

**MINUTES
MID YEAR BUDGET REVIEW
LANCASTER COUNTY BOARD OF COMMISSIONERS
THURSDAY, FEBRUARY 6, 2020
COUNTY-CITY BUILDING
ROOM 113 - BILL LUXFORD STUDIO
8:30 A.M.**

Commissioners Present: Sean Flowerday, Chair; Rick Vest, Vice Chair; Deb Schorr, Christa Yoakum and Roma Amundson

Others Present: Kerry Eagan, Chief Administrative Officer; Ann Ames, Deputy Chief Administrative Officer; Dennis Meyer, Budget & Fiscal Officer; and Dan Nolte, County Clerk

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 February 5, 2020.

The Chair noted the location of the Open Meetings Act and opened the meeting at 8:33 a.m.

AGENDA ITEM

1. APPROVAL OF STAFF MEETING MINUTES FOR JANUARY 30, 2020

MOTION: Yoakum moved and Vest seconded approval of the January 30, 2020 Staff Meeting minutes. Schorr, Amundson, Vest, Flowerday and Yoakum voted yes. Motion carried 5-0.

2. LEGISLATIVE UPDATE – Joe Kohout and Brennen Miller, Kissel, Kohout, ES Associates LLC

Kohout provided a weekly legislative report (Exhibit 1), hearing schedule (Exhibit 2) and bill information (Exhibit 3).

Regarding LB1148 (Change provisions relating to the Office of Juvenile Services and the placement of juveniles at youth rehabilitation and treatment centers), Pat Condon, County Attorney, and Sheli Schindler, Youth Services Center Director, said there are complex housing needs for the people covered in the legislation. Schindler expressed concern that the bill could impact the current contract the County has with the State of Nebraska for housing those youth. Kohout suggested developing a letter about those questions and concerns.

Next week, bills LB897 (Appropriate funds for behavioral health aid), LB1100 (State intent regarding appropriations for mental health and behavioral health services) and LB1161 (Appropriate funds to the Department of Health and Human Services) will be heard.

MOTION: Schorr moved and Amundson seconded to support bills LB897, LB1100 and LB1161. Amundson, Schorr, Yoakum, Vest, and Flowerday voted yes. Motion carried 5-0.

MOTION: Schorr moved and Yoakum seconded to support LB978 (Provide for county, city, and village jail reimbursement.) Schorr, Yoakum, Vest, Amundson, and Flowerday voted yes. Motion carried 5-0.

MOTION: Yoakum moved and Amundson seconded to oppose LR300CA (Constitutional amendment to prohibit all forms of taxation other than a consumption tax). Yoakum, Vest, Amundson, Schorr, and Flowerday voted yes. Motion carried 5-0.

MOTION: Yoakum moved and Vest seconded to support LB1018 (Appropriate funds to the Department of Health and Human Services). Yoakum, Schorr, Amundson, Vest, and Flowerday voted yes. Motion carried 5-0.

3. OFFICE OF VIOLENCE PREVENTION GRANT – Sara Hoyle, Human Services

Sara Hoyle, Human Services Director, and Becky Steiner, Juvenile Justice Coordinator, discussed a grant proposal to provide funding for a gang outreach position who would work with Lincoln Public Schools (LPS) officials, parents and community partners to reduce gang membership.

MOTION: Amundson moved and Yoakum seconded approval for the Chair to sign the application. Schorr, Amundson, Vest, Yoakum, and Flowerday voted yes. Motion carried 5-0.

4. MID-YEAR BUDGET REVIEW – Dennis Meyer, Budget & Fiscal Officer

A. Mid-Year Status of Revenues and Expenditures

Meyer reviewed budgetary issues through the OpenGov application, including the current budget's increase from the previous fiscal year, which is due partially to the new payroll system and more funds being allocated to the County Engineer's budget (see agenda packet, Mid-Year (2-6-20), Pages 1-9). Additionally, he noted approximately 40% of the budget is employee salaries and benefits.

Vest exited the meeting at 9:07 a.m. and returned at 9:09 a.m.

Meyer pointed out that, in addition to property taxes, other budget funding sources include motor vehicle taxes and inheritance tax. He noted the General Fund balance has declined by approximately \$1,300,000 but the cash reserve helps the County survive that reduction (see agenda packet, Mid-Year (2-6-20), Pages 4 and 13).

Meyer continued to review various reports on OpenGov (see agenda packet, OpenGov reports) explaining that expenditures begin as soon as the fiscal year begins, but that property tax collections occur twice a fiscal year, resulting in a reduction of the cash reserve at those times. Low cash reserve can cause cash flow problems. He noted that spending verses tax collections is running about the same as last year.

Meyer said General Fund expenses have increased from \$49,000,000 five years ago to \$58,000,000 for the current year.

Regarding mid-year budget projections, Meyer noted an increase of \$1,500,000-\$1,600,000 over what was budgeted, which is one of the highest amounts the County has ever had (see agenda packet, Mid-Year (2-6-20), Page 11).

Flowerday said General Assistance would not be a factor if Medicaid expansion had been implemented.

B. Additional Appropriations and Department Responses

Departments were asked to provide information on additional appropriations (see agenda packet, Department Responses). The following departments were asked to elaborate on their requests.

1. County Court - Becky Bruckner, County Court Administrator

Bruckner noted that County Court is projecting a \$400,000 budgetary shortfall mostly due to attorney fees. Judge Laurie Yardley, County Court Judge, said the County pays a lower hourly attorney rate than other counties. Additionally, an increase in the number of county court cases filed has also impacted the budget.

2. General Assistance - Sara Hoyle, Human Services Director

Hoyle said General Assistance paid medical providers \$1,900,000. Five individuals drove the increase due to major health issues.

3. County Sheriff - Sheriff Terry Wagner and Chief Deputy Todd Duncan

Wagner and Duncan noted that salary and benefit cost increases were not included in the original budget. There has been an increase in uniform costs, vehicle replacements and vehicle insurance. Additionally, extradition costs have increased due to the number of interstate extraditions.

4. County Corrections - Brad Johnson, Corrections Director

Johnson estimated a \$325,000 budget shortfall, mainly due to increased staff costs. A shortage of Correctional Officers has resulted in increased overtime for employees. Additionally, inmate hospital stays, opening an additional unit in the jail for female inmates, and a rate increase from the District Energy Corporation (DEC) have also increased costs.

Regarding the female inmate population, Johnson stated he does not anticipate the numbers to decrease. The female population has increased 18.5% since 2014. Not only does the increase in population effect the staffing budget, it also increases the food service budget.

5. Budget Amendments - Pam Dingman, County Engineer

Dingman reviewed Bridge and Highway Fund budgets and projects (see agenda packet, Lancaster County Engineering Department Additional Spending Authority). She noted there is a shortage of box culvert contractors due to the flooding and South Beltway construction which has contributed to an estimated increase of 25% for those types of projects.

Meyer said there will be a public hearing to allow amendment of those budgets.

5. BREAK

The meeting was recessed at 10:35 a.m. and resumed at 10:48 a.m.

6. HR/PAYROLL SYSTEM AND CENTRALIZED PAYROLL UPDATE – Dennis Meyer, Budget & Fiscal Officer, and Kevin Nelson, Accounting Operations Manager

Meyer and Nelson discussed a proposal to centralize payroll functions. Human Resources (HR) will undertake the onboarding of new employees and benefits responsibilities, including Family Medical Leave Act (FMLA). The HR module is scheduled to begin April 13. The time and labor and absence management modules will begin early to mid-summer, the benefits module in late summer/early fall and the payroll module on October 1. Meyer said with centralized payroll fewer employees will be doing payroll-related functions. There are currently over 20 employees performing these duties.

Meyer said the number of people that will be needed in the County Clerk's Office for centralized payroll is yet to be determined. Nolte said he wants to make sure it is an adequate number so there is not an understaffing issue causing potential difficulties.

7. INFORMATION SERVICES BUDGET – David Young, Chief Information Officer

Young outlined the new billing system being implemented by Information Services, which will take into account the number of employees, computers, applications, and phones in department. He is seeking to more accurately allocate costs to users.

8. FUTURE FUNDING ISSUES AND PROJECTIONS – Dennis Meyer, Budget & Fiscal Officer

Meyer said there will be a two-year Geographic Information System (GIS) pilot project, including Public Works, County Engineer, and County Assessor, noting any reductions in the number of GIS employees in those agencies will occur by attrition.

He discussed fund balances and cash reserves (see agenda packet, Mid-Year (2-6-20), Page 13). He felt a 16% cash reserve would cover two months expenditures. Currently, the county is only halfway to that amount.

Regarding the Joint Budget Committee (JBC), Hoyle stated it provides funds that go to nonprofits and is funded \$25,000 less currently than in 2001.

Flowerday suggested a \$100,000 increase for the JBC which would increase it to \$1,320,180 next fiscal year.

9. HOME DELIVERED MEALS – Randy Jones, Aging Partners Director

Jones described the criteria for meal delivery eligibility to older residents in rural Lancaster County. He said the cost of the meal, including shipping, is \$5.80. He also recommended the budget be increased to \$30,000 from the current \$8,000. A meal pamphlet was distributed (Exhibit 4).

OTHER FUNDING ISSUES

Flowerday proposed \$150,000 in shared funding for Mental Health Courts.

Schorr said she wants the Board to consider restoring the levy for the Railroad Transportation Safety District (RTSD).

Regarding the East Beltway, Dingman stated there are four lots in the corridor that need to be purchased. She anticipated requests for additional funds for these purchases as the amount currently in the fund can quickly be depleted. She noted the fund should be \$4,000,000 - \$5,000,000 for the next ten years.

10. LUNCH

The meeting was recessed at 12:00 p.m. and reconvened at 12:33 p.m.

11. FUTURE FUNDING ISSUES - DEPARTMENTS

Pat Condon, County Attorney, said the County Attorney's Office is over budget due to retirement payouts and additional payouts are anticipated. He felt some of the cost would be offset with lower salaries of incoming attorneys.

Additionally, there is an increase in drug and misdemeanor cases, and cases involving Supplemental Nutrition Assistance Program (SNAP) participants due to changes in the SNAP program, all of which cause need for additional attorneys. Also, with the use of body cameras by law enforcement, there is a need to review the video and make sure the defense has a copy of the video.

Additional problem-solving courts would have a potential for needing an additional District Court judge.

Condon stated he is also exploring the old Lincoln Correctional facility as a possible site for a coroner's suite. Having a site in Lincoln would eliminate the \$300 per trip cost for transportation to Omaha. Other counties may also utilize this service.

Kim Etherton, Community Corrections Director, said she will be seeking an additional mental health specialist. Also, part-time positions are assisting in conducting drug testing for which the turnover in these positions is causing problems. She indicated she will not fill the Assistant Director position to offset fiscal costs.

Regarding additional staff, Johnson stated the Corrections Department needs an additional seven (7) correctional officers due to opening a new housing unit, resulting in a cost of approximately \$460,000. By reducing on calls and overtime expenses, some of that cost will be offset.

Wagner and Duncan are proposing a pilot program with LPD to utilize part of their firing range. A training building will need to be constructed, costing approximately \$1,000,000. They indicated that \$500,000 from the forfeited assists fund can be used but the other half will need to be in the budget.

The Criminal Justice Information System (CJIS) needs to be rebuilt and modernized. This is a multi-year project with an estimated cost of \$1,500,000 of which \$500,000 from the forfeited assets account can be used.

Regarding body cameras, there will be storage and maintenance costs, as well as the need for one (1) additional prosecutor per 100 cameras.

In reference to Sheriff's staff, an additional four (4) patrol deputies are needed, which will result in a deputy for each shift. Also needed are a video technician to manage the video system and a motor vehicle inspector. Wagner said he is working to hire in advance of openings to reduce the lag time to fill positions. There has been a decrease in the number of applicants, and some leave during training, which slows the recruitment process.

Joe Nigro, Public Defender, requested two (2) additional attorneys and said he intends to request the same for the following fiscal year. He said each attorney saves the County about \$30,000 per year due to reducing the number of outside counsel appointments.

Meyer reviewed other potential funding issues (see agenda packet, Mid-Year (2-6-20), Pages 14-18).

12. 2020-21 BUDGET PROCESS

A. OpenGov

Meyer reviewed the OpenGov budgeting process.

B. Board's Goals and Expectations / Service Based Budget

Amundson suggested implementing outcome-based budgets. Schorr suggested waiting a year as there are many changes occurring in the County this year.

It was the consensus of the Board to wait one year to implement outcome-based budgeting.

C. Instruction Letter

Meyer reviewed the letter (see agenda packet, Mid-Year (2-6-20), Pages 20-21).

D. Hearing Schedule

Regarding a hearing schedule, Meyer suggested that joint departments present their budgets to the Board first. Budget preparations will occur in mid-March with hearings to begin in late April and continue through June.

13. ADJOURNMENT

MOTION: Schorr moved and Amundson seconded to adjourn at 2:02 p.m. Schorr, Vest, Flowerday, Amundson and Yoakum voted yes. Motion carried 5-0.

Dan Nolte

Dan Nolte
Lancaster County Clerk

