Mid Year Budget Review 2019-20

FY2019-20 ADOPTED BUDGET

Public Hearing held on August 27, 2019

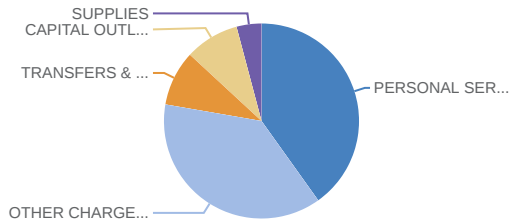
BUDGET OVERVIEW

The Lancaster County's adopted budget is a plan to address a combination of state mandates, local priorities, public safety and infrastructure needs.

The Lancaster County Board's adopted budget was completed using the property tax rate of 28.1576 cents. The County Board will utilize .75 cents from the Railroad Transportation Safety District's tax rate.

BUDGET OF EXPENDITURES

2020 Expenditures by Category



$200,275,812.00
in Expenses in 2020

The total adopted budget of expenditures is $200,275,812 which is a 3.72% increase in comparison to the 2018-19 adopted budget.

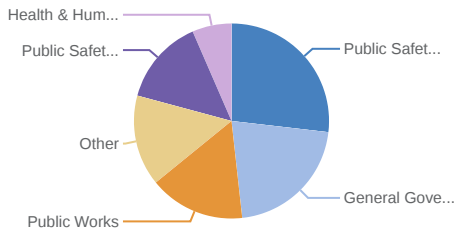
The largest portion of Lancaster County expenditures is for employee salaries and benefits (40.13%).

Lancaster County's 3 largest budgets:

1. County Engineer - $31,368,413
2. Corrections - $25,958,310
3. County Sheriff - $13,646,568

EXPENDITURES BY FUNCTION

2020 Expenditures by Function



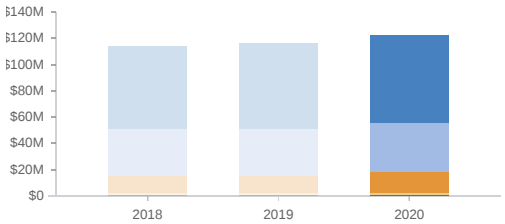
$200,275,812.00
in Expenses in 2020

Public Safety, including Law Enforcement and Other, is 41.11% of the budget. Public Safety-Law Enforcement consists of Corrections, County Sheriff, Youth Services Center, etc. Public Safety-Other includes Courts, County Attorney, Public Defender, etc.

General Government is 2nd at 21.42%. General Government includes the County Clerk, County Treasurer, County Assessor/Register of Deeds, etc. The largest dollar amount is for transfers between funds.

Public Works is the 3rd largest function at 15.88%. Public Works consists of the County Engineer and Noxious Weed Control.

General Fund by Category



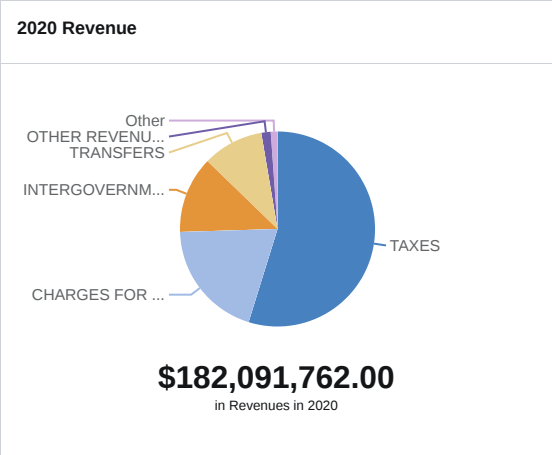
$122,675,020.00
in Expenses in 2020

GENERAL FUND EXPENDITURES

The total budget of expenditures for the general fund is $122,675,020 which is an increase of $6,542,586. This results in a 5.63% increase over the prior year.

What is driving the increased costs?

1. Lancaster County and the City of Lincoln are implementing a new HR/Payroll system. Implementation costs for Lancaster County is approximately $900,000.
2. Additional $3 million will be allocated to the County Engineer's budget.
3. Payroll costs are increasing by $1,923,561 (2.95%). An additional 10 FTE's were hired mid year last year so this is the first full year of costs - $850,000.
4. Board of Equalization costs - Residential Revaluation.
5. Increase in Jail costs - $857,290.



BUDGET OF REVENUES

Taxes are the largest source of revenue for Lancaster County (54.79%). Taxes consist of Property Tax, Motor Vehicle Tax and Inheritance Tax. Inheritance Tax is deposited into the General Fund and is utilized to decrease the amount of property tax required.

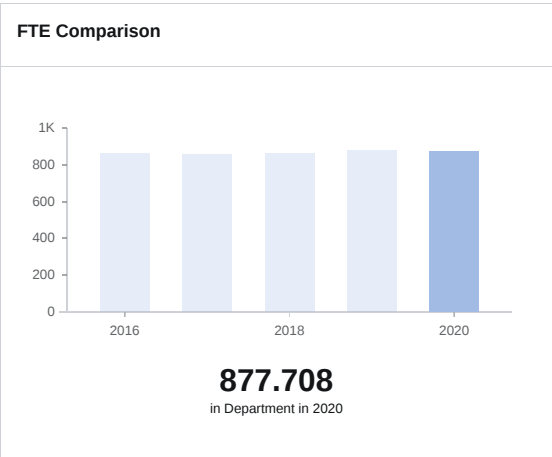
Fees in the General Fund are decreasing because revenue collected by the Youth Services Center is estimated to decrease by approximately $985,000 due to a projected lower number of kids to be housed during 2019-20.

Cash Reserve - General Fund

The Government Finance Officers Association (GFOA) recommends the cash reserve be no less than two months (16.67%) of regular general fund operating expenditures. Based on the recommendation from the GFOA, the General Fund's cash reserve should be $19.6 million. The cash reserve is setup to help cash flow during months of limited property tax collections. Lancaster County is making an effort to increase the General Fund cash reserve. The new cash reserve amount will be $$8,130,699 which is an increase of $1,940,699. Cash reserve will need to be a budget discussion item each year because the new reserve number is only 6.6% of the general fund operating expenditures.

Fund Balance - General Fund

The General Fund balance at July 1, 2019, was lower than the previous year by $1,353,575. The reduction in fund balance was included in the calculation of property tax needed to balance the budget.



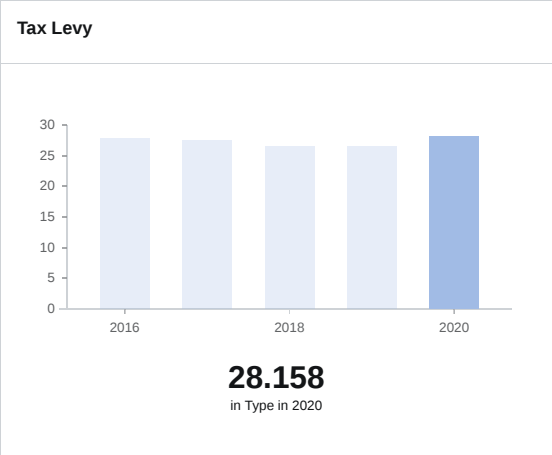
Employees

Lancaster County's total staffing remained at the same level in 2020 as compared to 2019. Total staffing is slightly higher than 2016.

The majority of the 10 additional FTE's added in 2019 would be classified in the Public Safety function.

3 largest Departments:

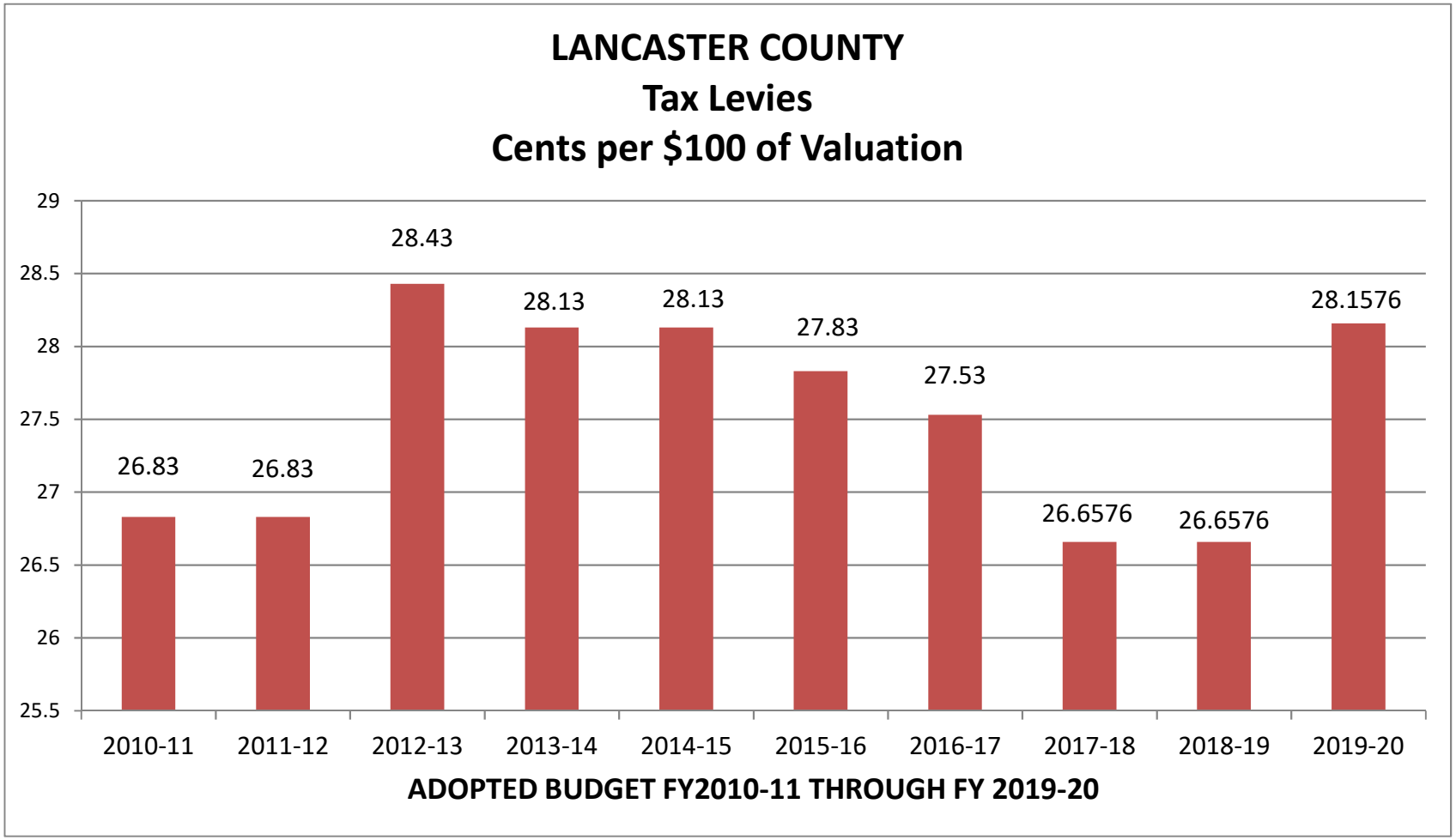
1. Corrections - 225
2. County Sheriff - 110
3. County Engineer - 108

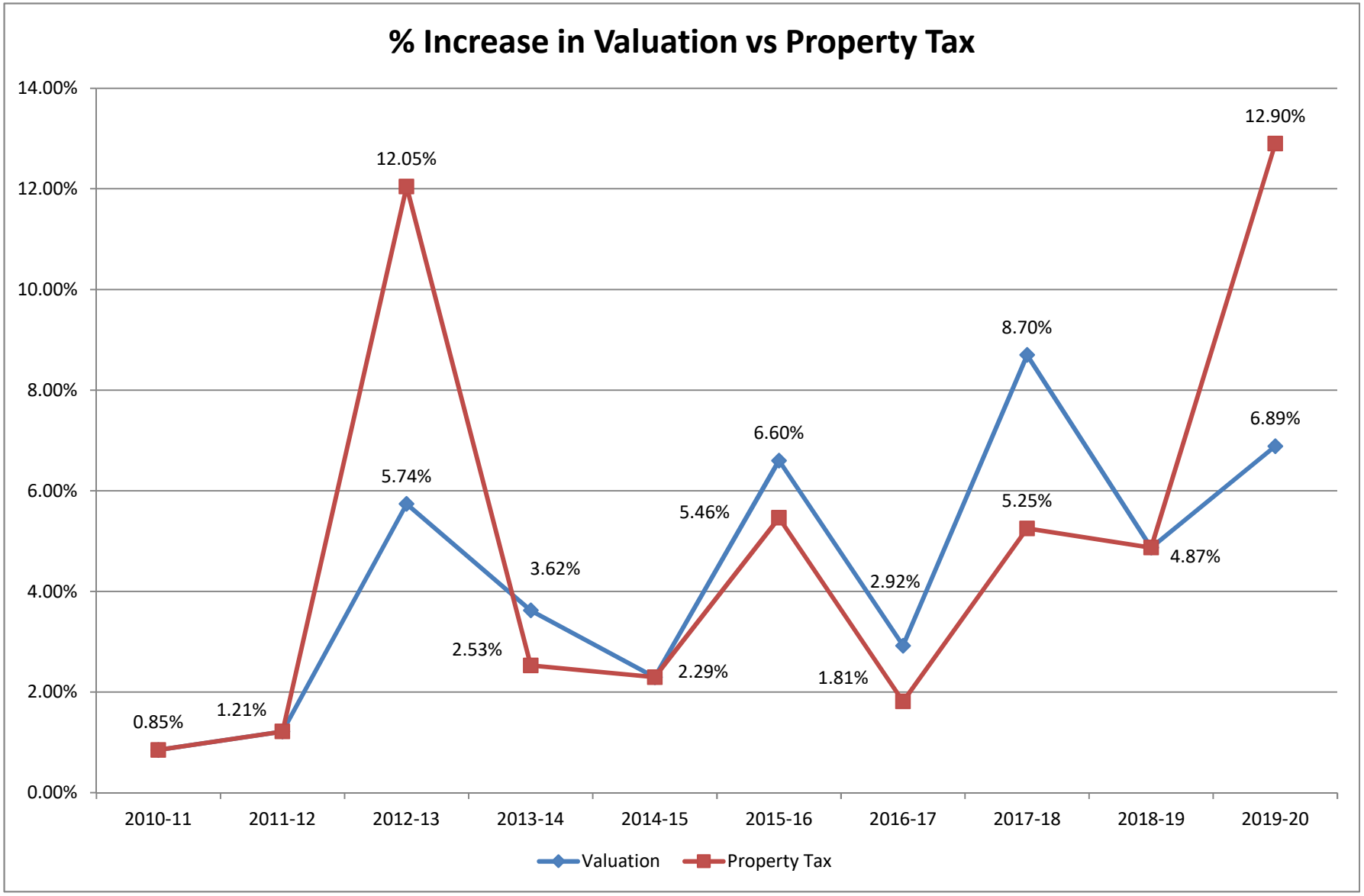


Property Tax Levy

Property Taxes increased by 12.9%. The total amount of property taxes for the adopted budget is $80,276,884.

The county tax levy will be 28.1576 cents which is an increase of 1.5 cents. The Railroad Transportation Safety District's levy will decrease by .75 cents.


LANCASTER COUNTY
Tax Levies
Cents per $100 of Valuation
29
28.5
28
27.5
27
26.5
26
25.5
26.83
26.83
28.43
28.13
28.13
27.83
27.53
26.6576
26.6576
28.1576
2010-11
2011-12
2012-13
2013-14
2014-15
2015-16
2016-17
2017-18
2018-19
2019-20
ADOPTED BUDGET FY2010-11 THROUGH FY 2019-20


% Increase in Valuation vs Property Tax
14.00%
12.00%
10.00%
8.00%
6.00%
4.00%
2.00%
0.00%
2010-11
2011-12
2012-13
2013-14
2014-15
2015-16
2016-17
2017-18
2018-19
2019-20
0.85%
1.21%
12.05%
2.53%
2.29%
1.81%
12.90%
5.74%
3.62%
5.46%
6.60%
2.92%
8.70%
5.25%
4.87%
6.89%
Valuation
Property Tax

The county of lancaster

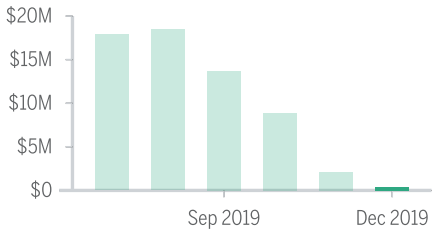
Mid Year Budget

Tell us about it...

Lancaster County - Total Revenues and Expenditures

All Funds - monthly budget to actual

Updated today



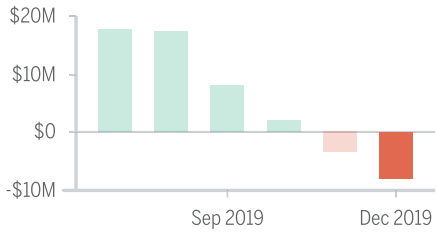
$468,866.28

Revenues Less Expenses in Dec 2019

General Fund - Total Revenues and Expenditures

General Fund - monthly budget to actual

Updated today



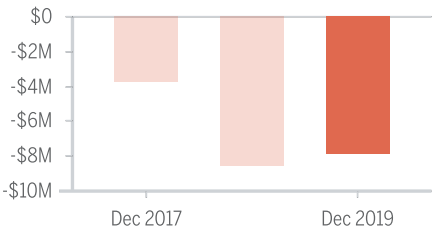
-$7,923,515.34

Revenues Less Expenses in Dec 2019

General Fund - Revenues and Expenditures

3 year comparison - General Fund expenditures and revenues

Updated today



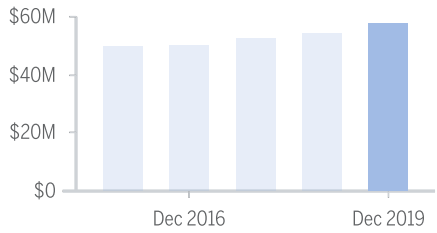
-$7,923,515.34

Revenues Less Expenses in Dec 2019

General Fund Expenses by Expense Type

5 year comparison - specific revenues and expenditures

Updated today

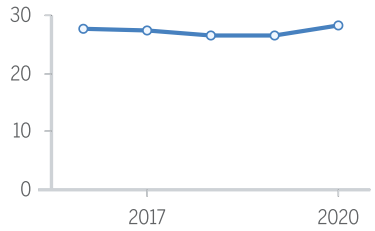


$57,769,348.31

in Expenses in Dec 2019

Tax Levy

Updated 6 days ago

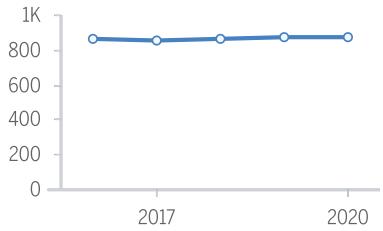


28.158

in Type in 2020

FTE Comparison

Updated 6 days ago



877.708

in Department in 2020

Mid Year Projections

LANCASTER COUNTY
PROJECTED ADDITIONAL APPROPRIATIONS (2020)
MID YEAR FY19-20 BUDGET REVIEW

General Fund - Department	Salary & Benefits	Other	Total	
Board of Commissioners	11,000	-	11,000	
County Clerk	55,282	-	55,282	
Election Commissioner	19,000	-	19,000	School Election $325,000
Budget & Fiscal	17,500	-	17,500	
Clerk of District Court	20,000	-	20,000	
County Court	-	400,000	400,000	
District Court	-	10,700	10,700	
Public Defender	104,766	-	104,766	
Records & Information Mgmt	8,000	-	8,000	
County Sheriff	158,816	53,459	212,275	
County Attorney	80,000	-	80,000	
Corrections	110,000	215,000	325,000	
Mental Health Board	5,000	-	5,000	
General Assistance	-	300,000	300,000	
Veterans Administration	3,900	850	4,750	
TOTAL GENERAL FUND	593,264	980,009	1,573,273	

FY20 General Government Contingency Budget - $2,000,000

Additional Appropriations -	General Fund	Other Funds	Total
Actual FY19	1,109,841	300,000	1,409,841
Actual FY18	748,406	385,951	1,134,357
Actual FY17	3,812,700	200,000	4,012,700
Actual FY16	332,500	-	332,500
Actual FY15	577,851	200,000	777,851
Actual FY14	637,249	-	637,249
Actual FY13	1,174,554	-	1,174,554

Fund Balance / Cash Reserve

Lancaster County
Fund Balance / Cash Reserve

Government Finance Officers Association (GFOA) recommends no less than two months of regular general fund operating expenditures.

Fund Balance -

2019-20 General Fund Total Budget of Expenditures	122,675,020	
Less Capital Outlay	(995,438)	
	121,679,582	
2 months	16.67%	
Calculated Fund Balance	20,283,986	
Fund Balance @ 7-1-19	10,405,000	8.55%
Difference	9,878,986	

Cash Reserve -

2019-20 General Fund Property Tax Request	79,766,884	
2 months	16.67%	
	13,297,140	
Cash Reserve @ 7-1-19	8,130,699	10.19%
Difference	5,166,441	

*Increased cash reserve from $6,190,000 to $8,130,699 in Budget Year 19-20.

Future Funding Issues

LANCASTER COUNTY
LEVY PROJECTIONS

	(Current Year) 2019-20	2020-21	2021-22	
Valuation	28,509,846,062	29,365,141,444	30,246,095,687	
		3.0%	3.0%	
Property Tax	80,276,884	80,482,805	82,897,289	
		205,921	2,414,484	
Calculated Levy	0.281576	0.274076	0.274076	(reduction of RTSD levy of .0075)

Tax Dollar Breakdown:	
General Fund	79,766,884
Building Fund	510,000
	80,276,884

	2020-21	2021-22	
Payroll (Estimated at 3% - includes FICA and Retirement)	1,950,000	2,008,500	($65 million - FY20)
Health Insurance (4% - 2020-21, 4% - 2021-22)	496,000	515,840	($12.4 million - FY20)

LANCASTER COUNTY
LEVY PROJECTIONS

	(Current Year) 2019-20	2020-21	2021-22
Valuation	28,509,846,062	29,365,141,444	30,246,095,687
		3.0%	3.0%
Property Tax	80,276,884	82,685,191	85,165,746
		2,408,307	2,480,556
Calculated Levy	0.281576	0.281576	0.281576

Tax Dollar Breakdown:	
General Fund	79,766,884
Building Fund	510,000
	80,276,884

	2020-21	2021-22	
Payroll (Estimated at 3% - includes FICA and Retirement)	1,950,000	2,008,500	($65 million - FY20)
Health Insurance (4% - 2020-21, 4% - 2021-22)	496,000	515,840	($12.4 million - FY20)

Future Needs (Mid Year)

County Treasurer -			
Possible upgrade to downtown location			
Election Commissioner -			
Match - Voting Machines (sinking fund)	150,000		
District Court -			
Completion of courtroom audio visual project	28,000		
(new speakers and microphones)			
Technology Support position			
(shared by 3 courts and CDC)			
Public Defender -			
2 Attorneys			
Extension -			
Renovate staff restrooms	Building Fund		
Records Management -			
Replacement Vehicle			
Change in staffing			
Scanner			
County Sheriff -			
Firearms Range Renovation or Relocation	500,000		
CJIS	1,000,000		$200,000 in sinking fund
Body-worn cameras equipment and software	35,860		
Annual body camera software	10,500		
Camera Replacement (annual basis)	20,000		
Annual video storage fees	35,000		
3 deputies - training lag	240,000		
1 FTE - manage body cameras, car videos, eCitation	60,000		
4 deputies - Patrol	320,000		
One FTE for Title Inspections	60,000		
		2,281,360	
County Attorney -			
Now -			
Child Support Attorney	17,127		
		17,127	
Next Budget -			
Criminal Division Attorney	96,000		
Renovations to office space			
Coroners Office			

Corrections -		
7 additional Correctional Officers	460,000	
		460,000
Community Corrections -		
Now -		
Mental Health Specialist	11,753	
2 DT/FO	69,401	
		81,154
Next Budget -		
Mental Health Specialist	56,700	
2 DT/FO	138,802	
Assistant Director	116,447	
Capital Outlay	10,000	
		321,949
Things to consider -		
Case Manager	69,401	
Field Officer	67,753	
		137,154
Youth Services Center -		
Security System - possible additional costs	25,000	
Transportation Van	25,000	
Computer Equipment	18,000	
		68,000
Human Services -		
JBC	100,000	
County Code		
Centralized Payroll		
2 Payroll Specialists		
East Beltway		
Engineer - Road and Bridge Funding Gap		

2020-21 Budget Process

LANCASTER COUNTY BOARD OF COMMISSIONERS

Roma Amundson Jennifer Brinkman Deb Schorr Sean Flowerday Rick Vest

Kerry Eagan, *Chief Administrative Officer* Ann E Ames, *Deputy Chief Administrative Officer*

MEMORANDUM

TO: All County Departments
FROM: Jennifer Brinkman, Chair
DATE: March 13, 2019
RE: 2019-20 Budget Requests

The County Board recently reviewed the status of the 2018-19 County budget, as well as some additional costs which we will be facing during the next few years. Several important issues are worth noting:

1. Payroll costs, which include benefits, increase on an annual basis by approximately $2 million.
2. Current property tax reduction proposals before the Legislature could have an impact on our spending and revenue choices.
3. Lancaster County has future needs in regards to building projects and technology upgrades.
4. Lancaster County has a future need to increase cash reserves to maintain an adequate level for cash flow purposes.

The new budget platform called OpenGov will be utilized for the FY2019-20 budget requests. Budget numbers will be entered into OpenGov and additional spreadsheets and supporting documentation will be attached. Service Based budgets will also be completed again for FY2019-20, to explain the link between services provided and annual cost.

The County Board is challenging each department to review their work and the services they provide and identify ways to become more efficient, if possible.

The Board will ask each department for updated information on future building projects and technology upgrades as we plan for future budget years. The budget instructions will include additional information on the spreadsheet.

Out of state travel should be included in your FY2019-20 budget request and will be discussed with your deparment at your budget hearing.

Please review all revenue accounts in depth and indicate any potential revenue shortages or changes. After the budget requests have been reviewed and the Board has a comprehensive view of fund balances, anticipated revenues, and budgeted expenditures, adjustments will be made to present a proposed balanced budget.

555 South 10th Street, Suite 110 / Lincoln, NE 68508 / (402) 441-7447 / Fax: (402) 441-6301
Email: commish@lancaster.ne.gov / www.lancaster.ne.gov

The Board anticipates limited dollars will be available for expansion of services or personnel. However, if a necessity exists, expansion budgets will be separately stated in OpenGov and will be discussed with the Board prior to approval.

Please follow all of the instructions and properly complete all forms by April 16, 2019.

ADDITIONAL ITEMS TO CONSIDER

Grants

Please complete the Federal Grants form listing the federal grants your department has been awarded or will receive for FY2019-20. Include the awarded or budgeted amount, the federal agency awarding the grant, the program title, the CFDA number, the business unit used for accounting purposes, the revenue account, any positions funded by the grant, the grant period, and any county match.

Computers (Technology Fund)

As in the past, the Board will budget for computers funded with property tax dollars in the Information Services budget. Please identify your FY2019-20 need and obtain a cost estimate from Information Services. Your request for FY2019-20 along with the estimate must be submitted at the same time as your budget.

Cutoff on Expenditures

The cutoff to notify the Purchasing Department for FY2018-19 purchases over $50,000 will be May 1 and the cutoff for purchases less than $50,000 will be June 15. The last date for sending payment vouchers to the Clerk will be June 30. Payroll will be accrued through June 30.

Salaries

Salary cost-of-living increases will be budgeted by the County Board in the General Fund Contingency budget, unless the increase has been approved in contract for the upcoming budget.

Managing your FY2018-19 budget from now to June 30 will be helpful. Unexpended amounts will increase year-end balances, thus, reducing next year's tax requirements.

The County Board realizes the budgeting process requires substantial effort on your part. However, adequate documentation and timely submission of your agency's budget request is essential to determining the spending levels of the County in line with the revenues available.