

**MID-YEAR BUDGET RETREAT
LANCASTER COUNTY BOARD OF COMMISSIONERS
SPRING CREEK PRAIRIE
11700 SOUTHWEST 100TH STREET, DENTON, NEBRASKA
THURSDAY, JANUARY 31, 2008
8:30 A.M.**

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

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

NOTE: Also in attendance were Coby Mach, John Boehm and Andre Mick, Lincoln Independent Business Association (LIBA); Kyle Fischer, Lincoln Chamber of Commerce; and Jean Ortiz, Lincoln Journal Star Newspaper.

The Chair opened the meeting at 8:40 a.m.

AGENDA ITEM

- 1 YOUTH SERVICES CENTER (YSC) COSTS AND RATES** - Michelle Schindler, Youth Services Center Director; Melissa Hood, Administrative Aide

Michelle Schindler, Youth Services Center Director, said 19,344 care days were anticipated when the budget was developed. She said that prediction has been revised to 21,894 care days, based on numbers from July 1, 2007 through December 31, 2007. Schindler said a revenue shortfall of \$245,000 was initially anticipated but said she now believes that revenue and expenses will be fine this year and that YSC will stay within its budget.

Hudkins and Schorr arrived at the meeting at 8:43 a.m.

In response to a question from Hudkins, Schindler said the State is being billed at the new \$260 per diem rate but has submitted payment at the old rate of \$238.

Melissa Hood, Administrative Aide, said she will be sending them a bill for the difference.

Workman asked how much the State has failed to pay.

Hood estimated the amount at \$15,000 since the rate change.

Hudkins asked at what point would the closing of a housing pod or employee layoffs become necessary.

Schindler noted that population numbers have increased (there are currently 60 youth in the facility) and said if there are concerns regarding expenditures and the difference in revenue there are programmatic changes that could be made to get the best utilization of staff.

Workman asked Schindler whether she is marketing the facility.

Schindler said she is not. She said there are currently 19 counties on contract, with 12 utilizing the facility.

MOTION: Hudkins moved and Schorr seconded to authorize the Chair and Youth Services Center (YSC) Director to: 1) Send a letter to the 19 counties that contract for beds in the Youth Services Center (YSC) thanking them for their business, indicating there is less utilization by the State and therefore more beds available; and stating Lancaster County will continue efforts to lower per diem rates; and 2) Send a letter to the other counties in Nebraska suggesting that they contract for beds in the facility. Schorr, Stevens, Workman, Hudkins and Heier voted aye. Motion carried.

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

A. Mid-Year Status of Expenditure Budget

Dennis Meyer, Budget and Fiscal Officer, gave an overview of the following documents:

- * Report of Obligations Versus Budget - December 31, 2007 (Pages 3-1 through 3-2)
- * Payroll Costs Compared to Budget - December 31, 2007 (Page 3-3)
- * Comparison of Obligations Through December Fiscal Year 2008 Versus Fiscal Year 2007 (Page 3-4)
- * Comparison of Payroll Obligations Through December Fiscal Year 2008 Versus Fiscal Year 2007 (Page 3-5)

- * Overtime by County Agency Compared to Budget - December 31, 2007 (Page 3-6)

The Board requested an explanation of overtime costs for the Youth Services Center (YSC), Community Mental Health Center, Corrections and Building and Grounds.

- * Juvenile Court Boarding Contracts (Page 3-7)
- * General Assistance - December 31, 2007 (Page 3-8)

Meyer said Gary Chalupa, Veterans Service Officer/General Assistance Director, has indicated that there are a couple of cases outstanding that could impact the numbers.

Schorr suggested the need to target hospital costs.

B. Mid-Year Status of Revenue Budget

Meyer gave an overview of the following documents:

- * Report of Revenues Versus Budgeted - December 31, 2007 (Page 4-1)
- * Comparison of Actual Revenues - Fiscal Year 2008 Versus Fiscal Year 2007 (Page 4-2)
- * Inheritance Tax Collections (Page 4-3)
- * Register of Deeds Fees (Page 4-4)
- * Interest Income Comparison (Page 4-5)
- * Employees Insurance - Fund 14 (Page 4-6)

C. Other Issues

Meyer gave an overview of the following documents:

- * Fiscal Year 2008 Building Fund Budget (Fund 51) (Page 5-1)

Meyer said the Building Fund may be expended by the end of the fiscal year.

- * Keno Collections (Page 5-2)
- * Fiscal Year 2008 Adopted Keno Fund Budget (Page 5-3)

Schorr noted that the prevention grant disbursement cycle has been revised so there may be more carryover.

- * Indigent Defense Costs (Pages 5-4 through 5-7)

Schorr asked whether paralegals could do more of the work currently performed by attorneys.

There was Board consensus to: 1) Send a letter to Dennis Keefe, Public Defender, expressing concern regarding expenditures in this area and attach a copy of the graph outlining indigent defense costs; 2) Update the graph to include the number of bookings, general population growth and the recidivism rate; 3) Schedule discussion with the Lancaster County Indigent Defense Advisory Committee; and 4) Include indigent defense costs on the legislative list.

Further consideration of a Magistrate System was also suggested.

- * Year End Fund Balances (Page 5-8)

Meyer predicted that fund balances will be down this year, due in part to the purchase of land for the new jail.

- * Debt Service (Page 5-9)

Meyer said Ron Fetters, Lancaster Manor Administrator, would like to pursue paying off the bonds if there are sufficient funds.

- * Nebraska Association of County Officials (NACO) Leases (Page 5-10)

D. Five-Year Forecast

Meyer gave an overview of the following documents:

- * Tax, Valuation & Budget History (Pages 2-1 through 2-3)

Meyer said the ability of the County to keep the levy where it has been over the years has been due to increases in valuation and said he does not believe there will be a sizeable increase in valuation for some time.

Meyer indicated the following factors drove the budget over the years: 1) Families First & Foremost (F³) Grant Program; 2) Self Insurance; 3) Grants; 4) Intergovernmental Transfer; 5) Public Safety Issues; and 6) General Assistance (GA).

- * General Fund Breakdown (Pages 2-4 through 2-8)

- * Public Safety Breakdown (Pages 2-9 through 2-14)

- * Public Works Breakdown (Pages 2-15 through 2-16)

- * Human Services Breakdown (Pages 2-17 through 2-21)

Additional information was requested on the 21.98% increase in funding for the Human Services Federation (Page 2-18).

* Levy Projections (Pages 2-22 through 2-25)

Meyer said the County could levy \$7.5 million for 10 years for the jail and take advantage of a provision to levy an additional \$2 million for 10 years after that which would raise \$76.8 million for construction costs. He said the County is already using part of the 5.2 cent levy authorized for bonds and said maxing out levy authority could impact the County's bond rating and the Board's ability to allocate the 15 cent levy that is authorized to certain political subdivisions, such as the Rural Fire Districts, Lancaster County Agricultural Society and the Railroad Transportation Safety District (RTSD).

In response to a question from Schorr, Meyer said it is difficult to predict whether legislation to increase bond authority for counties from 10 years to 20 years (LB 979) will advance out of committee.

Meyer said the County could also apply the City's \$1.4 million annual payment to debt service (a bond issue run through the Public Building Commission would generate \$20.8 construction costs if amortized for 25 years). That could help the County to raise as much as \$97.6 million. **NOTE:** The City's payment is currently used to offset operating costs.

There was general consensus to inform the architects that the Board's intent is to build the jail for \$65 million or less.

* Funding Issues Next 5 Years (Page 2-26)

* Non-Mandated County Services (Page 2-33)

NOTE: Legal opinions relating to this issue are included in the budget materials.

E. Letters from Agencies

Meyer gave an overview of the following documents:

* Projected Additional Appropriations (Page 1-1)

Meyer said requests total \$910,657 (\$706,230 is from the General Fund and \$545,000 of that amount is for salaries).

Bill Jarrett, Chief Deputy Sheriff, appeared and discussed the request for five new patrol vehicles (one is to replace a patrol vehicle totaled in a crash). He stated the total cost is \$118,475, with \$33,043 remaining in the Sheriff's capital budget for vehicles. Jarrett estimated there will be \$105,000 in salary savings from employee separations and military deployments and said those funds could be used to help fund the patrol vehicle request.

Schorr asked whether there will be additional overtime as a result of the vacancies.

Jarrett said there will be some but much of the overtime in his department has reimbursement through grants.

In response to a question from Heier, Jarrett said the department has three patrol vehicles waiting to be set up for service.

Schorr said she would support approval of two new patrol vehicles.

Heier suggested that the Board approve three patrol vehicles if the department agrees to not replace this year the deputy who separated from service.

Jarrett said he will apprise Sheriff Wagner of Heier's proposal.

Meyer was asked to check whether the additional appropriation for Weed Control should be split with the City.

- * Funding Requests (Pages 1-2 through 1-3)
- * Letters from Agencies

F. Department Budget Hearing Schedule for Fiscal Year 2008-09 (See Budget Materials)

There was no objection to the proposed hearing schedule.

G. Fiscal Year 2008-09 Instruction Letter to Agencies (See Budget Materials)

There was general consensus to state that: 1) The Board assumes there will be no increase in valuation this year; 2) All budgets are to be submitted at a current level of services; and 3) If the funding request is greater than this year's spending level, a list of cuts that can be made to get back to that level must be provided.

3 LUNCH - Open Discussion Regarding Strategic Planning Issues/Mandated Services (Heather Program, County Valuation)

Meyer said Dean Settle, Community Mental Health Center Director, informed him that the State has requested a meeting regarding The Heather (community transition program). Settle did not indicate if it involves funding issues.

Heier noted that the employees involved with the program remain County employees and asked Meyer to check whether the County is being reimbursed for their benefits.

4 STAFFING REQUESTS/ISSUES

A. Risk Management - Expanded Hours for Risk Management Specialist

MOTION: Schorr moved and Heier seconded to deny the request. Heier, Hudkins, Workman, Stevens and Schorr voted aye. Motion carried.

B. Health Department/General Assistance - Additional Public Health Nurse

Eagan noted the lack of information on how adding this position might reduce costs in other areas.

Stevens suggested that the item be placed on pending.

MOTION: Hudkins moved to deny the request for this budget year.

The motion died for the lack of a second.

MOTION: Hudkins moved to deny the request, pending additional information.

The motion died for the lack of a second.

MOTION: Hudkins moved and Schorr seconded to deny the request at this time but to indicate a willingness to reconsider the request for next year's budget if justification is provided. Schorr, Workman, Hudkins and Heier voted aye. Stevens voted no. Motion carried.

C. Deputy County Attorney (Juvenile Court)

D. Geographic Information System (GIS) Supervisor (Planning Department)

E. Community Corrections

Items C, D and E were previously approved.

F. Economic Development Coordinator (County Share 1/3 - Approximately \$35,000 to \$40,000)

MOTION: Heier moved and Hudkins seconded to fund 1/3 of the cost of the Economic Development Coordinator position for the remainder of the fiscal year. Heier, Hudkins, Workman, Stevens and Schorr voted aye. Motion carried.

G. Affirmative Action Officer (County Share \$11,500)

MOTION: Schorr moved and Hudkins seconded to: 1) Accept the City's proposal to make this a 3/4 time position; and 2) Fund the position up to \$11,500. Stevens, Schorr, Workman, Hudkins and Heier voted aye. Motion carried.

H. Benefits for Part-Time Employees (20 Hours Per Week)

Eagan explained that increasing the number of work hours required to qualify for benefits will require negotiation with the labor unions.

MOTION: Heier moved and Stevens seconded to increase the number of work hours required to qualify for benefits from 20 to 28 hours per week.

MOTION: Hudkins moved and Schorr seconded to table the motion and request additional information.

The maker of the original motion withdrew his motion.

5 OTHER PROJECTS

A. Information Services Consultant

Gwen Thorpe, Deputy Chief Administrative Officer, noted that the County pays \$1.9 million annually to Information Services, not including installation costs, and questioned whether the County is "getting its money's worth" (a fair equivalent for the money which is paid). She said a basic analysis of services would be helpful.

Eagan suggested that there may be value in the City and County both taking a look at this issue.

Board consensus was to have: 1) The Chair and Vice Chair share the concerns with the Mayor; and 2) Eagan and Thorpe bring back a strategy for the Board's consideration.

B. Keno Funding for Saline Wetlands Partnership

Meyer said \$75,000 will be required by 2011.

C. Youth Services Connectivity

Board consensus was to have: 1) The Chair and Vice Chair discuss the issue with the Mayor; and 2) Commissioner Heier consult Michelle Schindler, Youth Services Center Director, regarding the facility's needs.

D. Sheriff's Shooting Range

Bill Jarrett, Chief Deputy Sheriff, appeared and discussed a proposal to purchase the property that the County leases for the Sheriff's shooting range for \$50,000. He presented copies of an email he received from Tom Casady, Chief of Police, indicating that the Lincoln Police Department is not interested in the shooting range (Exhibit A).

It was noted that the owner of the property has indicated that he would be willing to accept a payment plan.

MOTION: Stevens moved and Hudkins seconded to authorize \$25,000 to be paid out of the Keno Fund upon the signing of the purchase contract and the remainder to be paid six months later. Stevens, Hudkins and Heier voted aye. Schorr and Workman voted no. Motion carried.

E. Arbor Road (Motocross Track at Abbott Sports Complex)

Workman indicated that funds have been set aside for this purpose.

F. Alvo Road (\$450,000 - Fiscal Year 2010-2011)

Don Thomas, County Engineer, appeared and suggested that the funding be spread over three fiscal years (2009-2011).

MOTION: Hudkins moved and Heier seconded to set aside \$450,000 in the Keno Fund, over a three year period, to reimburse the City for the Alvo Road project. Heier, Hudkins, Workman, Stevens and Schorr voted aye. Motion carried.

G. Rural Ambulance Service

Meyer said Greg Hall, Rural Emergency Medical Response Ad Hoc Committee Chair, has asked to meet with him and said he anticipates that he and Doug Ahlberg, Emergency Management Director, will be invited to a committee meeting.

Workman said John Hesterman, Waverly Rural Fire Department, has suggested that the Lincoln firefighters collect the ambulance fees and eliminate the collection fee.

Schorr said it is a complex billing procedure and said they may lack the necessary expertise.

6 BUDGET WRAP-UP

Additional discussion took place regarding the list of projected additional appropriations (see Page 1-1 in the budget materials) with consensus to seek additional information regarding the following requests:

- * Clerk of the District Court - \$30,000 for salaries
- * Veterans Service - Insurance increase
- * Public Defender - Projected shortfall of \$10,000 even though the Public Defender indicated at the January 24th Staff Meeting that he had sufficient funds remaining in his budget to fund an attorney workload assessment (\$9,836).

7 OTHER BUSINESS

Eagan gave an overview of Microcomputer Request 2008-048, \$930.37 from Records Management for one (1) HP CD/DVD Burner and related software (Exhibit B).

MOTION: Schorr moved and Hudkins seconded approval of the request. Heier, Hudkins, Workman, Stevens and Schorr voted aye. Motion carried.

The Board reviewed a list of proposed jail workshop participants (Exhibit C) with consensus to ask the Lincoln Independent Business Association (LIBA) and the Lincoln Chamber of Commerce if they would be willing to accept Jim Mastera as their representative.

Eagan presented a draft of a letter of appreciation to Jim Abel, NEBCO, Inc., and the University of Nebraska Foundation for their donation of studio space in the Landmark One Building, 1010 Lincoln Mall, for the project (Exhibit D).

MOTION: Hudkins moved and Heier seconded to send the letter. Heier, Hudkins, Workman, Stevens and Schorr voted aye. Motion carried.

8 ADJOURNMENT

MOTION: Heier moved and Schorr seconded to adjourn the meeting at 3:55 p.m. Schorr, Stevens, Workman, Hudkins and Heier voted aye. Motion carried.

Dan Nolte
Lancaster County Clerk