

**MINUTES
MID-YEAR BUDGET RETREAT
LANCASTER COUNTY BOARD OF COMMISSIONERS
LINCOLN-LANCASTER COUNTY HEALTH DEPARTMENT
TRAINING CENTER - 3140 N STREET, ROOM 0212 (LOWER LEVEL)
THURSDAY, FEBRUARY 1, 2007
8:30 A.M.**

Commissioners Present: Bob Workman, Chair
Bernie Heier, Vice Chair
Larry Hudkins
Deb Schorr
Ray Stevens

Others Present: Kerry Eagan, Chief Administrative Officer
Dennis Meyer, Budget & Fiscal Officer
Dan Nolte, County Clerk
Jean Ortiz, *Journal Star*
Gwen Thorpe, Deputy Chief Administrative Officer

The Chair called the meeting to order at 8:30 a.m..

NOTE: The documents referred to are included in a packet that is on file in the County Clerk's Office.

AGENDA ITEM

1 LEGISLATIVE UPDATE - Gordon Kissel and Amy Prenda,
Legislative Consultants

Gordon Kissel, Legislative Consultant, disseminated and reviewed a legislative update (Exhibit A). He reported Legislative Bill (LB) 166 (Change provisions relating to property taxation and assessment) moved on to Select File.

Discussion focused on amending LB 248 (Provide for road improvement district elections to be conducted by mail) to include language regarding the jail election bond.

MOTION: Hudkins moved and Heier seconded to direct Gordon Kissel and Amy Prenda to find an amendment vehicle which will allow the County to place the jail election bond on the ballot for the primary election in April.

FRIENDLY AMENDMENT: Heier proposed a review of the matter on Tuesday, February 6, 2007.

The maker of the motion accepted the friendly amendment.

ROLL CALL: Schorr, Hudkins, Stevens, Heier and Workman voted aye. Motion carried.

Schorr informed the Board that Dick Campbell has asked her to testify on behalf of the County at a legislative hearing regarding a proposal for the Nebraska State Fair to move its location to the Lancaster Events Center.

Kissel stated he felt it wasn't a County issue at the current time and recommended against testifying.

Discussion followed about the possibility of an informational meeting regarding Vision 2015 and its goals.

2 LANCASTER MANOR FUNDING - Larry Van Hunnik, Lancaster Manor Administrator

Larry Van Hunnik, Lancaster Manor Administrator, stated the funds for renewal and replacements and paying the principal of bonds are not directly available.

Dennis Meyer, Budget and Fiscal Officer, stated the fund balance as of December 31, 2006 was approximately \$7,497 and referred to a letter dated September 7, 2006 from Roger E. Thompson with Seim Johnson Sestak & Quist, L.L.P indicating that the reimbursement amount would be approximately \$937,000. Meyer stated Billette Wilhelm, Director of Fiscal Services at Lancaster Manor, has indicated the Manor is spending approximately \$100,000 more than what is coming in as revenue.

Hudkins stated one option would be to finance it through the General Fund as an interagency loan.

Van Hunnik explained there are intergovernmental transfer funds where care is provided at the Medicaid rate and then the Federal government is billed at the Medicare rate.

Discussion followed regarding payment by the State to Lancaster Manor with Stevens suggesting the Board go to the Governor regarding the issue.

Workman asked if the responsibility of operating the Manor should be passed on to someone else.

MOTION: Stevens moved and Heier seconded to request Kerry Eagan to draft a letter to the Governor outlining the County Board's concerns with a copy of the letter to be sent to the Director of Health and Human Services and the Administrative Services Director and to also request a follow-up meeting with the Governor and representatives of the County Board. Hudkins, Stevens, Schorr, Heier and Workman voted aye. Motion carried.

3 MID-YEAR BUDGET REVIEW - Dennis Meyer, Budget and Fiscal Officer

a. Mid-Year Status of Expenditure Budget

Meyer gave an overview of the following documents in the Lancaster County Mid-Year Status of Expenditure Budget for Fiscal Year 2007 Budget:

- ▶ Lancaster County Projected Additional Appropriations

Meyer stated most of the additional appropriations are related to increases in salaries.

- ▶ Report of Obligations Versus Budget - December 31, 2006
- ▶ Payroll Costs Compared to Budget - December 31, 2006
- ▶ Comparison of Obligations through December - Fiscal Year 2006 Versus Fiscal Year 2005
- ▶ Comparison of Payroll Obligations through December - Fiscal Year 2006 Versus Fiscal Year 2005
- ▶ Overtime by County Agency Compared to Budget - December 31, 2006
- ▶ Juvenile Court Board Contracts
- ▶ General Assistance - December 31, 2006

General discussion focused on lids, with Meyer stating the County could have a problem if the legislative bill removing the five cent levy credit for interlocal agreements from the lid (LB 362) passes. He stated last year the County claimed \$25 million in lid exceptions for interlocal agreements. If that is taken away, he said, the County would be over the lid by \$13 million.

Meyer referred to page 4-2 and stated that Lancaster County can only levy or receive property tax up to 44.7 million dollars, however, if a County has certain exceptions they may go above that amount. One of those exceptions, he said, is if the County is using property tax or state aid to fund the interlocal agreements they would not be a part of the lid, however, if the interlocal agreements go away Lancaster County will be forced to be at almost 44.7 million dollars.

b. Mid-Year Status of Revenue Budget

Meyer gave an overview of the following documents:

- ▶ Report of Revenues Versus Budgeted - December 31, 2006
- ▶ Comparison of Actual Revenues - Fiscal Year 2007 Versus Fiscal Year 2006

Major changes noted by Meyer were as follows:

1. Property tax increase of 5.85 percent
 2. Prisoner reimbursement not received until after January 1, 2006
 3. Fluctuation in Federal Revenues due to decrease in FEMA and mental health receipts
 4. Decrease in contract reimbursements in the Bridge and Road Fund
- ▶ Inheritance Tax Collections
 - ▶ Register of Deeds Fees
 - ▶ Interest Income Comparison
 - ▶ Employees Insurance - Fund 14

c. Other Issues

Meyer gave an overview of the following documents:

- ▶ Fiscal Year 2007 Building Fund Budget (Fund 51)
- ▶ Keno Collections

Meyer noted a slight increase in Keno collections compared to the previous years.

Workman stated that the City of Lincoln has requested the County's portion of Keno collections be decreased.

Hudkins suggested that if the County does decrease their portion of Keno collections, they request the City to increase their portion for weed control services since 60 percent of the weed budget is spent within the City.

Stevens stated he would be receptive to changing the Keno split from 70/30 to 75/25.

Board consensus to request Dennis Meyer to conduct an analysis regarding the impact of reducing the County's portion of Keno collections and increasing the City's portion of the weed budget by February 6, 2007.

- ▶ Fiscal Year 2007 Adopted Keno Fund Budget
- ▶ Indigent Defense Costs
- ▶ Year End Fund Balances
- ▶ Deb Service
- ▶ Leases with NACO

The Chair recessed the meeting at 11:35 a.m..

Dan Nolte, Lancaster County Clerk