

April 26, 2010

The **Oklahoma County Budget Board** met in special session on Monday, April 26, 2010 at 10:00 a.m. in the Conference Room 201 of the Oklahoma County Annex Building, 320 Robert S. Kerr, Oklahoma City, Oklahoma, following statutory notice of public meeting being properly posted on Wednesday, April 21, 2010. The following members were present:

Raymond L. Vaughn, Jr. Commissioner District 3, Chairman
Forrest "Butch" Freeman, County Treasurer, Vice-Chairman
Leonard Sullivan, County Assessor, Member
Mark Mishoe, Chief Deputy for Carolyn Caudill, County Clerk, Secretary
Brian Maughan, Commissioner District 2, Member
Joe Blough, Chief Deputy for Willa Johnson, Commissioner District 1, Member
Patricia Presley, Court Clerk, Member
John Whetsel, Sheriff, Member

Absent:

Carolynn Caudill, County Clerk, Secretary
Willa Johnson, Commissioner District 1, Member

The meeting was called to order by Raymond L. Vaughn, Chairman of the Board.

Motion by Whetsel, second by Maughan to approve items 3 through 7 and items 9 through 12 as consent items with one change in the body of item 10 to read \$200,000.00 instead of \$150,000.00.

Resolution GF 27-10: Transfer of General Fund appropriations for MIS 2700 in the amount of \$70,500.00 as follows:

From 1001-2700-2010-53000	Travel	\$22,000.00	
From 1001-2700-2010-54000	Operation	<u>\$48,500.00</u>	
Total		\$70,500.00	
To 1001-2700-2010-51000	Salary		\$70,500.00

Transfer is necessary to redistribute funds to ensure adequate funding to cover payroll. (Document Received.)

Resolution GF 28-10: Transfer of General Fund appropriations for County Clerk 1700 in the amount of \$7,000.00 as follows:

From 1001-1700-2010-51000	Salary	\$3,500.00	
From 1001-1700-2010-52000	Benefits	<u>\$3,500.00</u>	
Total		\$7,000.00	
To 1001-1700-2010-55000	Capital		\$7,000.00

Transfer is necessary to purchase computer equipment and licenses. (Document Received.)

Resolution GF 29-10: Transfer of General Fund appropriations for County Assessor 1300 in the amount of \$23,500.00 as follows:

From 1001-1300-2010-51000	Salary	\$23,500.00	
To 1001-1300-2010-52000	Benefits		\$3,500.00
To 1001-1300-2010-54000	Operation		<u>\$20,000.00</u>
Total			\$23,500.00

Transfer is necessary to complete the fiscal year in the benefits account and to purchase postage. (Document Received.)

Resolution CIR14-10: Cash fund appropriation for Capital Improvement – Regular 2010 as follows:

2010-1200-2010-55000	Capital	\$5,000.00
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To appropriate funds received for the WI-FI project in the County Courthouse Building. (Document Received.)

Resolution DCF 14-10: Transfer of appropriations for Drug Court Fund 1280 in the amount of \$15,000.00 as follows:

From 1280-3150-2010-51000	Salary	\$15,000.00
To 1280-3150-2010-53000	Travel	\$15,000.00

To align funds in the travel account to complete the fiscal year. (Document Received.)

Resolution GF 30-10: Transfer of General Fund appropriations from General Government 1100 to Employee Benefits Supplement 9991 in the amount of \$113,996.00 as follows:

From 1001-1100-2010-54000	Operation	\$113,966.00
To 1001-9991-2010-54000	Operation	\$113,966.00

Transfer is necessary to pay medical and prescriptions for the remainder of April, 2010. (Document Received.)

Resolution GF 31-10: Transfer of General Fund appropriations from Social Services 6100 to Employee Benefits Supplement 9991 in the amount of \$200,000.00 as follows:

From 1001-6100-2010-51000	Salary	\$78,000.00
From 1001-6100-2010-52000	Benefits	\$45,000.00
From 1001-6100-2010-53000	Travel	\$5,000.00
From 1001-6100-2010-54000	Operation	<u>\$72,000.00</u>
Total		\$200,000.00
To 1001-9991-2010-54000	Operation	\$200,000.00

Transfer is necessary to pay medical and prescriptions for the remainder of April, 2010. (Document Received.)

Resolution CIR 15-10: Inter-fund transfer from Capital Improvement-Regular 2010 to Employee Benefits 4010 in the amount of \$100,000.00 as follows:

From 2010-1200-2010-55000	Capital	\$100,000.00
To 4010-0001-2010-54000	Operation	\$100,000.00

Transfer is necessary to pay medical and prescriptions claims for the remainder of April 2010. These funds will be taken from the Jail-Lower Roofs line item and the Social Services Roof Drain line item. (Document Received.)

Resolution WC 15-10: Inter-fund transfer from Worker's Compensation Fund 4020 to Employee

Benefits 4010 in the amount of \$75,000.00 as follows:

From 4020-0001-2010-54000	Operation	\$75,000.00	
To 4010-0001-2010-54000	Operation		\$75,000.00

Transfer is necessary to pay medical and prescriptions claims for the remainder of April 2010.
(Document Received.)

Danny Lambert, Accounting Manager forCarolynn Caudill, County Clerk went over the revenue projections for FY 2011. He said that the ad valorem tax represents 81% of our revenue. This number was provided by the County Assessor's office. The total being \$52,398,487. When you compare that to our current year budget the change from the 09/10 budget is a comparison of what we are projecting next year to our current projection. So that's a \$426,069 increase.

Freeman said he liked the comparison April to April; the Assessor is projecting a little over \$2 million increase in ad valorem for Oklahoma County. By the time all the dust settles and we do the September update, he would feel pretty confident that we are going to see that \$2 million.

Lambert handed out a comparison spreadsheet of our actual adopted budget last year to what we are projecting this year. He said that it was \$2.7 million more than we had anticipated one year ago. He went over the remainder of the revenue projections. The Juvenile Detention Services is the money we get from the state at \$90.52 per day times 79 beds. They have not been paying the full 100% so we calculated that at 90% which is what they have been paying the last several months. Freeman asked if there was anyone in attendance to address the board. There was not. He asked if they were still a part of the county. Lambert said yes. Freeman asked if they want any county money. Vaughn asked if he was referring to CASA. Freeman said no he was referring to the \$2 million. Do they have any words yet on the 10% and if it's going to be more than that. Lambert said they are assuming at this point it's going to continue to be 10%. He didn't think they had received the official word yet.

Sheriff Whetsel reminded the board that he may get another SCAAP Grant but they have no idea whether they are going to get that and how much that is going to be. If they do get it, that will go into some kind of a maintenance project over at the jail. That's the only grant money we get that's directly jail related.

Lambert continued explaining the total revenue projections are \$66,588,556. That's about \$54,000 less than our current budgeted revenue. There are no budgeted items for transfers. The fund balance is hard to project, especially this year. Last year we had based our projection on 3.3% lapse in General Fund budgets. He passed out spreadsheets with 3 different scenarios. The first is our recommended projection of 2.0%. The reason they went with this is because, the estimate of needs were tallied up and the amount that the departments said they would lapse in their current year budget came up to 2.2%. Historically, what the departments say they are going to lapse, and what they actually lapse is generally a lot lower. But since the departments did take across the board cuts for this budget year they have a lot less to work with and we are seeing that there is going to be a lot less lapse to carry forward in to our fund balance for next fiscal year. Last year we projected 3.3% and it came in at 3.3%. He printed the three different scenarios for the Board's review. 2.2% would give us an estimated \$3,846,337. If you used the 3% figure it would be \$4.5 million and 3.3% would be \$4.7 million. Our recommendation is 2% based on

what we have seen and based on the fact that the board just voted on moving money from Social Services of \$200,000 into Employee Benefits and the \$100,000 from the Trigen line item is also being moved to Employee Benefits. We have already tapped in to some of the money that would have been lapsed.

Freeman reminded the group that the lapsed money is made up of two things. Dollars that we won't spend in the current fiscal year because those are real dollars that we get to spend next fiscal year and revenues exceeding what we had budgeted/projected. If you have the opportunity to let it lapse, let it lapse. He indicated that the total sources available for next years budget is \$70,434,893. That is a change from last year's budget of \$1,839,916. These revenues will go to the Excise Board on Thursday for approval.

Motion by Freeman, second by Mishoe to approve the recommended General Fund Revenue Projections for fiscal year 2010. APPROVED. Motion carried unanimously.

Board Comments/ Comments from the Elected Officials.

Patricia Presley, Court Clerk said that last year the Supreme Court notified them of a 7.5% cut. This year it's 10% cut. The chief has asked all the Court Clerk's to look at their Court Fund employees and move that over to the county. Her Court Fund employees are about \$289,000. So that may be something that she will be coming to this board requesting. Our employee county is down. We were at 160 and we are now down to 147 employees. And we need more employees even than we did 10 years ago. She has had to quit servicing Warr Acres and Midwest City. And several years ago when the county couldn't give her the money to bring her employees up to grade, she started delving in to her Revolving Fund. She wasn't spending it on anything so she thought, I don't care what happens, in the long run that's the money that she's going to have to use on her employees. Unfortunately the Supreme Court is looking at all the Revolving Funds throughout the state. As late as Friday I received a message that said when considering your Court Fund budget requests please review the expenses for your office in the following budgeted categories and start paying those out to the extent that you can. So she can see her Revolving Fund being eroded slowly. Tulsa County is sitting on \$4 million of Revolving Fund because she doesn't have to supplement her salaries. Freeman said we are still clearly a donor county as it relates to all 77 counties. Presley said, absolutely that is correct. She was told recently that all the counties are self supporting now, which came as a surprise to her.

Whetsel said he too is always economically challenged. Our employees did not receive any kind of a raise this year. And it looks like probably they will not receive one this next year as well. He said he doesn't know how long they can sustain that and keep employees. So that's something that he is going to be looking at. When you have that many employees, even if you gave \$50 per month that is almost \$1 million. Sullivan asked if this is one of the areas that the Federal people are looking at. Whetsel said one of their concerns is being able to keep trained employees. They are not ever going to put that on the record because it's not an issue for them, but it's an issue for us.

Freeman said that the reports that were issued by Mutual Assurance showed the County Treasurer for 2008 of having medical expenditures of \$1.4 million and in 2009 \$1.9 million.

When he looked in to it, the actual numbers for the Treasurer's office in 2008 was \$69,740 and in 2009 was \$119,000. They were using the Treasurer's line item as an all other. So anything they didn't have a category for they put against the Treasurer.

The other thing he wanted to pass along was that Mark Seikel ran in the Oklahoma National Memorial Marathon. There are 48 runners that have run in all 10 of marathons and Mark is one of them.

Sullivan said that this weekend we had an NBA game in the Ford Center, we had a baseball game in the new baseball park, we had lots of tourists going down the canal, the Arts Festival was going on and we had a lot of horse trailers at the fair grounds as a result of all the new barns out there available. The Civic Center had a ballet in the newly remodeled Civic Center. Almost all of those were the result of MAPS. He hopes that we continue to tell people how great MAPS has been for Oklahoma City. We are probably one of the few cities in the United States that has that much activity and excitement going on downtown and he hopes that we all remember where that came from. Vaughn said Oklahoma City is definitely on the rise.

Whetsel said that the other thing that is important for this body to remember is that we individually need to start thinking of some potential fixes to our health insurance system. We know that we can't continue with \$4 million increases. And yet we have to continue to provide health care for our employees. While we haven't been able to give raise salaries, at least in his department, we did increase the cost for health insurance, so basically his employees took a cut in pay. That same scenario may happen this next fiscal year. We have to look at how to really fix our system. Maybe it is a combination of raising the co-pay a little bit and do some things to try to come up with a system that will not be eating at the General Fund as it does now.

Freeman said that there was an article in the newspaper where the projection of increased health care costs for the coming year was like 26%. Vaughn said you have seen that some of the big companies are being proactive by doing some wellness programs and doing some in-house clinics and things of that nature, trying to bring down the cost of health care and we are looking at some of those options as well.

Whetsel said that he sits on the Chrysler police advisory board and last week we were in Michigan at the Chrysler headquarters for our meetings. They walked by the Henry Ford Clinic and Pharmacy inside the Chrysler headquarters. That's where their employees could go and they had a full time physician and medical staff there.

Sullivan said that he thought we were ideally suited for that with 1,500 employees, having something internally here and that probably 90% of the people could access it. He thinks that is something that we are really going to have to look at. Vaughn said that the thing is there is going to be some initial start up costs with doing that, but once it's up and running there are some real savings to be achieved.

Whetsel said we are also starting to make some contact with Armor Medical. They have a clinic in our facility and they have medical staff there, to see if it is a possibility and if they could give us a cost to possibly expand their services to include employees also.

Sullivan said that a lot of the medical systems around, like emergency rooms run on a contract basis by someone else. There are all sorts of overlapping going on in the medical profession. We might be able to find someone to take us as a contract and we would have no start up costs. Whetsel said that it might be that Armor Medical might be a group that we could talk to about that. Vaughn said lets talk to them. We need to know what our options are.

Freeman said that his numbers are driven by dependants and he knows that's across the county, as we talk about the health benefits let's not just stop at our employees, but that they encourage their own families, because that's where we are picking up a lot of our cost is on the dependants. Vaughn said that whatever we are talking about in the way of wellness would be available to the dependants. It's a change of mindset to do that.

Sullivan asked what the response was where people can call in for crisis and get advice. Dan Matthews said that he has done fairly well. We get a number of people who call in to use the on line services who order the materials for free. We have also had a number of people who take advantage of the wellness programs in there. There is a new one that is for stress management and people are making use of that. Whetsel asked if we could get a report of the usage. Matthews said that they should get a new quarterly report anytime. Whetsel asked if it shows what department they come from. Matthews said only if the individuals identify that. They set it up so that it could show Board of County Commissioners, Sheriff, County Assessor, etc. Whetsel said he wants to be able to see if we are getting the message out. Sullivan said that we may need to re-promote this occasionally. Matthews indicated that it would be a prong to the wellness program especially.

Maughan said that they hired some new employees recently and they have been offering them 90 days temporary work with the opportunity to re-evaluate them at the end of 90 days. If they decide to keep them they would be able to come on the plan after an additional 90 days. We have yet to offer that to anyone that didn't accept. So we would have 6 months of no benefits which is going to save us some. Whetsel said that they are seeing the same thing a higher take rate for the health insurance. It has gone up almost 15% over the last couple of years.

Blough indicated that there has been some discussion that there should be a separate group to study the health benefits. If the Board would entertain that at the next meeting we could do that. Vaughn said that they could do that.

Mishoe asked if we still wanted to address the agenda item regarding an update from the Budget Evaluation Team. Christie Tretheway, Comptroller for the County Treasurer said there really wasn't anything to update the Board on until they get the binders next week. Then they will start hitting it hard.

Citizen Participation. Any citizen wishing to address the Oklahoma County Budget Board on an Agenda Item may do so at this time. There were no citizens wishing to participate at this time.

There being no further business to come before the Board motion by Maughan, second by Whetsel to adjourn the meeting at 10:35 a. m. until the next meeting. ADJOURNED. Motion carried unanimously.

OKLAHOMA COUNTY BUDGET BOARD

Ray L. Vaughn, Jr., Commissioner District No. 3,
and Chairman to the Board

ATTEST:

Forrest "Butch" Freeman, County Treasurer
and Vice-Chairman to the Board

Carolynn Caudill, County Clerk and
Secretary to the Board