million increase in inheritance tax that goes directly to our general fund. We were also fortunate to see an increase in property values above last year by almost an additional \$2.5 million to our budget. Several of the county departments and only one elected official delivered a budget that came in at 3% less than the previous year to help clear this year's deficit. I commend those that achieved this and I commend those departments that came close and I thank the county employees for their understanding.

We continue to rely on the infusion of these onetime fund transfers from other sources. This is a deplorable practice. It simply is not a good practice of fiscal management but the reality of our county government. I got involved in public service to be honest and transparent and straight forward. As a taxpayer I was alarmed at the direction the county was going with the new jail even though the county owned land adjacent to the existing jail. I was alarmed at how Lancaster Manor was handled. It really comes down to accountability of our elected officials.

Whenever I have brought up budget suggestions I seem to get shouted down by my colleagues. All I must remind you have been involved in government much longer than I have. I come from the private sector but believe me I understand very well the difference between the public sector and private sector but the public sector can learn much from adapting sound fiscal management and progressive initiatives from the private sector in delivering the same goods and services our customers/constituents expect without compromising the serviceread without compromising our mandated obligations...without compromising public safety. How do we know this is possible? We look to other counties across the U.S. and their best practices at reducing our dependency on one time fund transfers. Here are the ideas and systemic changes we must work on this year so that when the new jail is fully functional and when we can't count on property evaluations increase and when we fully anticipate a threat from our Governor and the Nebraska Legislature to remove of the inheritance tax we are prepared for that and all the other fiscal challenges that come our way.

- 1) Look at privatizing other services such as the vehicle and equipment maintenance department at the county engineering. All elements must be measured if they are to be managed. We can't just systematically target our human service division that provides and leverages funds to the non-profit that is a critical part of our safety net in making Lincoln and Lancaster a great community.
- 2) Look at the example of Lincoln law enforcement and other counties across the US and encourage the county sheriff to manage the taxpayers' fleet of vehicles by downsizing and sharing cruisers. ALL WITHOUT COMPROMISING PUBLIC SAFETY.
- 3) No increases in elected officials' salaries for 4 years. If any increases are recommended by an independent committee then they are to be voted down. I was the only elected county official

to return the automatic 2% increase. Please ask your elected official to set an example and hold the line so that our other county employees can continue to earn a decent wage.

- 4) Look at a 6% reduction in pay for our appointed department managers. The reality is that this group is compensated well and fairly. If this is unacceptable then early retirement should be strongly considered. We are most fortunate in this market to have well qualified and well educated work force.
- 5) Smart management and set aside funds to focus on early retirements without merely replacing at current salary and benefits.
- 6) Work with county employees so they understand the generous benefit and wage package they receive as compared to many other Nebraska taxpayers. Our clear stated goal is to keep these jobs without engaging in reduction in force practices. Support cost sharing for health insurance that will bring the compensation more in line with other employees in the Lincoln market. I am the only county commissioner that is not on a government sponsored health care plan so we all need to objectively embrace the appropriate health costs that our county can reasonably afford and that will not overburden our county employees.
- 7) Challenge each and every one of our elected officials to provide ideas of efficiencies instead of excuses. Hold them accountable. Please join me in asking them why not? Challenge our elected officials to provide you the facts. If they doubt the figures on the labor market provided by the Nebraska Department of Labor then they must show their evidence for saying that.
- 8) Challenge our Nebraska legislators on rescinding laws that direct too many law violators into our jail and prison systems by embracing community corrections and other alternatives to incarceration. How do we determine that? Studies from the conservative think tank Platte Institute and even Newt Gingrich acknowledge the failed policies of locking up non-violent offenders is debilitating the justice system by clogging it with cases that normally have been probated or fined or diverted.
- 9) Renew the discussion of consolidating agencies like city public works and county engineering and city and county law enforcement. These discussions should be ongoing. We need to challenge those elected officials to embrace this as other interlocal agencies have.

I'm a pragmatist knowing that we have to pass this budget as flawed as it is because of several pending issues to be resolved this coming year. Am I a Pollyanna to think some of the systemic issues can be changed. Probably. I'd like to see more cooperation from the other elected officials in working on some of the ideas I have outlined. I'm proud of our county employees and I'm proud to represent Lancaster County where we truly are on the cutting edge in Nebraska. We can't keep embracing the same attitude of pay me now or pay me later as we will end up doing both and both very ineffectively.

MINUTES
LANCASTER COUNTY BOARD OF EQUALIZATION
TUESDAY, AUGUST 28, 2012
COMMISSIONERS HEARING ROOM, ROOM 112
FIRST FLOOR, COUNTY-CITY BUILDING
IMMEDIATELY FOLLOWING THE LANCASTER COUNTY
BOARD OF COMMISSIONERS MEETING

Advance public notice of the Board of Equalization meeting was posted on the County-City Building bulletin board and the Lancaster County, Nebraska, web site and emailed to the media on August 24, 2012.

Commissioners present: Deb Schorr, Chair
Larry Hudkins, Vice Chair
Bernie Heier
Jane Raybould
Brent Smoyer

Others present: Scott Gaines, Deputy County Assessor/Register of Deeds
Kerry Eagan, Chief Administrative Officer
Gwen Thorpe, Deputy Chief Administrative Officer
Brittany Behrens, Deputy County Attorney
Dan Nolte, County Clerk
Cori Beattie, Deputy County Clerk
Ann Taylor, County Clerk's Office

The location announcement of the Nebraska Open Meetings Act was given and the meeting was called to order at 10:39 a.m.

1) **MINUTES: Approval of the minutes of the Board of Equalization meeting held on Tuesday, August 21, 2012.**

MOTION: Hudkins moved and Raybould seconded approval of the minutes. Hudkins, Raybould, Heier, Smoyer and Schorr voted aye. Motion carried 5-0.

2) **ADDITIONS AND DEDUCTIONS TO THE TAX ASSESSMENT ROLLS (See attached additions and deductions)**

MOTION: Raybould moved and Hudkins seconded approval of the additions and deductions. Raybould, Heier, Smoyer, Hudkins and Schorr voted aye. Motion carried 5-0.

3) **MOTOR VEHICLE TAX EXEMPTION APPLICATION:**

Food Bank of Lincoln, Inc.

MOTION: Hudkins moved and Heier seconded approval of the motor vehicle tax exemption application. Heier, Smoyer, Hudkins, Raybould and Schorr voted aye. Motion carried 5-0.

4) **ADJOURNMENT**

MOTION: Heier moved and Raybould seconded to adjourn the Board of Equalization meeting at 10:41 a.m. Smoyer, Hudkins, Raybould, Heier and Schorr voted aye. Motion carried 5-0.

Dan Nolte

Dan Nolte
Lancaster County Clerk

