

**MID-YEAR BUDGET RETREAT MINUTES
LANCASTER COUNTY BOARD OF COMMISSIONERS
COUNTY-CITY BUILDING
555 SOUTH 10TH STREET, ROOM 113
THURSDAY, MARCH 7, 2013
8:00 A.M.**

County Commissioners Present: Larry Hudkins, Chair; Brent Smoyer, Vice Chair; Deb Schorr; Jane Raybould and Roma Amundson

Others Present: Kerry Eagan, Chief Administrative Officer; Gwen Thorpe, Deputy Chief Administrative Officer; Dennis Meyer, Budget & Fiscal Officer; Joe Kelly, County Attorney; Pat Condon, Chief Deputy County Attorney; Richard Grabow, Deputy County Attorney; Joe Nigro, Deputy Public Defender; Terry Wagner, Lancaster County Sheriff; Jeff Bliemeister, Chief Deputy Sheriff; Kim Etherton, Community Corrections Director; Sheli Schindler, Youth Services Center (YSC) Director; Melissa Hood, Administrative Aide, YSC; Judy Halstead, Lincoln-Lancaster County Health Department Director; Ron Sorensen, Community Mental Health Center (CMHC) Executive Director; Norm Agena, County Assessor/Register of Deeds; Scott Gaines, Chief Administrative Deputy Assessor/Register of Deeds; Andy Stebbing, County Treasurer; Bill Jarrett, Chief Deputy County Treasurer; Michelle Raphael, Accountant/Auditor, County Treasurer's Office; Chuck Salem, Chief Deputy Clerk of the District Court; Troy Hawk, District Court Administrator; Sue Eckley, County Risk Manager; Gary Chalupa, Veterans Service Officer/General Assistance Director; Kit Boesch, Human Services Administrator; Steve Henderson, Chief Information Officer, Information Services (IS); Brent Meyer, Noxious Weed Control Superintendent; Vince Mejer, Purchasing Agent; Bob Walla, Assistant Purchasing Agent; Dan Nolte, County Clerk; Ann Taylor, County Clerk's Office; Nancy Hicks and Jordan Pascale, Lincoln Journal Star Newspaper

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 provided to the media on March 5, 2013

The Chair noted the location of the Open Meetings Act and opened the meeting at 8:06 a.m.

AGENDA ITEMS

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

A. Mid-Year Status of Revenues and Expenditures

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

- County Tax Levy (10 Year History) (Page 2-1)

Meyer noted the levy for Fiscal Year (FY) 2012-2013 is at 28.43 cents. He said that is higher than the levy has been the past four years and attributed it to the Board's decision to shift 1.6 cents of the Railroad Transportation Safety District's (RTSD's) levy to the County. Meyer noted that the RTSD's fund balance has increased from \$15,200,000 to \$18,600,000 million. Raybould asked how much of that is allocated for the Southwest 40th Street bridge. Meyer said he believes it is in the range of \$8,000,000 to \$9,000,000.

Smoyer arrived at the meeting at 8:13 a.m.

- % Increase in Valuation (10 Year History) (Page 2-1)

Meyer said the average increase over the last six years has been 1.85%.

- County Property Tax (10 Year History) (Page 2-2)

Meyer explained that the \$6.1 million increase shown for FY2012-2013 was based on the shift of 1.6 cents from the RTSD and 5.74% increase in valuation.

- % Increase in Property Tax (Page 2-2)
- 2012-2013 Tax Levy Information for a City of Lincoln Resident (Page 2-3)

Meyer pointed out that Lancaster County's portion of the FY2012-2013 allocation is 14.08%.

- 2012-2013 Projected Revenues for Lancaster County (Property Tax Funds Only) (Page 2-4)

Meyer noted that the property, motor vehicle and inheritance taxes and the fund balance make up 75% of the revenues.

- Total Budget of Expenditures (10 Year History) (Page 2-5)

Meyer said the decrease in budgeted expenditures from FY2009-2010 is primarily due to the sale of Lancaster Manor (nursing home facility). Revenues dropped accordingly.

- % Increase in Total Budget (Page 2-5)

Meyer noted this decrease is also due to the sale of Lancaster Manor.

- Budgeted Disbursements by Function (Page 2-6)

Meyer said public safety/law enforcement and public safety/other comprise the largest portion of the budget (37.7% total).

- Report of Obligations Versus Budget (50% of FY Remaining)
(Pages 2-7 and 2-8)

Meyer explained that one-time expenditures in the early portion of the fiscal year may have skewed some of the numbers. He added that none of the numbers are out of the ordinary.

- Comparison of Obligations Through December (FY 2013 Compared to FY2012) (Page 2-9)

Meyer pointed out that General Fund operating expenditures are approximately \$2,000,000 more than last fiscal year and attributed much of that to the new jail. He said the large increases in Board of Equalization and Election Commissioner costs are due to the property revaluation and timing of elections, respectively. Those costs should decrease next year. The \$1,982,296 increase in General Government costs was also a timing issue (when a quarterly payment was made to County Engineering). The increase in the Visitors Improvement budget is due to the \$1,000,000 payment that was made to the City of Lincoln for the new arena.

- Funding for Public Safety and Justice System (Comparison of FY 2013 Expenditures with FY2012 and FY2011 Expenditures) (Page 2-10)

Meyer noted the County is putting in approximately \$47,846,347 to cover these types of costs, compared to \$44,899,013 in FY2012 and \$42,761,425 in FY2011. He noted that the difference in jail costs from last year to this year is \$2,718,787.

- Public Works (Expenditures and County Funding) (Page 2-11)

Meyer said these figures relate to the County Engineering and reflect the General Fund, Highway Fund and the Road and Bridge Fund budgets. He noted the Board did not allocate any monies from the Keno Fund for road projects in FY2011-2012 and FY2012-2013.

- Funding for Human Services (Comparison of FY2013 Expenditures with FY2012 and FY2011 Expenditures) (Page 2-12)

Meyer pointed out that funding for the Community Mental Health Center (CMHC) decreased from \$3,013,966 in FY2011 to \$1,610,746 in FY2013. County funding of joint agencies (Lincoln-Lancaster County Health Department, Aging and Rural Transit) and the contracts with private agencies have also decreased over the past couple of years. He noted that \$400,000 in juvenile justice funding was moved to another area of the budget.

- Payroll Costs Compared to Budget (49.62% of Days Remaining) (Page 2-13)

Meyer said payroll costs total \$65,813,349, noting a number of funds do not include payroll costs.

- Comparison of Payroll Through December (FY2013 Compared to FY2012) (Pages 2-14 and 2-15)

Meyer reported a \$1,295,410 variance in payroll costs between FY2012 and FY 2013, which is a 4.15% increase. He said part of the increase shown for the Post Employment Health Plan (PEHP) is due to retirement payouts. Meyer referenced the \$826,140 increase in regular salaries and said it is due in part to the settlement with the American Federation of State, County & Municipal Employees (AFSCME) bargaining group.

- Comparison of Payroll Costs (FY2012 Compared to FY2011) (Pages 2-16 and 2-17)

Meyer said there has been a reduction in the number of full-time equivalents (FTE's), comparing 1,200 in FY2010 to 863 in FY2013.

- Comparison of Payroll Costs (FY2012, FY2011, FY2010 and FY2009) (Pages 2-18 and 2-19)
- Overtime by County Agency Compared to Budget (49.62% of Year Remaining) (Page 2-20)

- Report of Revenues Versus Budgeted (50% of FY Remaining) (Page 2-21)

Meyer explained that real and person tax revenue appears to be low but it will build over the next couple of months as the first half of property taxes become due.

- Comparison of Actual Revenues (FY2013 Compared to FY2012) (Page 2-22)

Meyer said revenues have only increased 2.12%, compared to a 10% increase in expenditures.

- Change in Consumer Price Index (CPI) (1989 to 2012) (Page 2-23)
- Change in Unused Budget Carryforward Authority (Page 2-24)

Meyer noted that the unused restricted funds authority has fluctuated over the years. He said he has recommended each year that the Board pass a resolution to increase the base amount by 1%. That is in addition to the 2.5% that is allowed by state statutes. Meyer said it will be good to have that extra amount if the State continues to reduce state aid and take away monies that are part of the lid.

- Year End Fund Balances from Budgets (Pages 2-25 and 2-26)

Meyer said he increased both the inheritance tax budget and the General Fund cash reserve by \$2,000,000 this year.

- Non-Mandated County Services (Page 2-27)

Judy Halstead, Lincoln-Lancaster County Health Department Director, explained there are components within the \$2,075,453 figure shown for the Health Department that are mandated.

B. County General Fund

Meyer discussed the following documents:

- General Fund, Statement of Revenues and Expenditures (July 1, 2012 through December 31, 2012) (Page 3-1)

Meyer said the General Fund balance is down about \$2,400,000 from last year and said \$1,800,000 of that difference is due to the transfer that was made to the Road Fund.

- Comparison of Budgeted Revenues (FY2013 Compared to FY2012) (Page 3-2)

Meyer noted revenues increased last year by \$6,007,490 and said the increase was driven by property taxes.

- Comparison of Actual Revenues (FY2013 Compared to FY2012) (Page 3-3)
- Comparison of General Fund Revenues (Pages 3-4 and 3-5)

Meyer attributed the decrease in revenues for the County Treasurer to the decline in interest rates. Jail revenues have also decreased vastly over that last few years, due to the State eliminating jail reimbursement.

- Inheritance Tax Collections (Pages 3-6 and 3-7)
- Register of Deeds Fees (Pages 3-8 and 3-9)
- Interest Income Comparison (Page 3-10)
- Juvenile Court Boarding Contracts (Page 3-11)

Meyer said the Juvenile Court has taken steps to reduce juvenile boarding contract costs.

Eagan noted the Legislature's Judiciary Committee will hold a hearing later in the day on Legislative Bill (LB) 561 (State findings and intent for changes to the juvenile justice system and a funding mechanism). He said youth sent to the Office of Juvenile Services (OJS) are automatically eligible for Medicaid and said juvenile boarding contract costs will increase immensely if that provision is not retained in the new system. Eagan presented a letter for the Board to sign and submit to the Judiciary Committee as testimony, citing the County's concerns. **NOTE:** Action was held until later in the meeting.

- Indigent Defense Costs (Pages 3-12 and 3-13)
- General Assistance (GA) (Page 3-14)
- Comparison of General Fund (FY2012, FY2011, FY2010, FY2009, FY2008 and FY2007) (Page 3-15)

C. Other County Funds

- Group Insurance (Fund 14) Statement of Revenues and Expenditures (July 1, 2012 through December 31, 2012) (Page 4-7)

Meyer noted the County had a 12.74% increase in health insurance costs this year the insurance consultants advised against the Board buying down the premium costs with reserves. He felt if the Board plans to make any changes, it should do so before labor negotiations are concluded.

- Visitors Improvement Fund (Fund 18) Statement of Revenues and Expenditures (July 1, 2012 through December 31, 2012) (Pages 4-10 and 4-12)
- Economic Development Fund (Fund 30) Statement of Revenues and Expenditures (July 1, 2012 through December, 31, 2012)

Meyer noted that Tractor Supply Company has made its final loan payment.

D. Letters from Agencies

Andy Stebbing, County Treasurer, discussed his department's budget. He noted that Liz Thanel moved from an accountant position in his office to the Budget and Fiscal Office and a position was left open in the Treasurer's Office for a period of time to cover that cost for the remainder of the fiscal year. Another vacancy was filled with two on-calls as a cost saving measure. He noted several other cost saving measures, such as reductions in printing, postage and banking fees. Invested funds have also been moved around to earn more interest. Stebbing said the AFSCME settlement had a significant impact on the budget this year (\$114,000), as most of the employees are covered by the AFSCME bargaining group. He said the department may need an additional appropriation of \$65,000 to make it to year-end.

Raybould exited the meeting at 9:43 a.m.

Meyer noted the Board reduced the Juvenile Court's original budget request for FY2012-2013 by \$100,000, which was not realistic. The Juvenile Court anticipates that it will need an additional appropriation of \$187,844 to cover expenses, attributing it to attorney fees, the AFSCME settlement and bailiff salaries. He said attorney fees have been less than originally anticipated, so it's possible that figure could be reduced.

Raybould returned to the meeting at 9:47 a.m.

Terry Wagner, Lancaster County Sheriff, said he anticipates a budget shortfall of \$243,581.88, due to payouts (PEHP and unused vacation and holiday pay) for two retirements and five resignations; cost-of-living increases; and insurance increases. He noted that 15 deputies will be eligible for retirement within this contract period, which ends in August, 2014. In response to a question from Schorr, Wagner said 28 weeks of training is required before a new deputy is ready to assume duties. Raybould asked Wagner whether it is necessary to be fully staffed with crime rates on the decrease. Wagner explained that only half of the deputies are assigned to patrol

functions. The Sheriff's Office is also responsible for courtroom security, civil process, the sex offender registry and issuance of handgun permits.

Sheli Schindler, Youth Services Center (YSC) Director, said her department may be overspent by \$330,000 by year end, due to the AFSCME settlement; cost-of-living increases for unrepresented employees; and an increase for food services. She said she has delayed hiring four FTE's and used on-call's to try to reduce expenditures. Hudkins inquired about capital items, such as radios. Schindler said they are working with radio maintenance to utilize parts from broken radios turned in by other departments. Emergency Management has also given them several radios to use. She said they also need to replace some of their computers and the facility's key box.

MOTION: Smoyer moved and Amundson seconded to add a letter to the Legislature's Judiciary Committee regarding Legislative Bill (LB) 561 (State findings and intent for changes to the juvenile justice system and a funding mechanism) to the agenda. Raybould, Amundson, Schorr, Smoyer and Hudkins voted aye. Motion carried 5-0.

Eagan said the letter is a follow-up to the Board's directive for him and Schindler to meet with Senators Ashford, Coash and McGill, who serve on the Judiciary Committee, to share the Board's concerns (see February 28, 2013 Staff Meeting minutes). He said they were only able to meet with the County's lobbyists, because the senators were unavailable. Eagan said Joe Kohout, Legislative Consultant, has recommended that the Board take a neutral position on the bill. He said Kohout rewrote the letter, with Schindler providing key information. Schorr proposed a few minor revisions.

Joe Kelly, County Attorney, said there are several bills before the Judiciary Committee that could have huge fiscal implications for the County. He recommended that further discussion be scheduled with the County's legislative consultants after the hearings on the bills.

MOTION: Smoyer moved and Amundson seconded to authorize Sheli Schindler, Youth Services Center (YSC) Director, to appear in a neutral position at the Judiciary Committee hearing on the bill and submit the letter, with the proposed revisions. Smoyer, Schorr, Amundson, Raybould and Hudkins voted aye. Motion carried 5-0.

2 MENTAL HEALTH SERVICES/CRISIS CENTER - Ron Sorensen, Community Mental Health Center (CMHC) Executive Director; Scott Etherton, Crisis Center Program Manager

Meyer estimated payouts for compensated absences (vacation and sick leave) for employees at CMHC at \$830,000.

Ron Sorensen, CMHC Executive Director, said CMHC has provided accounting, human resources and clerical (medical transcription and filing) support to the Crisis Center.

Scott Etherton, Crisis Center Program Manager, said those services will have to be provided by another agency or the Crisis Center will have to hire someone to perform those functions. He noted the Crisis Center lost a social worker position last year and the amount that as budgeted for psychiatry was lowered.

Schorr inquired about the number of FTE's. Etherton said there are 21, noting they budget for 15 full-time mental health technicians, but only have 11. On-call mental health technicians are utilized as well.

Schorr asked whether one person could perform all of the administrative support functions. Etherton said everything but the medical transcription services. Schorr asked whether the Crisis Center could contract for those services. Etherton said he is willing to explore that option. Sorensen said transcription needs could change as the facility moves to the Electronic Behavioral Health Information Network (eBHIN).

Sorensen was asked how long transition of CMHC to a new provider might take. He said it was originally thought it would take nine months, adding it will really depend on on which organization is awarded the contract. Sorensen said C.J. Johnson, Region V Systems Administrator, may be able to give the Board a better idea of how long the transition might take.

Meyer asked whether the Board wants to budget for the Crisis Center as a separate agency or within another department. Raybould said Community Corrections might be the appropriate department to provide oversight, noting it has already taken over the mental health jail diversion program. Schorr felt it may be more appropriate to have the Crisis Center, which has a budget of \$2,500,000, be a stand-alone department. Smoyer suggested the Board look at forming a stronger partnership with Region V for operation of the Crisis Center.

There was consensus to have Scott Etherton to prepare a budget for the Crisis Center to be a stand-alone agency, as of July 1, 2013, with contract options for a psychiatrist and medical transcriptionist.

3 MENTAL HEALTH SERVICES REQUEST FOR QUALIFICATIONS (RFQ) - C. J. Johnson, Region V Systems Administrator

C. J. Johnson, Region V Systems Administrator, said he agrees the Crisis Center should be a stand-alone agency, although the Board could look at privatizing it further down the road. He said there are components that could be outsourced to an entity that is familiar with the regulations and what is required to remain accredited. Johnson also recommended the Board budget for CMHC for a full year, as a worst case scenario.

Johnson discussed the Invitation to Negotiate (ITN) process for transition of CMHC's services to a new provider. Eight mental health service providers responded to the Request for Qualifications (RFQ), with six identified as having the capacity to move forward and submit proposals to do the four major service areas: 1) Psychiatric residential rehabilitation; 2) Day rehabilitation; 3) 24-hour crisis line; and 4) Core services (medication management, community support, out-patient therapy, and partial hospitalization). He noted two of the entities identified had only indicated interest in one of the four components, although that does not preclude them from submitting a proposal for all four or partnering with another provider. Johnson indicated plans to meet with those entities as a group and provide clarifications (see Exhibit A for CMHC Transition Questions/Decision Points). He said the Request for Proposal (RFP) will be issued March 21st and stressed that the more information that is provided to potential providers, the better able they will be to determine whether it is something they can do.

4 SELF INSURANCE FUNDS - Sue Eckley, County Risk Manager

Other Self-Insurance Fund (Fund 13)

Sue Eckley, County Risk Manager, discussed the Other Self-Insurance Fund (see Pages 4-3 through 4-6). Meyer noted \$300,000 was transferred into this fund last year to build up the fund balance and said he has concerns it is still not sufficient. He recommended the Board transfer another \$500,000 to \$600,000 to the fund. Eckley said she does not reserve for all of the tort claims filed against the County but there are currently five general liability claims that she has set aside a reserve to cover, for a total of \$1,200,000. She noted there is a \$500,000 self-insurance retention for law enforcement liability coverage and a \$250,000 retention for other general liability exposures. Eckley said the Sheriff's Office was asked to fund that additional \$250,000. Meyer explained the Sheriff's Office picked up \$34,230 this year and the remainder was part of the \$300,000 transfer of funds. Eckley said all of the departments contribute to the general liability excess premium, based on their percentage of payroll, so it no longer depletes the reserve balance (see Page 4-5).

Workers Compensation Fund (Fund 12)

Eckley said there are seven open claims remaining from Lancaster Manor (the former County nursing home facility), noting two are lifetime claims. She said she has reserved \$184,000 for those claims. Eckley also discussed workers compensation claims from other departments. Meyer said FY2013 is on pace to be a record year for workers compensation costs (see Page 4-2). Eckley said the pool of insurance companies that provide coverage is limited but Ace Insurance, who writes the County's general liability, may be an option this year. Meyer recommended the Board transfer an additional \$300,000 to \$500,000 to the fund. He said one option may be to transfer the reserve for the Lancaster Manor claims into the Workers Compensation Fund. The Board could then decide what to do with the remaining funds in the Lancaster Manor Fund.

5 BUILDING FUND/OLD JAIL - Don Killeen, County Property Manager

Building Fund

Don Killeen, County Property Manager, discussed options for funding the new County Court courtroom in the former jail complex. He noted architectural services were paid out of the Building Fund Budget (Fund 51) and the general contract will be paid by the Public Building Commission (PBC), with a surcharge for rent. Meyer said the County only spent \$80,330 out of the Building Fund, as of December 31, 2012, so there may be funds available to apply towards the courtroom costs. Killeen noted two components (pews and the audio/visual system) still need to be bid out.

Old Jail

Killeen asked whether the Board wants the County or the PBC to bond for the remodeling of the building. The Board asked that discussion of bonding options be scheduled with Lauren Wismer, Gilmore & Bell P.C. (Bond Counsel) and Scott Keene, Vice President and Managing Director; Ameritas Investment Corporation.

Smoyer questioned whether it would be better to retrofit the building or tear it down and rebuild. Killeen felt it wouldn't make sense to tear it down. He noted a decision also needs to be made on whether to fully renovate the building or do minimal renovation to address current needs. Board members indicated a preference for minimal renovation.

Killeen said the appraiser that was going to perform an appraisal of the Midtown Center had to withdraw. He recommended that the County contract with John Layman instead, adding Layman has assured him he can meet the six week time frame for the appraisal.

6 DEPARTMENT BUDGET HEARING SCHEDULE

Board consensus was to change the dates of department budget hearings from May 15th and 16th to May 21st and 22nd.

There was also consensus to cancel the City-County Common Budget Hearings, as the City is in a two-year budget cycle and its funding of joint departments has already been determined, and to notify the City Council.

FY 2013-2014 BUDGET INSTRUCTION LETTER

Meyer suggested the request for budget requests to come in at a certain percentage be eliminated. He proposed the following language instead: *The Board understands asking for 97% budgets is not feasible for the Fiscal Year (FY) 2014 budget requests, but need departments to understand that it will be another tough budget year. The*

Board is asking each department to review their operations and programs and come up with ideas to cut costs and to bring those ideas to the budget hearings. Board members concurred with the suggestion.

Chuck Salem, Chief Deputy Clerk of the District Court, reported that a full-time employee in his department has asked to cut her hours back to 30 hours per week. He said there is not a provision in the Personnel Rules that would allow him to do so. The voluntary furlough provision is limited to one calendar month, with a possible one month extension, which does not fit with the employee's request. Board consensus was to schedule further discussion with the Personnel Department and County Attorney's Office.

7 LUNCH

The meeting was recessed for lunch at 12:10 p.m.

The meeting was resumed at 12:37 p.m.

8 JAIL - Mike Thurber, Corrections Director

Mike Thurber, Corrections Director, said he anticipates that his department will come in on budget at the end of the year, noting they are still reviewing a couple of large inmate hospitalization invoices which exceed what is remaining in the medical budget.

Hudkins noted the projected shortfall in the food service budget and questioned whether the Consumer Price Index (CPI) figure that was used to calculate an adjustment in meal prices is correct.

Thurber also presented an operational staffing plan for the new Lancaster County Adult Detention Facility (LCADF) (Exhibit B). He said the department is not adequately staffed to perform preventive maintenance and day-to-day maintenance of the new facility. Thurber requested authorization to add three maintenance positions, explaining the greatest need is for someone with an electrical background. There is also a need for someone with plumbing and Heating, Ventilating and Cooling Code (HVAC) experience. He said the facility currently has three maintenance personnel, noting none are licensed. Inmates will perform janitorial duties and assist with the laundry and food service. Thurber also requested authorization for six additional correctional officers to better staff the facility and reduce the need for overtime. He said the positions could be funded by using the \$389,000 budgeted for Central Services expenditures in Line Item 65755. Meyer explained that line item was likely set up for the purpose of calculating per diems and said the County is not charging any per diems at this time. Schorr suggested phasing in the additional maintenance personnel. Raybould felt it would be less expensive to contract for service, adding the equipment should be under warranty.

Meyer noted the budget is currently \$18,500,000 and asked Thurber what he projects for next year. Thurber said he anticipates it will be less than \$21,000,000.

MOTION: Schorr moved and Smoyer seconded to authorize six (6) additional correctional officers and one (1) additional maintenance worker, utilizing funds in Line Item 65755. Smoyer, Schorr, Amundson, Raybould and Hudkins voted aye. Motion carried 5-0.

9 FUTURE FUNDING ISSUES AND PROJECTIONS

Public Defender

Joe Nigro, Deputy Public Defender, discussed future expenditures in the Public Defender's Office: 1) Switch from using mini laptops to tablets and upgrades to the case management system; 2) One additional attorney in the Felony Division and one additional attorney in the Juvenile Division by FY2015; 3) An additional investigator by FY2015.

Raybould requested more information regarding case overload numbers.

County Attorney

Joe Kelly, County Attorney, noted the Board approved one new FTE in the Child Support Division in October, 2012 and said he is requesting funding of one additional FTE in the FY2013-2014 budget. He will also be seeking another attorney position in the Criminal Division in the FY2014-2015 budget. Kelly noted caseload standards are being developed for his office. The project is being funded with drug forfeiture money.

County Sheriff

Terry Wagner, Lancaster County Sheriff, noted earlier discussion of a budget shortfall of \$243,581.88 in the Sheriff's Office, due to payouts (PEHP and unused vacation and holiday pay) for two retirements and five resignations; cost-of-living increases; and insurance increases; and the potential for 15 additional deputies to retire within this contract period. He said the Personnel Department has calculated that if all 15 deputies take advantage of the sick leave payout into their PEHP accounts, the fiscal impact will be \$908,740. In addition, vacation and holiday time payouts could result in a total shortfall of \$1,000,000 in the next two budget years. Wagner said departments don't budget for retirements and suggested the need for a sinking fund that can be used to pay those balances when someone retires. Meyer said the question will be how to fund it. He noted he had discussed transferring the reserve for the Lancaster Manor claims into the Workers Compensation Fund and said a portion could be set aside for future retirements. Using funds set aside for Joint Budget Committee (JBC) initiatives or the proceeds from the sale of Lancaster Manor were also suggested.

Wagner noted that two deputies are assigned to the rural schools. He said some of the schools would like to increase the number of hours that a deputy is present but said he lacks the personnel to meet those requests.

Hudkins noted the Board removed funding of a sinking fund for radios for the state-wide communications system from the Sheriff's budget a couple of years ago and will have to fund that expense at some point. Wagner said it could be as early as 2014.

Human Services

Kit Boesch, Human Services Administrator, asked the Board to consider making a early assessment specialist, currently funded through a contract with Cedars Youth Services, a County employee (Exhibits C and D). She said this position is responsible for assessing the risk and needs of youth who come in contact with the juvenile justice system for the first time. Boesch estimated the cost of making it a County position at \$48,131 (\$36,741 in salary, plus benefits), which would require \$9,131 in new money from the County. **NOTE:** The County is currently paying \$24,000 for the position through the Cedars contract. There is also \$15,000 in funding through a Nebraska Crime Commission grant. Boesch said the County would need to step up funding, beginning in FY2014-2016, as this is the final year of grant funding. Joe Kelly, County Attorney, appeared in support of the request.

Gwen Thorpe, Deputy Chief Administrative Officer, said the County no longer has a professional partner for TRIM, the electronic document and records management system, and proposed the County enter into a support contract with Kapish, a software company that provides services. She said they bill at \$200 per hour or the County could purchase 25 hours of consulting services for \$5,000 (see Exhibit E). Users would need to have authorization from Thorpe, the County's TRIM Administrator, to contact Kapish with questions. Board consensus was to proceed with development of a contract with Kapish.

Meyer discussed levy projections (see Pages 2-28 and 2-29). He said if the Board decides not to utilize the 1.6 cents of the Railroad Transportation Safety District's (RTSD's) levy, the County will lose \$3,219,192 right off the top. Schorr asked that discussion be scheduled with Roger Figard, City Engineer and Executive Director of the Railroad Transportation Safety District (RTSD), on how the RTSD's cash balance is being allocated. She said she also would like to see options to step-down use of the 1.6 cents, over a three-year period.

10 BUDGET PROCESS

Meyer asked the Board whether it wants to continue to budget for cost-of-living increases in the Contingency Fund or have departments budget for them.

Terry Wagner, Lancaster County Sheriff, felt it would not be difficult for him to budget the expense for the majority of his employees, particularly with multiple year labor contracts in place.

Joe Kelly, County Attorney, said he does not mind the current method.

Bill Jarrett, Chief Deputy County Treasurer, felt the current method forces departments to come back to the Board and ask for additional appropriations.

Amundson questioned the timing of salary discussions, stating it doesn't seem logical to have those discussions before the budget review. Meyer noted that the Board currently acts on salaries at eight different times and said he believes those decisions should all be made at the same time. The exception would be setting salaries for the elected officials since that is specified in state statutes. There was consensus to seek input from the Personnel Department on when would be a good time to have salary discussions and what the effective date should be.

There was consensus to keep the current method of budgeting for salary increases and move next year's Mid-Year Budget Retreat up to January 30th.

RETURNING TO FY 2013-2014 BUDGET INSTRUCTION LETTER

Meyer was asked to include the date of next year's Mid-Year Budget Retreat in the letter and to indicate no requests should come to the County Board until mid-year, unless they are emergency in nature.

12 BUDGET WRAP-UP

Raybould asked Meyer whether other counties are budget forecasting. Meyer said the majority in Nebraska are not projecting out at all. Raybould felt a two-year budget forecast should be a reasonable place to start. Meyer said he is not sure there is value in projecting out for several years because the County faces different issues every year.

Salem asked whether the County could offer incentives for eligible employees to move off the County's medical plan to Medicare. Board members indicated it would be worth exploring.

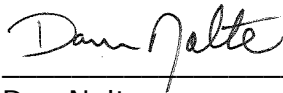
13 OTHER BUSINESS

Schorr requested authorization to speak on behalf of the Board in support of LB 577 (Change provisions relating to the medical assistance program) at a press conference.

MOTION: Amundson moved and Raybould seconded to authorize Commissioner Schorr to speak at a press conference in support of Legislative Bill (LB) 577. Raybould, Amundson, Schorr and Hudkins voted aye. Smoyer abstained from voting. Motion carried 4-0, with one abstention.

14 ADJOURNMENT

MOTION: Schorr moved and Smoyer seconded to adjourn the meeting at 2:49 p.m. Amundson, Schorr, Raybould, Smoyer and Hudkins voted aye. Motion carried 5-0.

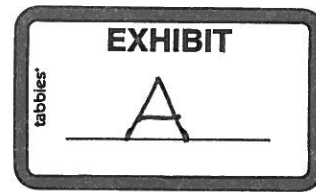


Dan Nolte
Lancaster County Clerk



NOTE: The documents referred to in the meeting are on file in the County Clerk's Office.

CMHC TRANSITION QUESTIONS/DECISION POINTS
(3/6/13)



FINANCIAL

| Request/Decision Point | Resolution | Additional Comments |
|--|------------|---------------------|
| <p>An Annual Budget (year-end) from the last two years that has the Crisis Center's <i>Revenue</i> and <i>Expense</i> removed from it?</p> <p>If Possible:</p> <ul style="list-style-type: none"> • a breakdown of what revenue is allocated to each program along with the expenses • are any of the expenses "absorbed" within the current county infrastructure? i.e. legal fees, IT support, etc.. | | |
| <p>What % of charges are written off on an annual basis compared to what is collected (due to denied claims, bad debt, etc.)?</p> | | |
| <p>For Programs that may have a smaller program within it, can the amount of reimbursement be itemized (ie The Harvest Program is under Community Support and uses the same funding, how many units does it actually use).</p> | | |
| <p>What is the current salary ranges of professional staff (by level) and secretaries?</p> | | |
| <p>Define the current benefit package of the employees (health, dental, retirement contribution, vac/sick/holiday, etc.) How is an employee eligible for benefits?</p> | | |
| <p>How much JBC money is part of the budget and what, if any, programs does it support?</p> | | |
| | | |

CMHC TRANSITION QUESTIONS/DECISION POINTS
(3/6/13)

OPERATIONAL

| Request/Decision Point | Resolution | Additional Comments |
|--|------------|---------------------|
| Need an accurate inventory and condition status of all equipment, furniture, , etc of CMHC and identifying what would be donated back to the new provider. | | |
| How many vehicles does CMHC utilize? Will these vehicles be made available to the new provider and under what conditions? | | |
| How many miles a year, in total, does CMHC put on the vehicles? | | |
| What is the overall status of the 2200 St. Mary's location, will the new provider have it donated, if not will there be rent and how much? | | |
| What is the overall status of <i>Midtown Center</i> , will the new provider have it donated, if not will there be rent and how much? | | |
| What is the condition of the 2200 St. Mary's location? | | |
| Who is responsible for maintenance and upkeep of the 2200 St. Mary's location? Can we attain information regarding any significant building issues that exist or are pending (roof, air quality, heating/cooling system, etc)? | | |
| What is the longest agreement that can be attained from the County specifying these issues on the use of the 2200 St. Mary's site? | | |
| What is the condition of the Midtown building? | | |
| Who is responsible for maintenance and upkeep of the Midtown site? Can we attain information regarding any significant building issues that exist or are pending (roof, | | |

CMHC TRANSITION QUESTIONS/DECISION POINTS
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| | | |
|--|--|--|
| air quality, heating/cooling system, etc)? | | |
| What is the longest agreement that can be attained from the County specifying these issues on the use of the Midtown site? | | |
| Are there productivity standards for each program? If so, a listing of each. | | |

CLINICAL/PERSONNEL

| Request/Decision Point | Resolution | Additional Comments |
|---|------------|---------------------|
| Need accurate FTEs for each program, listing out direct staff and any indirect staff (support staff FTEs per program and those independent of Program- Billing, Transcriptionists). | | |
| Current job descriptions and employee salaries | | |
| Employee roster that includes position title, years in service and credentials/education level. | | |
| Summary of CMHC's workers compensation experience for the past three years. | | |
| List of all services CMHC received from other County departments and the fair market value of those services. | | |
| List of all employee grievances claimed at CMHC over the last three years and how each of the grievances was resolved. | | |
| The Medical Management Program shows 10 significant components. Almost ½ of the budget is made up of County funding. A detailed budget is needed to determine what revenues support each of the components. | | |
| Are CMHC employees affiliated with any unions? If so, a listing of their affiliations. | | |

CMHC TRANSITION QUESTIONS/DECISION POINTS
(3/6/13)

TECHNOLOGY

| Request/Decision Point | Resolution | Additional Comments |
|--|------------|---------------------|
| Does CMHC have an Electronic Health Record? If so, which one? | | |
| What does CMHC use to record case notes for non-medical services? | | |
| Does CMHC use Microsoft products and if so, which version do they use? | | |
| Does CMHC use the County's servers or are all applications PC-based? | | |
| | | |
| | | |
| | | |
| | | |

MISCELLANEOUS

| Request/Decision Point | Resolution | Additional Comments |
|--|------------|---------------------|
| Is there any current litigation against CMHC, if so how will this be handled? | | |
| What kind of Agreement or Contract will be signed by the new provider and the County, what will be involved with it? | | |
| Is CMHC accredited? If so, by whom? What programs are accredited? | | |
| Can we have a copy of CMHC's most recent accreditation report? | | |
| When is CMHC's accreditation slated for renewal? | | |
| A list of any unresolved lawsuits or insurance claims. | | |

EXHIBIT

B

Operational Staffing Plan

Lancaster County Department of Corrections

| Shift | Post Requirements |
|-----------------|-------------------|
| 1 st | 26 |
| 2 nd | 26 |
| 3 rd | 21 |
| Total | 73 |

Total Posts per Shift

Correctional Officer **Net Annual Hours of Leave**

| Steps | | |
|--|--|----------------|
| | | |
| Total hours contracted per employee per year | | 2080 |
| Average number of vacation hours per employee per year | | 96.94 |
| Average number of sick leave hours off per employee per year | | 65.25 |
| Average number of training hours off per employee per year | | 32.00 |
| Average number of personal hours off per employee per year | | 12.00 |
| Average number of military hours off per employee per year | | 5.25 |
| Funeral Leave | | 2.43 |
| Legal Holiday | | 36.95 |
| Unpaid Leave | | 44.18 |
| Total hours off per employee per year | | 295.00 |
| Net annual work hours | | 1785.00 |

- Each post requires 2912 hours of staffing per year.
 - ▣ 8 hours a day x 7 days a week = 56 hours per week.
 - ▣ 56 hours per week x 52 weeks = 2912 hours per year, per post.
- A full time position represents 2080 hours per year.
 - ▣ 52 weeks x 40 hours per week = 2080 hours.
- Our officers work on average 1785 hours per year.
 - ▣ 2080 – vacation, holiday, sick, military, funeral and training leave = 1785 hours.
- $2912/1785 = 1.63$ coverage factor per post.

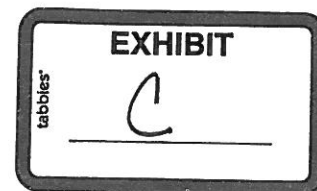
National Institute of Corrections Formula for Coverage

- We've established a need for 73 total security posts.
 - 73×1.63 (coverage factor) = 119 full time officers.

**Coverage Factor Totals for
Security Posts**

Relief Comparisons

| 110 Officers | | | | | | | |
|--------------------|----|----|----|----|----|----|----|
| 1st and 2nd Shifts | | | | | | | |
| | Su | Mo | Tu | We | Th | Fr | Sa |
| Assigned | 28 | 28 | 28 | 27 | 28 | 28 | 28 |
| Minimum | 26 | 26 | 26 | 26 | 26 | 26 | 26 |
| Relief | 2 | 2 | 2 | 1 | 2 | 2 | 2 |
| 3rd Shift | | | | | | | |
| Assigned | 23 | 23 | 23 | 22 | 23 | 23 | 23 |
| Minimum | 21 | 21 | 21 | 21 | 21 | 21 | 21 |
| Relief | 2 | 2 | 2 | 1 | 2 | 2 | 2 |
| | | | | | | | |
| 116 Officers | | | | | | | |
| 1st and 2nd Shifts | | | | | | | |
| | Su | Mo | Tu | We | Th | Fr | Sa |
| Assigned | 29 | 29 | 29 | 29 | 29 | 30 | 30 |
| Minimum | 26 | 26 | 26 | 26 | 26 | 26 | 26 |
| Relief | 3 | 3 | 3 | 3 | 3 | 4 | 4 |
| 3rd Shift | | | | | | | |
| Assigned | 24 | 24 | 24 | 24 | 24 | 25 | 25 |
| Minimum | 21 | 21 | 21 | 21 | 21 | 21 | 21 |
| Relief | 3 | 3 | 3 | 3 | 3 | 4 | 4 |



Early Assessment Specialist (EAS)

This position provides a coordinated approach in assessing the risk & needs of youth who come in contact with the juvenile justice system for the first time.

Request:

For the County to hire a fulltime EAS position to continue valuable information & recommendations to the County Attorney's office regarding low risk youth who have been formally introduced to our juvenile justice system.

Reason:

Each year (since 2009) the EAS has made recommendations which basically kept over 800 kids out of the system.

- A. This gives the County Attorney more time for other County business.
- B. The County doesn't pay \$240/day for detention for youth diverted from the formal system.
- C. Youth are more likely to get the help they need.
- D. Vacant pods provide space for other paying Counties and State youth, bringing in over \$300,000 in income last year.

Position Cost: \$48,131 (\$36,741 + 31% benefits)

When: Beginning July 1, 2013

Payment Plan:

| | | |
|-----------|---------------------------------|------------------------------|
| 2013-2014 | Nebraska Crime Commission Grant | \$15,000 |
| | Lancaster County | \$33,131 (\$9,131 new money) |
| 2014-2016 | County Aid Funds | \$15,000 |
| | Lancaster County | <u>\$33,131</u> + step up |
| | | \$48,131 |

Attachment: Calendar Year 2012 data sheet

Early Assessment Specialist
Calendar Year 2012
Quarterly Report
Specialist: Sara Kliewer, Cedars contract

First Quarter: (218 youth referred)

| | |
|-----------------------------------|----|
| Dismissed | 64 |
| Child Guidance Referral | 4 |
| Juvenile Diversion | 84 |
| Filed in Court | 19 |
| No Action Taken at time of report | 47 |

Second Quarter: (206 youth referred)

| | |
|-----------------------------------|----|
| Dismissed | 62 |
| Child Guidance Referral | 1 |
| Juvenile Diversion | 70 |
| Filed in Court | 9 |
| No Action Taken at time of report | 64 |

Third Quarter: (185 youth referred)

| | |
|-----------------------------------|----|
| Dismissed | 46 |
| Child Guidance Referral | 0 |
| Juvenile Diversion | 90 |
| Filed in Court | 14 |
| No Action Taken at time of report | 34 |

Fourth Quarter: (200 youth referred)

| | |
|-----------------------------------|----|
| Dismissed | 67 |
| Child Guidance Referral | 2 |
| Juvenile Diversion | 89 |
| Filed in Court | 14 |
| No Action Taken at time of report | 28 |

Summary of 2012:

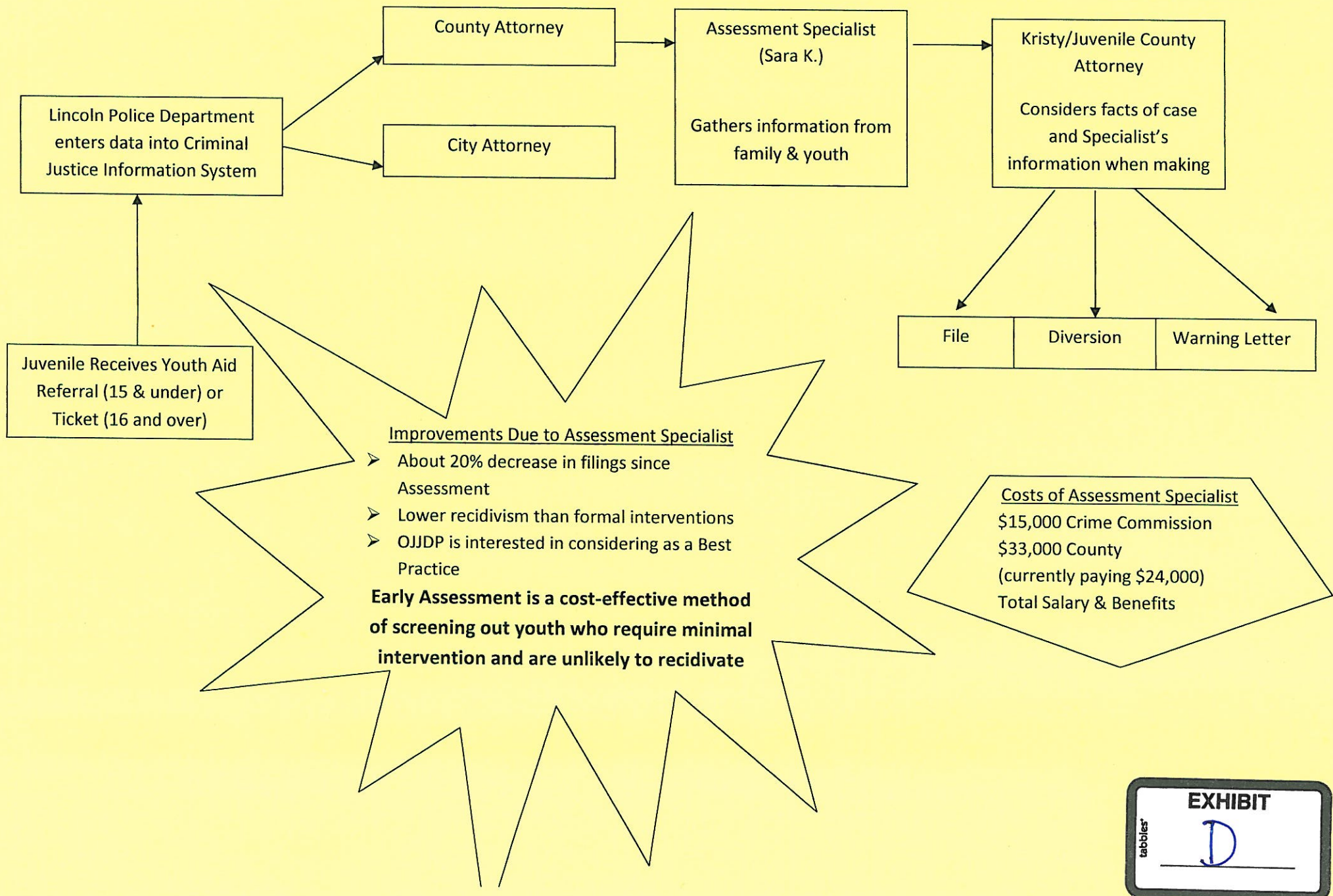
Total # of youth = 809

of youth with charges dismissed = 239 (29.5%)

of youth referred to Diversion or Child Guidance = 340 (42%)

239 + 340 = 579 youth who never entered the system

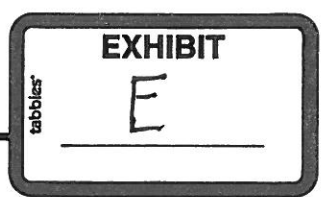
Juvenile Law Violation Assessment Process



EXHIBIT

D

Dennis M. Meyer



From: Gwen K. Thorpe
Sent: Wednesday, January 23, 2013 3:42 PM
To: Dennis M. Meyer
Cc: Kerry P. Eagan
Subject: Mid-Year Budget, TRIM Issues

Dennis,

I would like request discussion of the following at the Mid-Year Budget Retreat:

TRIM Support:

Lancaster County has no TRIM "certified partner" as we had several years ago. Since then, as TRIM Administrator I have no one to ask questions of regarding TRIM, and who can help with additional configuration changes to make TRIM work even better for our employees.

The 2011 upgrade to the software was performed by Kapish, an HP Gold Business Partner. Since the upgrade, management at Kapish has been helpful to me by answering questions on various TRIM issues not related to the upgrade, at no charge. I would like to move forward with a support contract with Kapish which would allow not only me, but other users, to contact them with questions.

Kapish offers several different support packages. When asked, my contact Erik Wilsey recommended a consulting contract which differs from their "canned" support contracts in that we would only be billed if we use the hours and we could use it for any type of question (configuration, server architecture, upgrade help, support, etc.). The hourly rate starts at \$200, but would go lower if we would commit to more time up-front. Kapish works with several organizations our size who have purchased 25 hours of consulting services via this type of contract (\$5,000), and again, we would only get billed if we use the hours. For most quick questions they typically don't even track their time or charge their customer. I would like to move forward with a consulting contract and think 25 hours would be sufficient. Another advantage of a consulting contract would be that we would have established a relationship with Kapish that will serve us well as we go forward.

A word about Kapish: the company was formed following HP's purchase of Tower Software. At that time some of the original Tower Software folks realized the need of TRIM users for support, and formed Kapish. Kapish deals exclusively with TRIM and their employees have global experience with the software, working with many governments, the military, and private businesses. They have developed software to integrate TRIM with other applications, making it easier and more seamless for employees to use TRIM.

We encourage all County agencies to use TRIM and with our recent emphasis on continuity of operations planning I would welcome professional assistance to help me enhance the County's use of TRIM.

Gwen

Gwen Thorpe
Deputy Chief Administrative Officer
Lancaster County Board of Commissioners
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Lincoln, NE. 68508
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