

**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

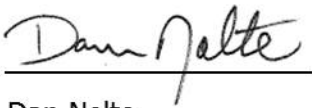
Meyer said he will schedule discussion of rents, Information Services (IS) costs, and insurance rates prior to the budget hearings.

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

