

**STAFF MEETING MINUTES
LANCASTER COUNTY BOARD OF COMMISSIONERS
COUNTY-CITY BUILDING, ROOM 113
TUESDAY, JULY 24, 2012
10:30 A.M.**

Commissioners Present: Deb Schorr, Chair
Bernie Heier
Jane Raybould
Brent Smoyer

Commissioners Absent: Larry Hudkins, Vice Chair

Others Present: Dennis Meyer, Budget & Fiscal Director
Kerry Eagan, Chief Administrative Officer
Gwen Thorpe, Deputy Chief Administrative Officer
Dan Nolte, County Clerk
Cori Beattie, Deputy County Clerk
Angela Zocholl, County Clerk's Office

Advance public notice of the Board of Commissioners Staff Meeting was posted on the County-City Building bulletin board and the Lancaster County, Nebraska, web site and provided to the media on July 20, 2012.

The Chair noted the location of the Open Meetings Act and opened the meeting at 10:32 a.m.

AGENDA ITEM

1 FY 2012-13 BUDGET DEFICIT DISCUSSION – Dennis Meyer, Budget & Fiscal Officer

Dennis Meyer, Budget & Fiscal Director, said the beginning balance for the General Fund is \$551,234 more than last year, which is mostly due to the transfer of \$1,575,000 from the Keno Fund and a good year on inheritance tax. The current year budget for Keno to the General Fund is \$500,000. After the departmental budget hearings, adjustments amounted to just under \$1,200,000. The cuts and fund balance for the Community Mental Health Center is \$620,000. The inheritance tax has increased by \$500,000. A 4% valuation increase is built into the budget which brings in around \$2,000,000. The result is a \$1,400,000 deficit.

Schorr discussed dividing the budget deficit equally between all departments, which equates to a 1.2% cut in each budget (Exhibit A). She stated that she did not want to raise the tax levy.

Smoyer agreed a tax increase should not be an option. He felt cuts should be found now to show the State that the County is making an effort to reduce costs. He expressed concern over losing the inheritance tax.

Heier felt top priority should be given mandated services. He noted that the County funds \$4,496,000 in non-mandated services, not counting the Health Department. He suggested using the

2.6-cent levy for the Railroad Transportation Safety District (RTSD) and \$1,000,000 from the Lancaster Manor fund to cover the budget deficit. Schorr expressed concern that the Manor fund was established as an endowment with the intent to use the income for support programs for the elderly. Smoyer cautioned using the funds since it would be a one-time fix and there are still workers' compensation claims to cover.

Raybould presented a proposal for budget reductions (Exhibit B). She said return on investment should be considered before taking away funding for non-mandated services.

Sheli Schindler, Youth Services Center Director, asked the Board to consider the risk of reducing certain budgets. She said she could not reduce any more staff without increasing the risk for her department.

Doug Cyr, Deputy County Attorney, expressed concern that not all departments would be cutting their budgets equally since some came in over budget initially and would not have the same starting point. He said the County Attorney's Office has cut back \$281,731 in the last four years and has not come back with a midyear budget request. There is nothing left to cut with the possible exception of a \$10,000 contract to fund the Child Advocacy Center. Cyr said his office looked at privatizing the Child Support Division, but the private contractor for Douglas County said 28 employees would be needed rather than the 19 currently on staff. He said labor costs have been reduced substantially. Nine attorneys have been lost over the last two years which has resulted in inexperienced attorneys being hired at the bottom of the pay scale. He discussed the difficulty of hiring good attorneys with the current budget restraints.

Schorr asked to address the bad check prosecution. Pat Condon, Chief Deputy County Attorney, said the bad check prosecution has decreased as checks are being used less. He said they went from two attorneys to one for bad checks.

Meyer asked to address one-day furloughs. Cyr said the union has individual labor contracts that control whether certain employees can be furloughed. His office does not have union contracts and the Board does not have the ability to dictate that the County Attorney furlough his employees. He said furloughs do not work well in a government entity with multiple labor contracts, Personnel rules and elected officials. Schorr asked how the State is implementing furloughs. Cyr said every government entity has different contracts and policies and each entity would have to be looked at individually. He said if there are not unions in an office, you could have the furlough option; however, furloughing on top of an insufficient staff would not work.

Condon discussed the impact of the budget reductions in retaining and obtaining employees. He noted the amount of experienced employees leaving the office for other positions. Condon discussed the increase in court activity and expenses, which flows through to the other agencies.

Smoyer said the Board should be fair and look at departments, such as the County Attorney's office, that have already cut their budgets. He felt departments that came in over budget should be reviewed.

Heier said using 1 cent from the RTSD levy would provide \$1,900,000. He questioned why this could not be brought back into the budget.

Smoyer suggested using 1 cent of the RTSD's 2.6-cent levy for the budget and giving back the rest as a tax cut to the public. He said the RTSD has \$16,000,000 which is enough to fund current projects.

Joe Nigro, Deputy Public Defender, said his office provides mandated services. He felt making cuts and adjusting caseloads could cost the County more. He said Dennis Keefe, Public Defender, and Dennis Meyer negotiated with the City of Lincoln for an increase in reimbursement on City cases, resulting in over \$100,000.

Kit Boesch, Human Services Director, felt \$1,000,000 could be pulled from the Manor fund since it is currently sitting in a bank doing nothing. She said the remaining \$1,000,000 could still be held for elderly funding. Boesch encouraged the Board to look at retirement buyout packages which could save money in the long run. Schorr noted that the County looked at retirement buyout packages previously but they did not show a savings. Raybould said replacing the retired positions at a lower rate could save money; she felt the buyout option was a good idea if implemented correctly.

In response to Schorr's question, Boesch said the County portion of the JBC budget is \$770,180. She said JBC provides a way to meet behavioral health issues and emergency service issues in the non-profit sector. If not done, it will transfer into other areas, such as the County jail, at a higher cost.

Schorr suggested splitting the amount needed to cover the budget evenly between the Manor fund, the RTSD and department cuts with the following options: take it from the final of last year, take it from proposed of this year, or take it from the edited version of this year. She said she was not comfortable with using the Manor fund for buyout packages.

Smoyer discussed dividing the 2.6-cent RTSD levy; he suggested 1 cent for the County fund, 1.1 cents for tax cuts and 0.5 cents for the RTSD levy.

Terry Wagner, County Sheriff, agreed that fund balances could be used to help alleviate the budget shortfall. He thought early retirement buyouts were a good idea; they are expensive up front but a savings would likely be realized in five to six years. He noted the department heads are already underpaid, so new people could demand a higher wage. Wagner said cutting his budget would not allow his department to fulfill their mandated services.

Cyr cautioned the Board that it is important to plan for catastrophic losses since the County is self-insured. He said it is important to fund reserves for the future.

The Board considered the funding needed for RTSD. Schorr said the SW 40th Street project is estimated at \$9,000,000. Gwen Thorpe, Deputy Chief Administrative Officer, said she spoke with Roger Figard of the RTSD; he said the cash is banked for the SW 40th Street project, but losing the whole 2.6-cent levy could create issues.

Mike Thurber, Corrections Director, said the jail had brought in around \$3,000,000 but that amount was given up once the City was no longer charged for their offenders. He discussed the possibility of implementing a booking fee. He said \$100,000 could be cut by delaying the hiring of staff, which will result in delaying the opening of the new jail. He discussed the cuts made as the jail population has increased. Thurber thought the building might be ready in late September or October. He discussed use of the Corrections budget to pay the DEC amortization fee.

Heier suggesting taking 1 cent of the RTSD levy for the budget since RTSD has \$14,000,000 to cover their current projects. Raybould said she supported the RTSD levy transfer but still felt other options should be reviewed.

Schorr suggested using any extra funds for salary increases for unrepresented employees that have not received a raise.

MOTION: Heier moved and Smoyer seconded to take 1 cent from the RTSD levy to be used for the budget deficit with the remainder of the balance go to unrepresented employees for increases in salary, which can be amended if needed.

Raybould wanted to amend the motion to transfer the 1 cent for the deficit but consider other ways to go forward without earmarking extra funds specifically for salary increases.

Schorr clarified that Raybould supported the motion to transfer the 1-cent RTSD levy but not to designate the excess for salary increases.

Heier said the original motion includes the option to amend the use if needed.

ROLL CALL: Smoyer, Heier, Raybould and Schorr voted aye. Hudkins was absent. Motion carried 4-0.

2 ADJOURNMENT

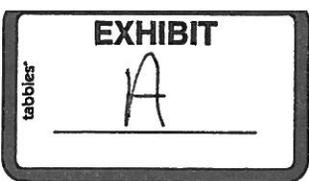
MOTION: Smoyer moved and Heier seconded to adjourn the meeting at 12:02 a.m. Raybould, Heier, Smoyer and Schorr voted aye. Hudkins was absent. Motion carried 4-0.



Dan Nolte
Lancaster County Clerk



**LANCASTER COUNTY
PROPERTY TAX FUNDED BUDGETS
FY13 REQUESTED COMPARED TO FY12 ADOPTED**



	Requested Expenditures FY13		1,421,896	Changes		1,421,896
GENERAL FUND:						
COUNTY BOARD	270,797	0.24%	3,454	-	270,797	0.25%
COUNTY CLERK	924,786	0.83%	11,797	29,344	895,442	0.81%
COUNTY TREASURER	3,470,200	3.11%	44,266	60,000	3,410,200	3.09%
ASSESSOR	3,864,710	3.47%	49,298	-	3,864,710	3.50%
ELECTION COMMISSIONER	1,363,985	1.22%	17,399	-	1,363,985	1.23%
DATA PROCESSING	1,025,947	0.92%	13,087	71,000	954,947	0.86%
BUDGET & FISCAL	199,605	0.18%	2,546	-	199,605	0.18%
ADMINISTRATIVE SERVICES	359,615	0.32%	4,587	(14,799)	374,414	0.34%
G.I.S.	534,638	0.48%	6,820		534,638	0.48%
BOARD OF EQUALIZATION	600,000	0.54%	7,654	100,000	500,000	0.45%
CLERK OF DIST COURT	1,579,711	1.42%	20,151		1,579,711	1.43%
COUNTY COURT	897,424	0.81%	11,448	28,000	869,424	0.79%
JUVENILE COURT	1,864,125	1.67%	23,779	100,000	1,764,125	1.60%
DISTRICT COURT	2,549,369	2.29%	32,520	65,000	2,484,369	2.25%
PUBLIC DEFENDER	3,397,177	3.05%	43,334		3,397,177	3.08%
JURY COMMISSIONER	147,694	0.13%	1,884		147,694	0.13%
COOPERATIVE EXTENSION	1,007,042	0.90%	12,846		1,007,042	0.91%
RECORDS INFO & MGMT	582,040	0.52%	7,425	19,876	562,164	0.51%
SHERIFF	9,937,711	8.92%	126,766	100,000	9,837,711	8.91%
COUNTY ATTORNEY	6,463,153	5.80%	82,444	(45,500)	6,508,653	5.89%
CORRECTIONS	19,073,747	17.11%	243,305	500,000	18,573,747	16.82%
JUVENILE PROBATION	284,016	0.25%	3,623		284,016	0.26%
ADULT PROBATION	401,119	0.36%	5,117		401,119	0.36%
COMMUNITY CORRECTIONS	1,916,478	1.72%	24,447	70,953	1,845,525	1.67%
YOUTH SERVICES CENTER	5,675,395	5.09%	72,395		5,675,395	5.14%
EMERGENCY SERVICES	547,582	0.49%	6,985	60,000	487,582	0.44%
COUNTY ENGINEER	3,311,062	2.97%	42,236		3,311,062	3.00%
MENTAL HEALTH BOARD	149,170	0.13%	1,903		149,170	0.14%
GENERAL ASSISTANCE	2,647,315	2.37%	33,769		2,647,315	2.40%
VETERANS SERVICE	709,971	0.64%	9,056	(18,000)	727,971	0.66%
HUMAN SERVICES	278,918	0.25%	3,558	25,000	253,918	0.23%
G.F. GENERAL GOVERNMENT	9,964,857	8.94%	127,112	44,648	9,920,209	8.98%
G.F. JUSTICE SYSTEM	2,193,146	1.97%	27,976	(239,844)	2,432,990	2.20%
G.F. HHS	3,747,999	3.36%	47,810	62,368	3,685,631	3.34%
	91,940,504	82.48%	1,172,795		90,922,458	82.32%
Bridge & Special Road Fund	9,649,139	8.66%	123,085		9,649,139	8.74%
CMHC	9,502,309	8.52%	121,212		9,502,309	8.60%
Noxious Weed	376,638	0.34%	4,804		376,638	0.34%
Grand Total	111,468,590	100.00%	1,421,896		110,450,544	100.00%

2012-2013 Budget Reductions								
July 24, 2012								
		One-Time		Deb's Proposal	Alternate Proposal			.5% budget reduction
				2011-2012	2011-2012			2012-2013
Potential Savings								
.5% budget fund savings					1,288,279.00			
1% budget fund savings								
2% budget fund savings								
3% budget fund savings								
Capital Investments Reduction								
Sheriff								198,000.00
Engineer								400,000.00
Corrections								40,000.00
GIS								10,400.00
Emergency Services								25,000.00
IS								185,968.00
PEHP		\$450,000 v		330,000.00	330,000.00			450,000.00
1 Day Furlough		249,000.00 v		0.00	249,000.00	per person		250,000.00
Health Ins. Adjustments		150,000.00		0.00	106,000.00	mid-year		
\$50 month health ins.		0.00						
KENO		1,000,000.00 v		950,000.00	600,000.00	handhelds		
IS savings		255,000.00		170,000.00	0.00	for assessor		
East Beltway		606,000.00		625,000.00	500,000.00			
JBC		250,000.00		205,000.00	150,000.00			
Valuation increase 1%		500,000.00 v		350,000.00	350,000.00			250,000.00
Delinquent tax		600,000.00 v		650,000.00	650,000.00			
Sinking fund Sheriff		100,000.00 v		0.00	86,000.00			
Juvenile/District Court		150,000.00		150,000.00	0.00			
Corrections Budget		150,000.00		150,000.00	-122,000.00			
Elected Official Budget Reduction				585,376.00				1809368
Future Cost Savings								
Early retirement buy-out savings								
Employee Health Ins. Contribution								
Reduce ret. Match to 1								
Privatize repair shop								
Consolidate law enforc.								
Consolidate eng.& pw								
		\$4,460,000		4,165,376.00	4,187,279.00	0.00		