

CITY COUNCIL-COUNTY COMMONS BUDGET MEETING

Tuesday, July 10, 2012

County-City Building, Room 113

1:00 p.m.

Present: Adam Hornung, Chair; Jane Raybould, Vice Chair; Mayor Chris Beutler; Jon Camp; Doug Emery; Gene Carroll; Carl Eskridge; Bernie Heier; Deb Schorr; Brent Smoyer; Larry Hudkins; and DiAnna Schimek

Absent: Jonathan Cook

Others: Health-Judy Halstead, Director; Kathy Cook; Information Services-Sтивен Henderson, Chief Operating Officer; Steve Hubka, Finance Director; Rick Hoppe, Chief of Staff; Marvin Krout, Planning Director; Steve Henderson, Chief Information Officer; Eric McMasters, Pre-Trial Diversion; Emergency Management, Doug Ahlberg; Director; Mark Hosking, Deputy Director; Dennis Meyer, County Budget & Fiscal Officer for Brent Meyer, Weed Control Supervisor; Don Killeen, Public Building Commission; Julie Righter, Communications Coordinator; Tom Casady, Public Safety Director; Don Killeen, Public Building Commission; Doug McDaniel, Personnel Director; Dee Fullerton, Accountant, Aging Partners; Martha Hagencamp, Program Monitor, Aging Partners; and Kit Boesch, Human Services Administrator

Chair Hornung opened the meeting at 1:00 p.m. and announced the location of the Open Meetings Act.

Health: (Attachment A) Director Judy Halstead; Fiscal Information Manager Kathy Cook. Halstead explained a PowerPoint presentation, and distributed position/salary summary, comparing to FY 2012.

Halstead identified 5 programs with indicators, giving explanation for each. The five included Garbage; Obesity; Pets; Dentistry; and Mothers/Prenatal Visits.

Overview of Funds: Total funds of approximately \$18,774,839. Grants, other funds, outside of the budget. City General Fund is 25%, 13.8% from County General Fund, 1.3% is State and Federal aide, 23.3% user fees, occupation tax of 6.1%. Federal Grant funds of 13.6%, 16.2% is State-Local Grants, 1.0% donations. Eliminating 3.5 FTE's: Public Health Nurse I; Public Health Nurse II; Community Outreach Specialist- grant funded. Not replacing the portion of the retirement of Public Health Educator II.. With eliminations and replacement save \$20,000 /\$30,000 per position. Saved \$250,000 and \$15,000 associated operating costs. With vacancies examining if position has to be replaced, or if possible to replace at a lower level?

Camp asked with 3.5 FTE's eliminated, now have how 2 ½ positions? Halstead replied have 3.5 FTE's not funded by City-County. Hudkins stated the County's portion dropped, and the Mayor's went up? Cook said variation is to debt service up or down a thousand dollars, the adjustments of bonds being calculated. Eskridge heard concern of Health's responsiveness to minorities. Halstead stated no minority positions eliminated. Moved into Community Health Services, Community Outreach Specialists positions. We have focus on serving individuals having access to care issues, guided by poverty rather than racial or ethnic.

Information Services (Attachment B) Chief Information Officer Henderson. Henderson stated a change will be Voice Over Internet Protocol (VOIP), with a .5% increase. Proposed budget reduces 2 positions. On the Automated Vehicle Location (AVL) received interest. Replaces Permit Plus with cost recovery in 21 units. Henderson stated they partnered for the new County jail, and in downtown construction. Heier asked who spoke for the County on the AVL system? Henderson replied the County not aggressively pursuing now.

Raybould stated without VOIP expenses, how will you achieve the budget cuts we asked all County departments

to bring of 97% of last year's budget, you're .5% over. Henderson replied they did cut 2 positions, and can't make more cuts with the requirements from the City and County. Raybould asked if he could presented additional budget savings later? He would need to talk about the services not needed.

Hornung said 2 positions cut, but still increased? Henderson said they buy equipment, software, activities causing increase. Raybould said lost 2 positions, only down \$3,000? Hubka replied the City has a 24% health cost increase, I.S. had a 96.5% budget, but the Mayor rejected. Schorr stated Community Corrections wanted an on the shelf product, this shows 800 development hours. Henderson replied an open issue. Smoyer asked if possible to use more interns, contracted services? Raybould asked if Mayor determines this staff? Hoppe said the City reduced it's budget, and employees by about 141 people over 5-6 years. Need strong I.T. effort.

Planning Marvin Krout, Planning Director (Attachment C) Distributed handout of some ongoing responsibilities. Submitted budget but Mayor's proposed reduction didn't meet 97%.

The Long Range Transportation Plan adopted; funded reorganization of the City zoning code; working on acreage lot amendments; helped with redistricting, with attachment showing caseload change over the years.

Asked citizens how they felt about Planning. One quarter felt Planning may hinder development. Half felt we balance planning and encourage development. Everyone who responded was satisfied with the final outcome.

Krout stated they reduced positions, moved General Fund positions to grant positions. Mayor's recommended budget is \$1.676 million, \$31,000 less than approved budget this year, up \$8,000 in '13-'14. Includes about \$275,000 from 2 federal grant programs, 1 federal transportation grant program with phase 4, 2 positions. A Certified Local State Government Grant includes Historic Preservation position. Reclassifications reduction, salary adjustments, and other. County's share is 20% of General Fund cost plus fringes of \$395,000 in '12-'13. Moderate fee increase proposed. Not reflected is \$110,000/year to the City or County, depending on jurisdiction, about 80-20% ratio. The budget doesn't include revenues reimbursed to the City's and County's general fund.

Hornung asked if the 4 technical personnel could be done by I.S.? Krout stated Planning provides services and land base information, part of DSC, and has it's own software, Project Dos. In 3 years reduced processing application timeframes. Most reductions/staff efficiency reduced by support staff technology.

Camp asked with Planners II, same number but dropped \$66,000? Wolf gave explanation of Planner II adjustments. What will be a Planner I shown in Planner II dollars. Camp said Planner dollars down \$66,000. Wolf stated not cutting positions, anticipating. Not distributed accurately, all shown as one savings reduction. Wolfe said if had moved would have more dollars to the Planner I item.

Pre-Trial Diversion, Eric McMasters. McMasters stated over 10 years had private probation with Tulsa, but closed in 2010. The Omaha Pre-Trial Diversion will turn back to the County Attorney. Just here left. Projected revenues from STOP program based on registrations shows the City will receive \$96,000. Lancaster Co. \$13,000, Law Enforcement Fund \$120,000. Equipment increase from distribution change in 2009 reduced STOP class hours 4 hours. Estimating it raised registration 7%. No fee change.

The Diversion Program had about 1700 cases last year, and County felonies have dropped. Restitution pay back of \$83,000. Collected \$343,000 in monthly client fees. Community Service court costs collected of \$85,000. Community service hours down, and drug/alcohol education for 600-700 people a year. The STOP program had 2% increase in '11, in '12 up 7%. Rewriting STOP on-line application which should increase participation. Documentation shows dollar distribution to agencies.

McMasters said the June awards fund had \$237,000. Contribute \$10,000 a month. Approved 2 breath alcohol

testing units for \$13,000. Funded 3 State Patrol helicopter helmets. Fund will probably be \$300,000 before next budget. Raybould asked how do agencies apply? McMasters said a STOP Committee, law enforcement agencies, submit requests. Hornung asked why is fund so high? McMasters said in '09 fee increased. Attorneys decided to put in fund. Camp asked what are equipment perimeters? McMasters replied safety. Schimek asked if STOP referrals correlate to number of enforcement officers? McMasters replied was an issue, now the same over 3-4 years. Cook stated some states pay double the ticket and don't take the STOP class. McMasters replied tagged onto the diversion section, the DMV sets operation regulations. Nebraska requires 4 classroom hours. Will develop on-line drug and alcohol education classes.

Emergency Management Doug Ahlberg, Director; Mark Hosking, Deputy Director. Ahlberg stated budget a little higher this year. Contacted by the State and FEMA inquiring why we didn't ask more emergency management rent. This is a yearly federal grant based mostly on budget request. Each County gets an EMPG grant. We see Homeland Security grants reduced and probably going away. EMPG grants increased over last year. The Federal Government's focus now on these grants. Because of the budget submitted to the County requested \$273,791 from FEMA within the Emergency Management grant program. In our budget was a \$60,000 request to purchase 3 outdoor, 1 inch, sirens for the City, but EMPG money cannot purchase equipment. Applies, and received, a Hazard Grant, \$140,000, to purchase 6 City sirens, 3 replacements, 3 new.

Ahlberg stated the GIS and GPS budget for City and County now in the budget. Will see increase, and personnel costs. For hiring a Deputy Director used EMPG funds for 2 years. Last year, this fiscal year and the coming year \$49,451 can be subtracted from budget, using EMPG funds. Increases of rent, communications, equipment. We have not purchased for 3 years and had a \$3400 request for a computer for the Emergency Operations Center. Increased the center's size from 12 to 28 work stations. The cost from the EMPG grant funds had been saved the last few years to ensure we didn't use City or County funds to develop the Emergency Operations Center.

Camp asked how the workstations are manned in emergencies? Ahlberg replied with a Level Five activation the Emergency Operations Center has workstations for the Police, Sheriff, State Patrol emergency employees, Fire, etc. Camp asked on reducing the budget, the EMPG Fund of \$60,000? Ahlberg said \$60,000 from Capital Outline for outdoor warning centers, 3 out of our budget. With grant received \$140,000 to purchase 6. Therefore don't need the \$60,000. Camp asked about the second item. Ahlberg replied Hosking's salary, EMPG paid for 2 years. Last year received \$80,000, but reached the allocation at the end of the third quarter report payment. They will reallocate funds from other counties who were unable to spend. Will receive about \$33,000 for the 4th quarter last fiscal year. Camp stated instead of the \$547,000 more like \$427,000. Ahlberg replied take \$109,000 from the \$547,582. Schorr asked for a revised copy. Emery asked if includes next year, with reply of yes.

Weed Control Authority Dennis Meyer, County Budget Director presenting for Brent Meyer, Weed Control Superintendent. Meyer stated in the Noxious Weed budget notice in the coming budget the split between the City and County is a little over \$143,000 each. Previously was \$137,600, but has an increase. One reason is the noxious weed department has almost turned over staff in the last 3 years. Brent now employed for 2 years and the Chief Inspector is retiring. Retirement of a long term employee requires payment, part of this increase. Will pay the retirement, then get a little cost savings as we hire down with a new employee in the first range. Meyer stated the Weed Control office has added GIS numbers into the budget, but were able to recover some costs because Brent received a grant from the State this year. The fund balances are a little better as we absorbed some of the increase. Down to the retirement payout.

Schorr asked for the grant amount. Meyer replied in the area of \$6,400. Camp heard it costs more when someone retires, a buyout, early retirement? Meyer replied we pay vacation balance, PEHP. She's been here for a while and has a decent size balance. With a three person office it's tough to absorb. Meyer asked if there were weed questions he could relay to Brent? Emery asked that Brent provide number of how many people we have to mow

for multiple times? Possibly a discussion about having a fine system on top. He added maybe some decide that's the cost of doing business, especially if we don't collect.

Miscellaneous Discussion

Camp said both County and City have buy outs, such as PEHP, vacation. The City has an aging employee base. Estimate of unfunded payout liability? Hubka replied in financial report, but not budgeted. Usually managed by the salary savings. Maybe 2 -3 times the department hasn't covered.

Hornung stated the Mayor proposed we maintain I.S. positions and services. Raybould said the most common complaint is I.S. needs budget perimeters. We require departments at 97% of budget, but when I.S. comes out departments back up to where they were before. A good idea of interns, alternatives, outsourcing for the personnel cost. I.S. salaries are higher, but should be some downsizing with technical advances. Heier stated the County is taking Corrections out of I.S., cost should be cut. Schorr had voiced concern to I.S. that the Corrections Department needed an improved I.S. system for last 3 years. Each year told I.S. will build and Etherton struggled to maintain. She found an off the shelf system to buy and install, but still in the I.S. budget, allocating 800 hours, costing \$71,000. She'll buy her own. Henderson said it's an open issue. Smoyer heard Planning has their own I.T. specialist, and the Treasurer's office has an accounting/software I.T. person. Redundancy? Who do departments prefer? Camp stated originally the purpose of I.S. was having a central base. Heier asked if we should give thought to the University's computer science department? Camp heard Henderson doesn't want interns. Raybould asked why do departments have their own? It's feeling the I.T. personnel not responsive, or doesn't understand needs?

911 Communications/and Radio Maintenance Julie Righter, Communications Coordinator; Tom Casady, Public Safety Director. Casady stated no significant operations change in the 911 Center, no personnel decrease, a few positions reclassified. The budget change is to increase revenue and distribute costs. The County proposed increasing the contribution to the City and University, based on actual usage and population. Heier asked if in the agreement budget cost was 4%? Casady said the interlocal calls for 4% of operating budget, paid by the County, now proposing 8%. Heier asked what the increase of \$56,000 was for and a \$4,000 increase the next year? No personnel. Casady stated some personnel increase, and center operating costs increases. Raybould asked how they arrived at 8%? On call percentage outside 3 miles or the formula of 4% increase? Casady replied in the '80's the flat exchange was converted to a percentage, 4% was close. We propose increasing to 8%-10% using actual distribution, and population. The Sheriff's office accounted for 8.1% of all law enforcement incidents in '11. The county, outside of the city, is 9.5% of the population.

Heier asked what is an incident? Ritcher replied computer ratings dispatch transactions. A deputy service call at a citizen request, or a witness, creates an incident. A phone message, or a call for deputy information. Answer calls and have to process. Any transaction in the system. Casady added counted whether police, fire, sheriff. Actual calls for police is 123,392, sheriff's office was 10,167. Hudkins asked if outside the 3 mile limit, or outside city limits? Casady stated outside city limits handled by the sheriff.

Heier reiterated the 8% increase in budget, doubling? Hudkins added about \$145,000. Schorr appreciates allocating costs but we don't hear the Public Defender's. There's a classification of misdemeanors the city is billed for, and the Public Defender defends, and costs have not accurately been allocated.

Raybould stated this was an Interlocal Agreement, something we agree on, what if we agree to not accept the 4% increase? Hudkins stated the Interlocal Agreement stands until renegotiated. Meyer, and other personnel, have been looking at the Public Defenders, which is close to the same amount.

Public Building Commission Don Killeen, Public Building Commission. Killeen stated the PBC responsible for 9 buildings. Half on this campus. The funding sources are City and County rents, plus some State agencies.

Rent remains the same through the budget cycle. The portion changed is Hall of Justice security. On the expenses the first three items reflect actual buildings operation, including personnel, supplies and services. Relatively flat, out of \$5 million a \$12,000 increase. Also see the bond payments, capital improvements portion, and the tax levy.

Killeen stated also listed is the improvements budget, building by building. The largest expense is in the Hall of Justice, constructing a new County Court. Proposing doing similar as done to the City DSC. Beyond this expense pretty normal maintenance, no major issues. Did 1 roof replacement, and window replacement projects.

Camp asked why are rents down \$100,000/year? Killeen said down about \$50,000. Did carry 9th & J on this budget. Rents down at the County-City building, and have projections of the jail. Will not have Courtroom 10, unsure of Adult Probation. Camp asked if PBC owns the County jail? Killeen replied no, do operate a few functions, Adult Probation; Courtroom 10. Do maintenance, cleaning. Camp asked about the north lot. Killeen replied revenues up. Working with Smith on game day rentals, including the south lot. Good activity from employees/businesses purchasing tickets. Camp said there's a budget decrease. Killeen stated under the Parking Fund go from \$596 to \$739. Camp asked if it increased \$170,000 the prior year? Was \$300,000 and dropped. Killeen replied it was abnormal but we had income. Raybould asked if LED grant money? Killeen said not then, typical revenue was \$5.6 or \$5.7 a year. Other business employees pay \$60 a month. Camp asked for the line on expense Parking Project, the bonds on the north lot? Killeen said the north lot is the major lot, and have parking here, small lots, and an area at K Street. Expenses related to all. Camp asked if equaling income versus expenses? Killeen said hoped to. Camp asked if the Building Commission tax rate would go down? Killeen said if we reach where tax levy revenues surpass bond commitments. Around \$3.8 million in bonds. Would be a point, and bonds start dropping off around 2020. Camp asked if any refinanced? Killeen replied refinanced everything we can.

Eskridge asked about the old City Hall? Killeen said a City building. Schorr said next year, is there a reason we don't have actuals from '11-'12? Killeen replied the year starts July 1st and don't the accounting now.

Camp asked if the Benesch Building was a rent factor? Killeen referred to expenses. Net expense of \$107,000 a year for 5 years. Camp said \$225,000. Killeen stated that was when we bought. Included first year net expense plus \$100,000 down. With the coming year would be \$107,000 net difference between rent and what we paid in loan payment. Camp asked if any renovation escrow? Killeen said not now. Probably as we get closer. They have a 5 year lease and 2-1 year options, and they're responsible for expenses now.

Personnel Doug McDaniel, Director. McDaniel stated with a small budget kept staffing relatively flat. Not adding any FTE's. Cut items to meet the Mayor's goals, as listed. We'll outsource City negotiations and continue to handle negotiations for the County internally. Will be adding money for background checks on City and County employees. Before only checked at risk populations. Felt we should extend to all, and out of the Risk Department budget. Continue with goals, service criteria, and can sense improvements.

Schorr stated the Sheriff's City budget has two references. Additional costs for personnel clerk and benefits specialist of \$47,222. Budget Officer Meyer stated the split there for last three years and part of Thoreson and Lueders. They bill separately. Schorr asked if half of each employee? Meyer doesn't think half. Split so we can see. Raybould heard McDaniel gave presentations on implementing time clocks. Did you give to the City? McDaniel replied did for Mayor's Cabinet, Council has not seen. Not budgeted for but in conjunction with efficiencies. A RFP would go out, then a budget decision, and would allocate appropriately across departments.

Camp said \$50,000 a year on union contracts. With 2 year contracts, included? McDaniel replied have as a contingent, if contracts not negotiated within 2 years, as some may be 1 year contracts. Hornung asked if using in-house on union contracts? McDaniel replied out-sourced for City. County does internally, using the County

Attorney for legal counsel, and myself as the lead negotiator. Camp asked if the County has a 1 on 1 match? Raybould said still has to be negotiated. Camp asked if applies to future employees? Yes.

Aging Dee Fullerton, Accountant; Martha Hagencamp, Program Monitor. (Attachment D) Hagencamp stated Aging Partners is the AAA local Aging agency. The Federal government designates funds for triple AAA's for older adult services. Every American covered.

Hagencamp stated there are 8 triple AAA's in Nebraska. The Lincoln program covers 8 counties. On handout are service units, with the unduplicated count. These are registered consumers we help. Then the annual County Board report on registered consumers. Service more than the 6,435 and statistics listed in handout.

Hagencamp stated also have indicators of who is served. Want to keep people in their homes as long as safe, serving high risk individuals. Explained deficits, poverty level, ages, and people at nutritional risk. Do target. Hudkins said with a 93 year old mother, and an 86 year old father in-law, agree the figures do not reflect the help.

Fullerton stated Aging Partners receives funds to support programs, some from the Older Americans Act. In addition the State provides funds under the Community Aging Services Act and Care Management Program. Local support provided by County. Some programs supported by grant funding. We distribute all Federal and State funds based on population. Our 8 county budget total is \$9,200,000.

Fullerton stated they reduced 3.5 FTE's, a program coordinator (Director of the Seniors Foundation), and an account clerk. Grant budget reductions were a program coordinator and aging specialist II. The program coordinator supported in '12 by carry over funds. Factors arose stopping using carry over funds with position elimination. Federal funds supporting the specialist II shifting to Client Managed Services. The administration stresses cost recovery. The Older Americans Act allows consumers to make voluntary service contributions. Important, it's triple AAA from the Older Americans Act fund based on failure to make a contribution. Recovering costs while maintaining Federal compliance takes planning/coordination. When Aging Services supervisor retired changed position to a business development specialist. Now critically look at marketing and developing new revenue streams. One way is informing seniors we're instituting more volunteer contributions. Marketing services to long distance family members.

Schimek asked what happens to Saunders County when they withdrew? Hagencamp replied we're required by the Older Americans Act to provide basic services to participants. Schimek stated some Saunders money went to Meals on Wheels, did they receive funds before? Yes but now getting \$12,147 more. Schimek asked if the Senior Foundation will house with Aging Services? Fullerton said they moved to Veterans. Camp stated fringe benefits have a high percent. Split between the 8 counties? Fullerton replied the multiple county budgets support the 8 counties. There are benefits but other counties have staff. Each county has an employee to manage county services, not included.

Human Services AND Justice Council Kit Boesch, Human Services Administrator. Boesch stated first, the office budget, which has decreased. The Human Services office is Hoyle, myself, and there was a secretary. Very hard to cut with 3 people. The secretary found a different job and we hired part-time. Will add a full time director by August. Will hire at 20 hours a week, plus benefits. Savings of \$25,000 in personnel. The rest of our budget remains constant. Camp asked if half time receives full benefits? Boesch replied benefits in accordance with 20 hours a week. Camp asked cost of wages and benefits? How much is she paid? Boesch replied \$13.04/ hour. Meyer said the budget benefits are included lump sum. Boesch added the Human Services office budget is for City and County.

Boesch stated secondly the **Joint Budget Committee (JBC)** with a preliminary budget. Shows a County 3% decrease. No increase from the City, for a total of \$1.2 million. With JBC the City mostly covers public safety

and emergency services. County covers behavioral health systems. We bring in money with grants, last year approximately \$32,000.

Boesch stated with two year contracts any decrease also 2 years. Five years ago started at \$2.2 million, and stayed for a long time. But the City initiated a cut. Gradually decreased, predominately on the County side. Before at \$1.5, now \$1.2. Hornung asked for last year's figures. Boesch replied \$23,820 higher for the County. Hornung asked if a particular group not receiving \$23,000? Or a split? Boesch stated this is for JBC discussion but have an amount from CenterPoint. These are recommendations, not JBC approved. Usually they forwarded recommendations to this Board, but an opportunity for discussion.

Boesch stated approximately 16 agencies receive money, once was 33. Carroll asked for explanation of #18 through #27. Boesch replied applications received with no funding last year. Emery added no new requests granted. Not appropriate with new requests, while cutting others. Schorr added sometimes an agency has a variety of programs. We don't fund program A this year but fund program B. Might look new but the same.

Boesch said sometimes agencies fund at different tables. Example the Juvenile Justice Program, which we no longer see. Emery added it's important understand a request not a reflection on the programs, just a dollars issue.

Boesch pointed out in the handout "C" was the **Juvenile Justice Program** funding. Receiving approximately \$525,000 from State, or Federal, grants and you match almost \$1 million in Juvenile Justice funding. At least half is for graduated sanctions, saving money later. One item not reflected is the receipt of a \$50,000 grant for planning. A few chosen to do an implementation grant. If we receive the grant we'll be 1 out of 8 chosen. She stated have about \$1.4 million in Juvenile Justice funding. Listed are the grant sources and what the County pays.

Boesch stated then **KENO Services Prevention**. When we decided to have KENO agreed to put 5% of KENO dollars in a prevention fund for services. Over time granted \$1,372,667 to 74 different agencies. Totals 342 different grants, representing 60% of the money. With the 40%, decided to save. In 2005 an Interlocal Agreement was signed. It says the endowment fund shall not be accessed until it reaches \$1 million, then the KENO Human Services Advisory Board will re-evaluate and make recommendations to the JBC for potential procedural changes. In July told the fund should reach \$998,500. Time for this Board and JBC to think how to respond to the \$1 million. The KENO Advisory Board will put discuss, and send recommendations to JBC and here.

Hudkins said the idea was to generate the fund, and had earnings at 15% interest. Would accumulate \$1 million and then take the earnings off and spend. Have as a perpetual fund. Now interest is very low.

Schimek asked if the Board is allowed to research getting a better interest rate? Then there should be a restriction on what we use for. Boesch said in some way should continue to invest. And yet if we take the money it goes into Human Services. Hudkins stated it was intended to create an endowment. Boesch stated will start discussion with the KENO Board, and will ask the City Treasurer to join us.

Miscellaneous

Schorr stated with Diversion Services, Eric McMasters. The County started running diversion programs years ago but have now developed our own Community Corrections program. The County is working at taping some programs, and taking back some programs we contract out, and run under the County.

Adjournment

Chair Hornung adjourned the meeting at 3:50 p.m.