

**MINUTES
MID-YEAR BUDGET REVIEW
LANCASTER COUNTY BOARD OF COMMISSIONERS
LINCOLN-LANCASTER COUNTY HEALTH DEPARTMENT (LLCHD)
3131 O STREET
THURSDAY, FEBRUARY 1, 2018
8:30 A.M.**

County Commissioners Present: Todd Wiltgen, Chair; Jennifer Brinkman, Vice Chair; Deb Schorr; Roma Amundson; and Bill Avery

Others Present: Kerry Eagan, Chief Administrative Officer; Ann Ames, Deputy Chief Administrative Officer; Minette Genuchi, Administrative Assistant to the County Board; Dennis Meyer, Budget & Fiscal Officer; Liz Thanel, Accountant, Budget and Fiscal Office; Joe Nigro, Public Defender; Joe Kelly, County Attorney; Pat Condon, Chief Deputy County Attorney; Terry Wagner, Lancaster County Sheriff; Todd Duncan, Chief Deputy Sheriff; Pam Dingman, County Engineer; Angela Zocholl, Administrative Services Officer, County Engineer's Office; Christina Kling, Account Clerk II, County Engineer's Office; Candace Meredith, Deputy County Treasurer; Troy Hawk, Clerk of the District Court; Jared Gavin, District Court Administrator; Sara Hoyle, Human Services Director; Brad Johnson, Corrections Director; Kim Etherton, Community Corrections Director; Sheli Schindler, Youth Services Center (YSC) Director; Melissa Hood, Administrative Services Officer, YSC; Scott Etherton, Mental Health Crisis Center Director; Scott Gaines, Administrative Deputy Assessor/Register of Deeds; Rick Ringlein, County Veterans Service Officer; Dave Shively, Election Commissioner; Sue Eckley, Risk Manager; Brent Meyer, Weed Control Superintendent; Shavonna Lausterer, Lincoln-Lancaster County Health Department Director; Randy Jones, Director, Aging Partners; Steve Henderson, Chief Information Officer, Information Services (IS); Kerin Peterson, Facilities & Properties Director; Dan Nolte, County Clerk; Cori Beattie, Deputy County Clerk; Ann Taylor, County Clerk's Office; Joe Kohout and Brennen Miller, Kissel, Kohout, ES Associates, LLC; and Justine Petsch, Public Policy Specialist, Lincoln Chamber of Commerce

Advance public notice of the Mid-Year Budget Retreat was posted on the County-City Building bulletin board and the Lancaster County, Nebraska web site and was provided to the media on January 29, 2018.

NOTE: A copy of the Open Meetings Act was available at the meeting.

The Chair opened the meeting at 8:30 a.m.

1) LEGISLATIVE UPDATE – Joe Kohout and Brennen Miller, Kissel, Kohout, ES Associates, LLC (Legislative Consultants)

Joe Kohout and Brennen Miller, Kissel, Kohout, ES Associates, LLC, presented a legislative update and reviewed bills related to Lancaster County's legislative priorities and Lancaster County elected officials' and department heads' legislative priorities (Exhibit A).

Discussion took place regarding Legislative Bill (LB)776 (Provide requirements for inmate access to telephone or videoconferencing systems in county and city jails). It was noted the bill prohibits the collection of a commission which would impact contracts the County has in place. **NOTE:** Lancaster County uses the revenue for inmate benefit programs. There was consensus to try to negotiate to allow Nebraska Jail Standards to set the rate and to stipulate that any income generated be used for inmate benefits. Terry Wagner, County Sheriff, was asked to verify the Nebraska Sheriffs' Association's (NSA's) position on the bill.

Kim Etherton, Community Corrections Director, expressed concerns regarding the scope of LB964 (authorize mental health professionals to take a person into emergency protective custody under the Nebraska Mental Health Commitment Act). Kohout said Region V Systems and providers have also expressed concern regarding the scope. Schorr said she believes the bill would have a negative impact on the Mental Health Crisis Center. Scott Etherton, Mental Health Crisis Center Director, said he was informed there will be efforts to limit the bill to upper provider levels, such as psychologists and psychiatrists, rather than licensed independent mental health practitioners (LIMHP's). Sheli Schindler, Youth Services Center (YSC) Director, felt the bill could benefit her department.

MOTION: Schorr moved and Avery seconded to oppose Legislative Bill (LB)964 in its current form. Avery, Schorr, Amundson and Wiltgen voted yes. Brinkman voted no. Motion carried 4-1.

Brad Johnson, Corrections Director, discussed LB977 (Make post-release supervision optional for Class IV felonies).

MOTION: Schorr moved and Brinkman seconded to support Legislative Bill (LB)977.

Following further discussion, the maker of the motion and the seconder withdrew their motion until there is further clarification of the provisions.

Scott Gaines, Administrative Deputy Assessor/Register of Deeds, indicated an amendment will be brought forward on LB1104 (Change provisions relating to the special valuation of agricultural and horticultural land) that will make the bill applicable statewide rather than limiting it to counties with 100,000 inhabitants or more.

Kerry Eagan, Chief Administrative Officer, asked if the Board wanted to take a position on LB1112 (Change provisions relating to placement and detention of juveniles and

permit an additional use of funds under the Community-based Juvenile Services Aid Program).

MOTION: Schorr moved and Amundson seconded to support Legislative Bill (LB)1112. Schorr, Brinkman, Amundson, Avery and Wiltgen voted yes. Motion carried 5-0.

Returning to discussion of LB977, Joe Nigro, Public Defender, felt the only impact to Lancaster County would be a possible reduction in the number of individuals on post-release supervision.

Dave Shively, Election Commissioner, said the County Clerks and Election Commissioners Association is opposed to LB290 (Provide for voter registration upon application for driver's license, state identification card, or certain benefits) because of additional costs, the possibility of registering individuals who are ineligible to vote (convicted felons and certain undocumented immigrants) and over-inflation of voter registration rolls. There was consensus to monitor the bill.

2) MID-YEAR BUDGET REVIEW – Dennis Meyer, Budget & Fiscal Officer

NOTE: Budget documents referenced are included with the agenda packet.

A. Mid-Year Status of Revenues and Expenditures

Dennis Meyer, Budget & Fiscal Officer, presented a budget narrative for Fiscal Year (FY) 2017-2018, noting the following:

- The levy is 26.66 cents.
- An additional \$509,000 was transferred to the Contingency Fund.
- The General Fund budget of expenditures was increased by \$2,710,853, a 2.43% increase.
- Property tax within the General Fund increased by \$3,384,233.
- An additional \$1,000,000 was transferred to the Bridge & Special Road Fund and the Highway Fund; an additional \$200,000 was transferred to the Mental Health Crisis Center; and an additional \$100,000 was transferred to the Workers' Compensation Fund.
- Cost for legal services increased and \$193,000 and \$235,000 were transferred to County Court and District Court, respectively. An additional request for a felony attorney in the Public Defender's Office was also approved.
- An additional \$200,000 in Joint Budget Committee (JBC) funding was approved.
- An additional \$1,000,000 was allocated in the Keno Fund for the East Beltway Project.
- \$1,000,000 was transferred from the General Fund to the Building Fund to cover the costs to remodel space in the Youth Services Center (YSC) Building for the Emergency Operations Center (EOC). The County intends to sell Trabert Hall and the General Fund will be reimbursed after the sale.

B. County Funds

Meyer gave an overview of General Fund revenues and expenditures, noting a balance of \$10,252,102 at December 31, 2017.

Brinkman exited the meeting at 9:58 a.m.

Meyer discussed property tax, motor vehicle tax, and inheritance tax collections and other monies the County receives such as Register of Deeds' fees, and interest income.

Brinkman returned to the meeting at 10:01 a.m.

Meyer gave an overview of other County funds: Workers' Compensation (Fund 12), Other Self Insurance (Fund 13), Group Insurance (Fund 14), Visitors Improvement (Fund 18), Visitors Promotion (Fund 19), Library (Fund 20), Bridge & Road (Fund 21), Highway (Fund 22), Veterans Aid (Fund 26), Grants (Fund 27), Keno (Fund 28), Economic Development (Fund 30), Building Fund (Fund 51) and the Jail Savings Fund (Fund 52).

In response to a question from Wiltgen, Kerin Peterson, Facilities & Properties Director, said a contingency was included in the contract with Meco-Henne Contracting for renovation and relocation of the Emergency Operations Center (EOC) (see County Contract No. C-18-0011). The cost of furniture, fixtures and equipment (FF&E) was not included as Emergency Management plans to re-use existing pieces.

Meyer cited projects that have been put on hold due to cash flow issues (see Page 74).

Brinkman exited the meeting at 10:22 a.m.

C. Additional Appropriations and Department Responses

Meyer discussed projected additional appropriations (see Page 82), noting the cost of an investigator for the County Attorney's Office will be less than shown because it will only be for a portion of the year.

- District Court – Jared Gavin, District Court Administrator

Jared Gavin, District Court Administrator, discussed the District Court's projected shortfall of \$210,000, citing attorney fees, additional cases, personnel costs, bill of exceptions (trial record), interpreter, and juror lodging costs as reasons (see Department Responses, Page 7).

Brinkman returned to the meeting at 10:26 a.m.

Wiltgen asked Gavin if he could show what percentage of additional attorney fees are due to the Public Defender's Office conflicting out of cases or an overload of cases. Gavin said conflicts were 54% last fiscal year and case overloads were 46%.

- County Attorney – Joe Kelly, County Attorney; Pat Condon, Chief Deputy County Attorney

Joe Kelly, County Attorney, said the projected shortfall for the County Attorney's Office will likely be more in the range of \$230,000 than the \$348,451 figure cited in his letter (see Department Responses, Page 12). He explained the shortfall is due to cost-of-living adjustments (COLA), raises for his position, the Chief Deputies, and Attorney II's, related Federal Insurance Contributions Act (FICA) and pension increases, hiring of an investigator, and increases in pathology services costs, Geographic Information System (GIS) costs and retirement payouts.

- Workers' Compensation – Sue Eckley, Risk Manager

NOTE: See Workers' Compensation (Fund 12), Statement of Revenues and Expenditures, July 1, 2016 through December 31, 2017 on Pages 51-52 of the Mid-Year Budget Review Document.

Meyer noted the fund balance was \$527,162 as of December 31, 2017. He said the remaining budget is \$526,273 (or 45.02%) and estimated the fund will need a transfer of \$150,000 to finish out the fiscal year (see Projected Additional Appropriations (2018) on Page 82 of the Mid-Year Budget Review Document). Medical services and compensation payments were cited as the driving factors.

Sue Eckley, Risk Manager, said indemnity costs have increased. She explained how the severity of some of the injuries and resulting surgeries have caused the employees to be off work for longer periods. Eckley noted every county department now has temporary modified duty available.

Amundson exited the meeting at 10:47 a.m.

- Crisis Center – Scott Etherton, Mental Health Crisis Center Director

NOTE: See Crisis Center, Statement of Revenues and Expenditures, July 1, 2017 through December 31, 2017 and Projected Additional Appropriations (2018) (Pages 76 and 82 of the Mid-Year Budget Review Document).

Amundson returned to the meeting at 10:52 a.m.

Scott Etherton, Mental Health Crisis Center Director, projected a budget shortfall of \$130,000 and attributed it to: Credible software (electronic health records) and related training costs, health and dental costs, Voice over Internet Protocol (VoIP) and

Information Services (IS) costs, and psychologist and psychiatrist costs. He also projected a revenue shortfall of \$156,000 (see Department Responses, Pages 23-24).

3) BREAK

The meeting was recessed at 11:05 a.m. and reconvened at 11:23 a.m.

4) HUMAN RESOURCES (HR)/PAYROLL SYSTEM AND CRIMINAL JUSTICE INFORMATION SERVICES (CJIS) – Steven Henderson, Chief Information Officer, Information Services (IS)

Human Resources (HR)/Payroll System

Steve Henderson, Chief Information Officer, Information Services (IS), said a Steering Committee, comprised of Dennis Meyer, Budget & Fiscal Officer; Dan Nolte, County Clerk; Tim Genuchi, Accounting Operations Manager, County Clerk's Office; Doug McDaniel, Lincoln-Lancaster County Human Resources Director; Brandon Kauffman, City Finance Director; and himself, reviewed proposals from three companies for a new payroll system and is close to making a decision on which to pursue. It is estimated that implementation will take 12-16 months.

Wiltgen inquired about allocation of costs. Meyer thought it likely that the allocation of costs will be based on the number of employees and said it could be applied across departments or as a line item in the budget.

Criminal Justice Information Services (CJIS)

Henderson said the City and County departments that use CJIS were asked to document how they use the system. That information was collected and shared with the Purchasing Department so it can prepare a request for information (RFI) that will be distributed to the marketplace. He said the RFI will help determine whether the City and County should acquire a product in the marketplace or re-write the system, which would likely take two to three years.

Wiltgen noted this is an opportunity to develop a system that can interface with state and federal systems, such as the Nebraska Criminal Justice Information System (NCJIS) and the Violent Criminal Apprehension Program (ViCAP).

Schindler inquired about funding. Henderson said a strategy has not been determined. He said the historical approach has been to share the costs among all the users, based on utilization.

5) ADDITIONAL STAFFING AND CAPITAL EXPENDITURES – Terry Wagner, County Sheriff; Todd Duncan, Chief Deputy Sheriff

Additional Staffing

Terry Wagner, County Sheriff, said he anticipates a shortfall of \$61,713 from the approved budget which he attributed to overtime costs, benefits, unanticipated retirements, and uniform and extradition costs (see Department Responses, Page 11). He noted the Sheriff's Office is in the second year of a plan to add a new deputy every year for six years and is also looking at adding a second employee in the Finance Division at a cost of \$80,000 and \$50,000, respectively.

Capital Expenditures

Todd Duncan, Chief Deputy Sheriff, outlined capital expenditures: migrate aging Taser inventory to a lease program (\$13,000), renovate office work spaces (\$100,000), upgrade of CJIS (\$500,000), and renovation or relocation of the firearms range (\$500,000) (see Department Responses, Page 11).

Wagner indicated that approximately \$60,000 in Edward Byrne Memorial Justice Assistance Grant (JAG) monies that are used to help fund the deputy in the Narcotics Task Force have been held up which affects their revenue budget. He noted the department had also been authorized a couple of years ago to increase their Electronic Evidence Unit by one deputy. Funding was through forfeited assets for a period of three years which will expire in January, 2019.

Discussion took place regarding possibly co-locating with the Lincoln Police Department (LPD) in their newly constructed firearms range. It was noted some construction to create training areas would be required. Amundson asked whether the Sheriff's existing firearms range could be sold. Wagner explained that lead reclamation would be costly.

6) TRANSPORT VANS AND J POD – Brad Johnson, Corrections Director

Transport Vans

Brad Johnson, Corrections Director, discussed the need to replace two vans that are used for transporting inmates (see Department Responses, Page 14). He proposed replacing one, which has a coolant leak, in the second half of Fiscal Year (FY) 2018 at an estimated cost of \$25,000. Replacement of the second van would be built into the FY 2019 budget.

MOTION: Brinkman moved and Schorr seconded to authorize the Corrections Department to proceed with the purchase of a new transport van. Brinkman, Amundson, Avery, Schorr and Wiltgen voted yes. Motion carried 5-0.

J Pod

Johnson said he had to temporarily open the J Pod because of an increased female population. He said it will become necessary to open the pod on a permanent basis at some point and projected that would require the hiring of six additional correctional officers (estimated cost of \$385,000). **NOTE:** Staffing is currently handled through on-call correctional officers or overtime.

K. Etherton said she has been working to find programming that would help get more of the female population out of the jail facility.

Meyer noted the Jail Savings Fund had a fund balance of \$766,318 as of December 31, 2017 (see Page 75 of the Mid-Year Budget Review Document) and will be used to cover Corrections' share of the CJIS upgrade.

7) LUNCH

The meeting was recessed at 12:07 p.m. and reconvened at 12:39 p.m.

8) COURTROOM EQUIPMENT UPDATES – Jared Gavin, District Court Administrator

Jared Gavin, District Court Administrator, outlined the need to update courtroom equipment for presentations and wiring for audio video components (see Department Responses, Page 8). He felt the wiring and switches were the most critical needs.

In response to a question from Wiltgen, Peterson said the cabling in the wall structure would potentially be a Public Building Commission (PBC) project.

Avery exited the meeting at 12:58 a.m.

Gavin agreed to bring back more cost information back to the Board.

9) SECURITY SYSTEM, TRANSPORTATION, AND COMPUTER EQUIPMENT – Sheli Schindler, Youth Services Center (YSC) Director

Sheli Schindler, Youth Services Center (YSC) Director, referenced LB870 (Provide for room confinement for juveniles as prescribed) and said her department will require additional staffing (estimated cost of \$400,000) if the legislation is successful.

Computer Equipment

Schindler said her department could have a large microcomputer request, depending on what happens with CJIS and the new payroll system.

Security System

Schindler discussed a proposed upgrade of the YSC's security system, noting there are four components (estimated total of \$300,000) (see Department Responses, Page 19). She said the upgrade could be done in phases or the County could go out for a request for proposal (RFP) to see if it would be more cost effective to upgrade the entire security system.

Avery returned to the meeting and Schorr exited at 1:07 p.m.

Schindler said consideration could also be given to include it with the RFI for CJIS. She proposed formation of a committee to look at the technology/security issues.

Schorr returned to the meeting at 1:10 p.m.

Transportation

Schindler said her department needs another transportation van and suggested formation of a committee to look at transportation issues.

Returning to Discussion of the Security System

In response to a question from Brinkman, Meyer said most upgrades are built into department budgets. He said the County could also look at running large-scale projects such as YSC's security system through the Building Fund.

Brinkman suggested there may be value to developing a capital maintenance fund for each building.

10) ADDITIONAL STAFFING AND JOINT BUDGET COMMITTEE (JBC) FUNDING – Sara Hoyle, Human Services Director

Joint Budget Committee (JBC) Funding

Sara Hoyle, Human Services Director, presented the following documents (Exhibit B):

- 16-Year Joint Budget Committee (JBC) History
- County JBC Funding and Lincoln Population
- Population by Age Group
- Percentage of Population by Race/Ethnicity

Hoyle said JBC funding helps to support services in the community that would otherwise be provided by the County. She noted the County is currently contributing \$970,180 and said it would take an additional \$250,000 for the County to return to the 2006 level of funding. Hoyle said the City of Lincoln has agreed to increase its funding accordingly.

Amundson exited the meeting at 1:25 p.m.

Hoyle said it is challenging for the JBC to make allocations to agencies who have applied for funds without knowing how much funding will be available.

Schorr, who serves on the JBC, said she believes the County needs to make incremental increases to get its funding back to the 2006 level. Brinkman, who also serves on the JBC, felt the work the County is funding through those agencies is directly tied to savings in other areas, such as Corrections. Schorr proposed the County increase its funding by \$100,000 this year and in following years until that funding level is restored.

Amundson returned to the meeting at 1:29 p.m.

Schindler questioned whether it is appropriate for Hoyle to be asking for a funding commitment at this time, pointing out other departments also have funding needs they feel should be prioritized.

There was consensus to make a commitment to increase the JBC funding by \$100,000.

Additional Staffing

Hoyle reviewed her staffing request for FY 2018-2019 and said she likely won't need the Diversion Officer because Justice Assistance Grant (JAG) funding that would have been used to fund the position has not been released (see Department Responses, Page 22). She said the Administrative Services Officer position she requested would assist with data collection, grants administration, and budgeting.

Hoyle also discussed her department's computer needs and said she would like to get on a replacement schedule.

11) FUTURE FUNDING ISSUES AND PROJECTIONS

Meyer presented levy projections and funding issues and projections (see Pages 84-85 of the Mid-Year Budget Review Document).

In response to a question from Brinkman, Pam Dingman, County Engineer, said she would like to continue to fund the East Beltway project up to \$1,000,000 a year, noting there is a significant amount of property that needs to be purchased for that corridor. She added if the President's infrastructure bill goes through, a portion of the South Beltway project will be funded with federal dollars and will free up monies to begin planning for the East Beltway project.

12) 2018-19 BUDGET PROCESS

A. Service Based Budget

Meyer asked Board members for their thoughts regarding the service based budget process (see Page 87 of the Mid-Year Budget Review Document). Wiltgen felt it was beneficial to have discussions on the true cost of services. Avery did not believe one year was enough time to assess the value. Amundson said she believes it is a process of continued refinement.

Meyer was asked whether he had received comments from the public on the process. Meyer said he had not. Amundson felt it is beneficial for the public to see what monies are attached to which programs.

Amundson exited the meeting at 1:59 p.m. and returned at 2:01 p.m.

Brinkman said, from her perspective, it was the beginning of a process to identify those services the County is funding, define what the County is trying to achieve by providing those services, and to tie in data to see whether the County is making progress on those goals or if it needs to allocate more resources.

Schorr exited the meeting at 2:02 p.m. and returned at 2:06 p.m.

B. County Board's Goals and Expectations

Schorr felt departments need to do more strategic planning for long-range needs and "bigger ticket" items.

C. Instruction Letter

Brinkman felt that asking budget requests for operating costs and capital outlay to come in at 97% of the previous year's budget is unrealistic (see Page 89 of the Mid-Year Budget Review Document). Wiltgen said he believes there are areas that could be reduced. Schorr suggested inclusion of the following language: *The County Board will be asking you during your budget hearing for areas of potential reduction or cost cutting.*

There was consensus to further refine the letter.

D. Hearing Schedule

There was consensus to schedule the joint departments later in the hearing schedule

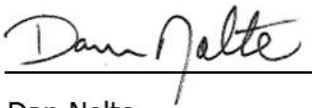
Meyer said he will schedule discussion of rents, Information Services (IS) costs, and insurance rates prior to the budget hearings.

13) BUDGET WRAP-UP

There was no further discussion.

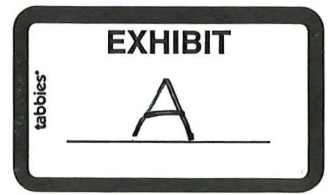
14) ADJOURNMENT

MOTION: Schorr moved and Avery seconded to adjourn the meeting at 2:25 p.m. Amundson, Avery, Schorr, Brinkman and Wiltgen voted yes. Motion carried 5-0.



Dan Nolte
Lancaster County Clerk





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LEGISLATIVE MEMORANDUM

TO: Lancaster County Board of Commissioners
FROM: Joseph D. Kohout
Brennen L. Miller
DATE: February 1, 2018
RE: Weekly Update

Good morning. Today is day 19 of the 2018 Legislature – which means tomorrow 1/3 of the 2018 session is complete.

The Legislature continues its process of conducting morning debate with committee hearings in the afternoon. Yesterday, the Revenue Committee held a hearing on LB947, Senator Smith's income tax & property tax reduction legislation introduced at the request of the Governor. Too, LB943 was heard by the Government, Military & Veterans Affairs Committee in which Dennis Meyer testified on behalf of Lancaster County.

Tomorrow, the Government, Military & Veterans Affairs Committee will hear LB1098, introduced by Senator Hilgers at the request of Lancaster County. Our office, in conjunction with Mr. Eagan and Bob Walla, prepared a statement of intent and draft opening for Senator Hilgers' consideration.

LANCASTER COUNTY LEGISLATIVE PRIORITIES

Purchasing Thresholds. Senator Mike Hilgers introduced LB1098 at the County's request. The hearing is tomorrow as noted above. Senator Hilgers may be unavailable for the hearing, but his legislative aide will present the bill to the committee.

Competency Restoration. Senator Matt Hansen introduced LB1010 at the County's request. We received some feedback from the Department of Health and Human Services, Division of Behavioral Health regarding some concerns they had with the bill. We have been in contact with them and have asked for language changes to comport to their suggestions. We have been told to expect that language tomorrow. Once received, we will forward for review by the County Attorney, Public Defender and Administration.

LANCASTER COUNTY ELECTED OFFICIALS/DEPARTMENT HEADS PRIORITIES

LB93 (Hansen) Adopt the Automatic License Plate Reader Privacy Act. **SHERIFF WAGNER OPPOSE.** LB93 adopts the Automatic License Plate Reader Privacy Act. The act provides that

an automatic license plate reader system may only be used by a law enforcement agency as an alert for the purpose of identification, by a parking enforcement entity for regulating the use of a parking facility, for the purposes of controlling access to a secured area, for the purpose of electronic toll collection, and to assist weighing stations in performing their duties. The data captured from an automatic license plate reader system may not be retained except for situations specified in section 4 of the act. Any government entity that does use an automatic license plate reader must adopt a use policy and display that policy on their website, adopt a privacy policy to ensure that the captured information is not shared in violation of this act, and report annually to the Nebraska Commission on Law Enforcement and Criminal Justice on its automatic license plate reader practices and usage. The report should follow the specifications outlined in subsection (3)(a) of section 6 of this act. Plate data that is capture and evidence derived therefrom ay not be received into evidence in any trial, hearing, or other proceeding, and any person who violates this act will be subject to damages.

The bill moved to Final Reading on Friday of last week.

LB672 (Krist) Provide for medical release for committed offenders. NEUTRAL. LB672 allows for an offender who has been committed because of a medial or physical condition to be considered for medial release if they are determined to be terminally ill or permanently incapacitated. Prior to granting release, the department must review the medial, institutional, and criminal records of the offender and any additional medial evidence. To qualify for medial release, the offender must agree to placement for medical treatment. If, during medial release, the offender's condition improves such that they are no longer eligible for release, the department may direct that they be returned to custody pending a hearing. The offender will receive credit for time served on medial release toward the balance of their sentence.

There is a potential cost that could be incurred if the recently released go onto the County's General Assistance program. The hearing on this bill was held on January 17, 2018 before the Judiciary Committee. Sara Hoyle testified in a neutral capacity on behalf of Lancaster County.

The bill remains held in committee.

LB776 (McCollister) Provide requirements for inmate access to telephone or videoconferencing systems in county and city jails. OPPOSE IN PRESENT FORM/PREFER FCC GUIDELINES. LB776 requires each county and city jail to make available either a prepaid telephone call system or collect telephone calls system for telephone services for inmates. The Jail Standards Board is required to ensure that county and city jails are providing inmates with affordable and meaningful means to communicate by telephone or videoconferencing with inmates' families, loved ones, and counsel.

There is some concern about what the term "reasonable" means in this legislation. The hearing on this measure was on Thursday, January 18, 2018. Kerry Eagan testified on behalf of Lancaster County in opposition to this measure.

The bill was advanced to General File by the Judiciary Committee with an amendment attached which clarifies that calls may be made to attorney or attorneys.

LB831 (Wayne) Provide annual salary limitations for elected officials of political subdivisions. OPPOSE. LB831 prohibits political subdivisions from paying any elected member of their legislative body an annual salary that is more than two times the annual salary of the member of

the Legislature. The hearing on this bill occurred on January 25, 2018 before the Government, Military & Veterans Affairs Committee.

LB850 (Linehan) Require disclosure of the anticipated cost to a political subdivision to pay off its bonds. LB850 requires a subdivision that issues bonds on or after August 1, 2018 to disclose the anticipated cost to the political subdivision of paying off the bonds according to their terms. The hearing on this bill occurred on January 31, 2018 before the Government, Military & Veterans Affairs Committee.

LB870 (Pansing-Brooks) Provide for room confinement for juveniles as prescribed.

MONITOR. LB870 requires documentation of room confinement of a juvenile for longer than one hour over a twenty-four-hour period. LB870 prohibits room confinement of a juvenile as punishment, due to a staffing shortage, or for the purpose of retaliation by staff. LB870 also prohibits room confinement of a juvenile unless all other less-restrictive alternatives have been exhausted, and the juvenile poses an immediate and substantial risk of harm to self or others.

LB870 prohibits holding a juvenile in room confinement longer than necessary to eliminate the substantial and immediate risk of harm to self or others, and requires that room confinement only be done for a period that does not compromise or harm the mental or physical health of the juvenile. LB870 outlines various other requirements of room confinement of juveniles.

Commissioner Schorr, Commissioner Brinkman, Kerry Eagan and Joe Kohout met with Senator Pansing-Brooks and her legislative aid Chris Tribsch on Tuesday. The meeting was very fruitful with good, open conversation. Senator Pansing-Brooks is preparing an amendment that will address our key concerns.

As noted above, the Judiciary Committee held its hearing on LB870. The hearing brought numerous proponent testifiers, many of whom had at one point been youth subject to confinement in a facility. Their testimony, while very emotional, brought forward the issue of time youth can spend in solitary, which in the stories presented could be several hours, to several days.

Opponent testimony was presented by staff from Lancaster, Douglas, Sarpy, and Kearney facilities, as well as the Director of Facilities for the Department of Health and Human Services. These positions consistently addressed the proposed three-hour limit to confinement, noting that centers are using this as a last resort when needed to protect other youth, or staff. Given the mental health and behavioral needs of some youth, there are times that the three-hour limit is not enough. Senator Pansing-Brooks noted that everyone has agreed that there should be a time limit, due to that limit being crucial on the overall effects it has on those in confinement.

Senator Pansing-Brooks, in both her opening and closing statements on the hearing praised Lancaster County for coming forward with suggestions to address concerns presented by county staff members. The suggestions will be addressed in a future amendment to the bill. We will work to have these changes presented in a committee amendment before the bill moves to the floor, if it is advanced.

The bill remains held in committee.

LB884 (Harr) Change and eliminate provisions relating to county sales and use taxes.

MONITOR. LB884 allows for the imposed sales and use taxes to be used for economic development or manufacturing/industrial site development. LB884 also eliminates

applicability to municipalities in certain sections. The hearing on this measure was January 18, 2018 before Revenue Committee. Commissioner Schorr testified on behalf of NACO. The hearing was very balanced and committee members asked good questions. We do not expect the measure to advance from committee.

The bill remains held in committee.

*LB885 (Harr) Change provisions relating to property tax protests. **OPPOSE.*** LB885 requires property tax protests to indicate whether the person signing the protest is the owner of the property. If the person signing the protest is not the owner of the property, the county clerk must mail a copy of the protest to the owner.

This legislation was introduced by Senator Harr at the request of NACO. Dan Nolte sent a letter with the permission of the Board. There was support from NACO and others at the hearing.

The bill remains held in committee.

*LB899 (Erdman) Provide for an adjustment to the assessed value of destroyed real property. **MONITOR.*** LB899 defines destroyed real property as real property that is destroyed by fire or other natural disaster after January 1 and before October 1 or any year. LB898 also makes it the duty of the county assessor to report to the county board of equalization all real property in their county that becomes destroyed real property during any year. After receipt of this report, the county board of equalization must adjust the assessed value of the destroyed real property as prescribed in LB899. The hearing on this bill was on January 25, 2018 before the Revenue Committee. Several testifiers appeared in support and several in opposition. Most indicated that a provision in LB1089, a bill by Senator Jim Smith, represented a better way to address this issue.

*LB905 (Kuehn) Change the burden of proof for certain protests of real property valuations. **OPPOSE.*** LB905 places the burden of proof on the county assessor to show that their assessed value is equitable and in accordance with the law at any hearing on a protest regarding real property. The hearing on this bill occurred on January 19, 2018 before Revenue Committee. The bill had no proponents and several opponents. We do not expect the measure to advance from the Revenue Committee.

The bill remains held in committee.

*LB943 (Wishart) Redefine a term relating to budget limitations. **SUPPORT.*** LB943 changes the definition of allowable growth to mean, for governmental units other than community colleges, the percentage increase in taxable valuation. For community colleges, allowable growth is the percentage increase in excess of the base limitation established in section 77-3446. The hearing on this bill was on January 31, 2018 before the Government, Military & Veterans Affairs Committee.

Proponents of the bill included Lancaster County, the City of Lincoln through the Finance Director and Chief of Police, the League of Nebraska Municipalities, Four Lanes for Nebraska, and the City of Norfolk. Opposition came only from LIBA.

*LB963 (Smith) Change how often real property is inspected and reviewed for property tax purposes. **OPPOSE.*** LB963 requires that real property be inspected and reviewed for property tax purposes no less frequently than every three years.

The hearing on this bill has been set for February 7, 2018 before the Revenue Committee.

LB997 (Murante) Provide limits on salaries of administrative employees of political subdivisions. **OPPOSE.** LB997 prohibits political subdivisions from spending more than five percent of its budgets for salaries and benefits for administrative employees whose primary responsibilities are supervisory or supportive in nature. The hearing on this bill was on January 25, 2018 before the Government, Military & Veterans Affairs Committee. No one appeared in support of the measure and many, many organizations appeared in opposition.

LB1000 (Briese) Requires a bond election under the Public Facilities Construction and Finance Act. LB1000 requires that any bonds issued by a qualified public agency, for purposes of the Public Facilities Construction and Finance Act, be subjected to a vote prior to issuance. A majority of all the qualified electors must vote in favor of issuance before any bond can be issued. The question of issuing bonds may be submitted at a special election or at an election held in conjunction with the statewide primary or general election. A defeated bond question may not be resubmitted in substance for a period of six months following defeat. A special notice of the bond question in the election must be published in a newspaper of general circulation within the jurisdiction of the qualified public agency at least twenty days prior to the election. LB1000 also outlines requirements that a submitted bond question must comply with for both special and general elections. Prior to the issuance of bonds under the Public Facilities Construction and Finance Act, the qualified public agencies participating must make a written statement of all the proceedings relative to the vote upon issuance of the bond.

Through Kerry, Scott Keene has reviewed this legislation along with Mike Rodgers. They do not believe that this has any direct impact on the County.

The bill has been referred to the Government, Military & Veterans Affairs Committee. The hearing on this bill is today.

LB1128 (Wayne) Prohibit counties, local governments, and certain state entities from spending legislative appropriations under certain conditions. LB1128 prohibits any county or other local government which engages in adjudicative functions not subject to the Administrative Procedure Act from spending funds appropriated by the Legislature if such entity conducts a program that is in any way funded by a nongovernmental source.

The hearing on this bill occurred on January 31, 2018 before the Government, Military & Veterans Affairs Committee. Senator Wayne offered an amendment to the committee that would make the provisions applicable only to the Attorney General, Supreme Court and Secretary of State. The only opponent to the bill was Corey Steele on behalf of the Supreme Court.

LANCASTER COUNTY SPREADSHEET AND HEARING SPREADSHEET

Attached, please find two documents: the first is the weekly spreadsheet that we update on a daily basis during session. This is provided to you each Thursday and again over the weekend.

Second, is the spreadsheet of hearings that have been flagged for hearings during the next two weeks. I would note a few of the following for your comment this week:

LB1005 (Kolterman) Change county and school retirement provisions. LB1005 states that, in the event that the board determines that a governmental entity currently participating in the retirements system no longer qualifies under Section 414(d) of the I.R.C. as a participating employer in a governmental plan, the entity will be liable for: (1) funding any obligation of the retirement system to provide benefits for the affected plan members; (2) the cost of any actuarial study necessary to aid the board in determining the amount of such obligation; and (3) any administrative costs incurred by the board or the Nebraska Public Employees Retirement System in connection with the entity's removal from the retirement system.

Any governmental entity contemplating a business transaction that may result in loss of qualifying status under section 414(d) must notify the board in writing as soon as reasonably practicable, but no later than one hundred eighty days before the transaction is to occur. Upon notification, the board must make several prescribed determinations designed to assist the entity with the decision.

LB1005 also requires that, prior to January 1, 2019 any governmental entity with specific statutory authority to elect or discontinue participation in the retirement system must make an election regarding whether to participate. On or after January 1, 2019, no governmental entity may elect or discontinue participation in the retirement system and the board will make determinations whether a governmental entity qualifies for participation. These changes will apply to both county and school retirement systems.

The hearing has been scheduled for February 2, 2018 before the Nebraska Retirement Systems Committee.

LB1009 (Murante) Provide a super-two rural highway classification and change maximum highway speed limits as prescribed. LB1009 creates a classification for super-two rural highways. A super-two consists of two-lane highways designated primarily for through traffic with passing lanes spaced intermittently and on alternating sides of the highways to provide predictable opportunities to pass slower moving vehicles. The speed limit on a super-two will be sixty-five miles per hour. LB1009 also allows for the maximum speed limit to be increased up to five miles per hour over seventy-five miles per hour upon the National System of Interstate and Defense Highways as authorized by the Department of Transportation based on an engineering and traffic investigation.

The hearing has been scheduled for February 5, 2018 before the Transportation and Telecommunications Committee.

LB1089 (Smith) Change provisions relating to confidential tax information, refundable income tax credits, and homestead exemptions. LB1089 states that the audit and examination of selection criteria and standards, the discovery techniques, the design of technological systems to detect fraud and inconsistencies, and all other techniques utilized by the Department of Revenue to discover fraud, misstatements, inconsistencies, underreporting, and tax avoidance are to be considered confidential information.

LB1089 allows for property owners whose property was destroyed or damages by a major calamity between the assessment date and July 15 to petition the county assessor for a reassessment of the property's value for that year. LB1089 also provides a homestead exemption for unmarried surviving spouses of servicemen or service women who died while on active duty or a surviving spouse of such servicemen or servicewoman who remarries after attaining the age of 57.

LB1089 eliminates a requirement that each claimant who wants a homestead exemption file an application with the county assessor on or before June 30 of each year.

The hearing has been set for February 7, 2018 before the Revenue Committee.

LB1111 (Stinner) Adopt the Fiscal Stress Management Act. LB1111 adopts the Fiscal Stress Management Act. The Intent of the Legislature in enacting the Act is to encourage the fiscal integrity of villages, cities, or counties. Under the Act, the auditor must review annually or biennially the financial indicators of taxing authorities to determine if the conditions for a fiscal watch have been met. Beginning in FY2020-21, the auditor must declare a taxing authority as being under the status of a fiscal watch by the occurrence of one or more of the following financial indicators: (1) the FY-end unencumbered cash balances of the village, city, or county have decreased over the past three years; (2) the outstanding bonded indebtedness at FY-end has reached a ratio equal to or more than 20% of revenue; (3) if a comprehensive annual financial report has been completed and all liabilities as reported on the comprehensive annual financial report at FY-end have reached a ratio equal to or more than 20% of revenue; (4) the village, city, or county is at a maximum levy rate over the past three years; or (5) the unused restricted funds authority has decreased over the past three years.

The hearing has been set for February 7, 2018 before the Government, Military & Veterans Affairs Committee.

LB752 (Brewer) Limit the authority of certain political subdivisions to acquire rights-of-way. LB752 prohibits authorization of rights-of-way acquired on behalf of a third-party accessing the infrastructure to sell electric energy.

The hearing has been set for February 8, 2018 before the Judiciary Committee.

LB964 (McDonnell) Authorize mental health professionals to take a person into emergency protective custody under the Nebraska Mental Health Commitment Act. LB964 allows for mental health professionals, who have probable cause to believe that a person is mentally ill and dangerous or a danger sex offender, to take such person into emergency protective custody.

The hearing has been set for February 14, 2018 before the Judiciary Committee.

LB1112 (Vargas) Change provisions relating to placement and detention of juveniles and permit an additional use of funds under the Community-based Juvenile Services Aid Program. LB1112 prohibits juveniles from being placed at a youth rehabilitation and treatment center unless such placement is a matter of immediate and urgent necessity. LB1112 also prohibits juveniles under the age of fourteen from being placed in such centers. LB1112 also prohibits juveniles from being detained unless the physical safety of persons in the community would be seriously threatened or detention is necessary to secure the presence of the juvenile at the next hearing. Children twelve years or younger may not be placed in detention under any circumstances. Juveniles may not be placed into detention: (1) to allow a parent or guardian to avoid legal responsibility; (2) to punish, treat, or rehabilitate; (3) to permit more convenient administrative access; (4) to facilitate further interrogation or investigation; or (5) due to lack of more appropriate facilities.

LB1112 also allows for funds received under the Community-based Juvenile Services Aid Program to be used one time by an aid recipient: (1) to convert an existing juvenile detention

facility or the existing structure for use as an alternative to detention as defined; (2) to invest in capital construction, including both new construction and renovations, for a facility for use as an alternative to detention; or (3) for the initial lease of a facility for use as an alternative to detention.

According to Senator Vargas, the bill is his "JDAI Bill" and would move the state further in that direction.

This bill has been referred to the Judiciary Committee and set for public hearing on February 22, 2018.

LB977 (Wayne) Make post-release supervision optional for Class IV felonies. LB977 allows for post-release supervision to be imposed for Class IV felonies at the discretion of the judge.

This bill has been referred to the Judiciary Committee and set for public hearing on February 23, 2018.

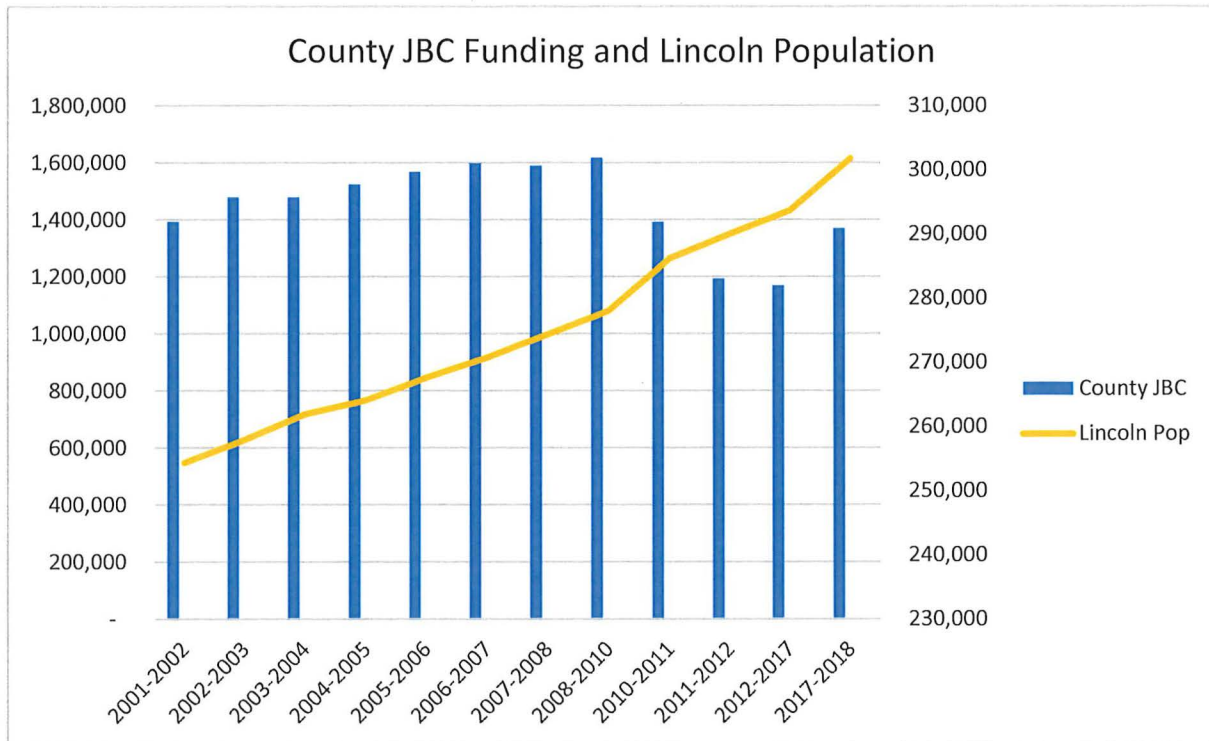
LB1104 (Friesen) Change provisions relating to the special valuation of agricultural or horticultural land. LB1104 adds a new qualification in order for agricultural or horticultural land to receive a special valuation. For land that is located in a county with a population of 100,000 inhabitants or more and that consists of no more than five contiguous acres, the owner or lessee of the land must prove that either: (1) they derived at least 15% of their gross income from agricultural or horticultural activities in the preceding year; or (2) they land produced at least one thousand dollars of gross revenue from agricultural or horticultural activities in the preceding year.

The hearing on this bill has been referred to the Revenue Committee. No hearing date has been set.

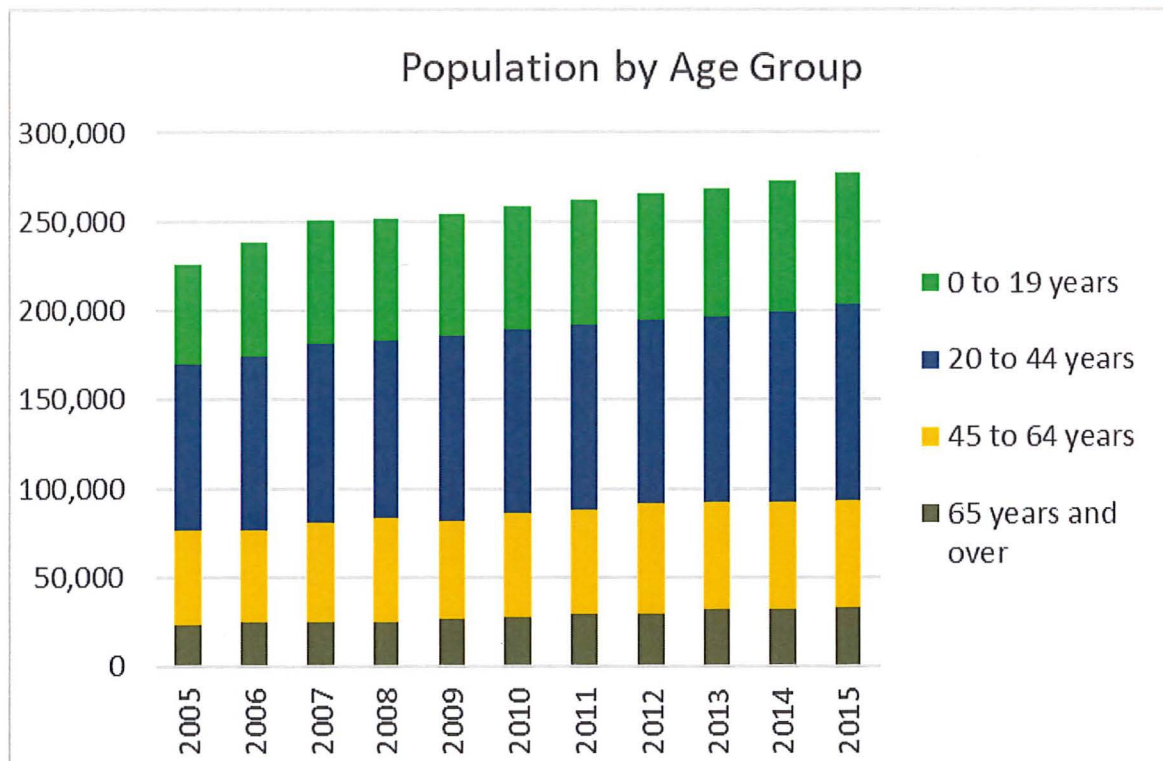
This concludes our report for this week.

**16 YEAR JBC HISTORY
2001 - 2018**

YEAR	TOTAL	CITY	COUNTY	JJPF
2001 - 2002	1,809,931	416,000	1,393,931	
2002 - 2003	1,921,630	441,750	1,479,880	
2003 - 2004	1,942,755	462,875	1,479,880	
2004 - 2005	2,003,143	478,840	1,524,303	
2005 - 2006	2,087,753	519,610	1,568,143	
2006 - 2007	2,119,072	520,010	1,599,062	
2007- 2008	2,064,953	475,498	1,589,455	
2008 - 2010	2,103,545	486,121	1,617,424	
2010 - 2011	1,892,500	500,000	1,392,500	
2011 - 2012	1,294,000	500,000	794,000	400,000
2012 - 2017	1,270,180	500,000	770,180	400,000
2017 - 2018	1,470,180	500,000	970,180	400,000

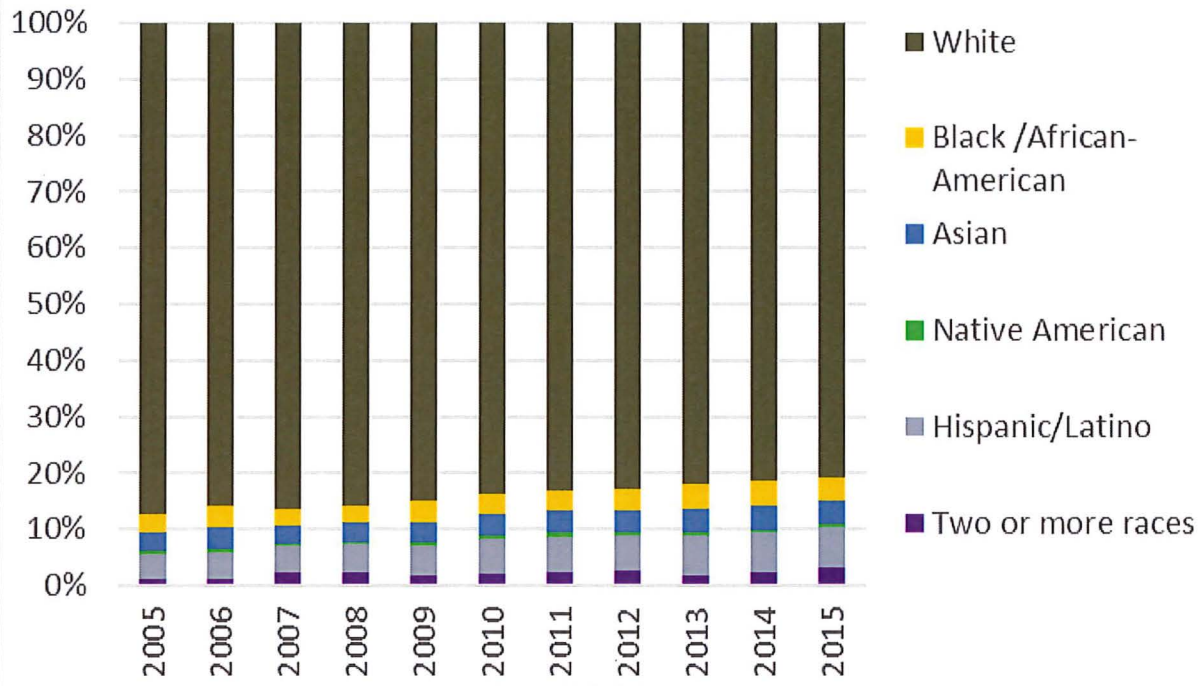


JBC Decreased by 14% while population increased by 14 % during this same time



Most vulnerable population grew the most

Percentage of Population by Race/Ethnicity



Nonwhite population grew by 87%

*Population breakdown taken from Lincoln Vital Signs