



COMMISSIONERS:
DENNIS HISEY (CHAIR)
JIM BENSBERG (VICE CHAIR)

FINANCIAL SERVICES DEPARTMENT
BUDGET, FINANCE, & ECONOMIC AND COMMUNITY DEVELOPMENT DIVISIONS
NICOLA J. SAPP
DIRECTOR

SALLIE CLARK
WAYNE WILLIAMS
AMY LATHEN

Citizen Budget Oversight Committee (“CBOC”) Meeting

Friday, June 20, 2008 at 1:00 p.m.

Pikes Peak Regional Building, 2nd floor Hearing Room

Voting Members Present: Patrick Carter, Richard Williams, Teri Goodall, Katherine Oakey, Stephen Meyer, Leslie Cook, Bob Shirilla, Vicki Taylor, Jan Doran, Victor Andrews, Ken Kile, Nancy Lewis, John Taylor, Terry Harris, Steven Schneider.

Absent: Scott Turner and Michael League.

Non-Voting (Ex-Officio, Liaisons) Members Present: Jeremy Milliman, Jeff Greene, Ed Browne Nicola Sapp, Thomas Rosazza, Dr. John Burrington, Jeff Eckhart, Curtis Lorash and Steve Immel.

Absent: Steve Sery.

I. CALL TO ORDER

The meeting was called to order at 1:03 p.m.

II. MOTION TO ACCEPT LAST MEETING’S MINUTES

A motion was duly made and seconded and approved by a majority of the members present to approve the minutes from last week’s minutes as written.

III. PRESENTATIONS

FINANCIAL SERVICES – Nicola Sapp presented information regarding the Financial Services Department which consists of three divisions: Budget, Finance and Economic Development. The Financial Services Department has seen increased workloads due to the increased reporting requirements. Over the last several years 12 new positions have been integrated into the department. Since 2005 the department has eliminated 5 FTE’s resulting in an on-going savings of \$300,000. Some questions that were discussed were:

Q: Are you allowed to charge per page for Colorado Open Records Act (CORA) requests?

A: Yes we do. \$0.25 per page for a copy as mandated by the State Statute.

Q: How many county employees are there?

A: 2,428 this includes the Health Department.

Q: Why do Gateway personnel get paid through payroll?

A: They get paid for work and we get reimbursed.

Q: Does the general fund get reimbursed for the cost of payroll processing Gateway personnel?

A: No, but indirectly it does as the Gateway program inmates rarely go back to jail.



- Q: Have you had a discussion about consolidating other department finance personnel into the finance department?
- A: That would be just Facilities & IT. The BoCC says it is up to department discretion.
- Q: How long are positions frozen for?
- A: Up to department director and BoCC.
- Q: Are all the red positions in your organization new?
- A: They were received from other departments and are new to the Financial Services Department.
- Q: Is the Grants Analyst paid based on the grants that are brought in? Don't other departments have grants analysts?
- A: DHS and Sheriff have a grants analyst. The grants analysts will work together to support the other 20 departments.
- Q: Based on the workload have you lost staff members due to the workload?
- A: Yes – Mostly professional people. (one key budget member, two retirees, two technical members)
- Q: What about technology investments?
- A: Two or three upgrades of JDE, inventory tracking for capital investments, and Work Order. We have purchased a report writer but we don't have time to sit and write reports.

EBMS – Imad Karaki presented an overview as to the responsibilities of the Employment, Benefits & Medical Services Department. The department is a result of the consolidation of three departments between 2005-2007. The consolidation of the departments eliminated five FTE's, saving the County \$560,000. In 2004 the County became Self-Insured in order to save money due to the rising health costs. Currently, 50% of all medical claims are incurred by 1.5% of the plan members. Since inception, enrollment in the County/City medical plan has increased; however, the cost per employee has stayed the same since the County hasn't given pay increases. By 2012 if changes to the medical plan are not made, the County will see a \$10 million shortfall in the Self-Insurance fund. In compensation, El Paso County is 33% below the regional market resulting in a turnover of 28% for 2007. The cost to replace employees is more than retaining current employees. For 2009, EBMS is requesting a County wide salary increase of 10% which would cost the County \$10 million. For 2009, the EBMS Department is requesting a budget of \$1,421,557.

Some questions that were discussed were:

- Q: Do you still have the Flex plan?
- A: Yes, but it is funded by the employee. They can contribute up to \$5,000 each for medical and/or child care.
- Q: Do retirees receive same benefits for the same cost as they would if they were employees?
- A: No, retiree cost is more however we do subsidize costs based on years of service.
- Q: What is the return on investment for the medical clinics?
- A: \$1 million to both the County and the City.

Q: What does UCCS contribute?
A: They bring research and students about to graduate to do some staffing.
Q: How much does the City contribute?
A: We have an IGA with the City and they contribute based on the percent of utilization.
Q: Since 2004 how many employees use the clinics?
A: In 2007 we had 7,000 visits to the clinics and we expect an increase in 2008.
Q: Do you charge a co-pay to visit the clinic?
A: Yes, \$5 per visit.
Q: How do you handle mental health?
A: It is part of the medical plan and we have an employee assistance program.
Q: Do you have contracts with both hospitals for major surgeries and medical problems?
A: We asked Cigna to develop a select network of providers. Most people are on the Standard plan which has access to Penrose only.
Q: What is the employee increase for historical premiums?
A: For the last couple of years no increase in employee premiums due to no cost of living or pay increases. For 2009 we have been considering an option to increase premiums 100% or redesign the plan.
Q: Even though self-insurance is the way to go, we lost \$2 million each year for the last two years. So the plan is not self-sustaining?
A: Yes for the last two years we lost \$2 million each year. In 2007 we had a 27% turnover. That is why we have to redo the plan for 2009. If the city pulls out we have to be able to close one clinic.
Q: Do you plan on increasing \$5 co-pay?
A: The \$5 co-pay is to incentivize the employees to do preventative care which saves the County money.
Q: What are the total members in the plan?
A: Both City/County = 8,000.
Q: With only 7,000 visits to the clinic isn't that low? Should you mandate use?
A: We are working on that, possibly increasing usage by mandating the use of clinics and buy a wrap around medical plan for major medical.
Q: Does the City include Colorado Springs Utilities?
A: No it is just the City.
Q: Does the County pay for DHS salaries?
A: The general fund contributes \$11 million to DHS and the department also gets a match from state and federal.
Q: What is the cost of turnovers due to inefficiencies and high turnover?
A: 49% cost and picking 3rd choice takes more time to train.
Q: If the increase in sales tax is being dedicated to health and safety it doesn't help other employees?
A: Correct.
Q: Is the 10% increase requested for current employees?
A: This includes all county departments for existing employees.
Q: Are you doing HSA's?

A: No, the IRS ties our hands because you have to have an HSA qualified plan and it limits us.

Q: Who is your consultant and how often do you review consultants?

A: Mercer and 10 county comparison. We contract year to year. We went out to bid in 2007.

IV. BREAK

ENVIRONMENTAL SERVICES – Kathy Andrew presented a department overview of Environmental Services explaining the importance of the department. The goal of the EVS Department is to provide technical assistance to other County departments and reduce County liability. Over the years the department had taken many cuts and reduced its services to mandated services only.

Some questions that were discussed were:

Q: Does your department include the City?

A: No, only the Solid Waste Management is a co-op with the City.

Q: What are the Colorado mandated positions?

A: County Weed Supervisor and County Pest Inspector.

Q: Is the role of subdivision review an overlap of state and federal mandates?

A: A little but people wouldn't be aware. We provide this service for Development Services due to our technical abilities.

Q: Is there more grant money available?

A: Most money is low-interest loan money.

Q: The County doesn't operate the Penrose Equestrian Center so why are we responsible?

A: We still have liabilities from the ground contamination.

Q: How many FTEs are in the department?

A: Seven FTE's (not including Solid Waste Management), we currently have two frozen.

Q: What is your current budget?

A: \$662,000 - 50% for operating the other 50% to personnel.

Q: You stated the budget was cut in half since 2005 what did you cut?

A: All non-mandated services like community outreach.

V. HISTORICAL INFORMATION

a. Historical Budgets – Multiyear Comparison by Department

b. Full Time Equivalent Position Authorizations

c. Allocation of Expenditures by Major Category

Some questions that were discussed were:

Q: How can you increase personnel and cut budget?

A: Most growth is in the restricted fund areas. Ex. Dept of Health is due to mandates required by state which causes an increase in personnel.

Q: Where did the transfers go?

A: Ex. Self-Insurance → Transfer costs from department to Self-Insurance fund for claims cost.

Q: Will we have a Public Trustee presentation?

A: The Public Trustee is a unique entity and the statutes surrounding the funding are very specific. The fees offset expenses and any additional revenue generated goes back to the General Fund. The Public Trustee is considered a restricted fund for the purpose of CBOC.

Q: Do we get revenue for the Pikes Peak Center?

A: No, it was part of the agreement with the World Arena but we do get reimbursed for utilities, facilities and security. More importantly, the World Arena ran a funding campaign to raise private contributions for capital improvements to the facility which is still owned by the County. To date, \$2.5 - \$4 million has been done in facility renovations and improvements.

Q: What is Public Communications?

A: Two employees that spend time responding to CORA and issuing press releases.

Q: What is the School Trust Fund?

A: It is a restricted fund; fees are collected on behalf of schools.

Q: How long is the contract with the World Arena for?

A: For the Pikes Peak Center the contract was effective in 2005 for 25 years.

Q: Should we talk to the Assessor about property values?

A: If he has the data.

Q: Can we get 2009 budget requests by department?

A: Yes on July 11th.

Q: Where is the money for the departments going to come from?

A: We need to rank the programs and then look at the program. We need to look at suggestions for efficiencies and consolidations. We also need to provide a reliable funding stream for the County and how we are going to get that.

Q: Is there an additional way to increase revenue from each department?

A: Most fees are legally set by statute and there is not much wiggle room.

VI. DISCUSSION ON REMAINING PROCESS

- a. At the next meeting, there will be a discussion about the Strategic Plan and then the ranking process will commence on the programs provided by El Paso County. This ranking will be based on which programs represent the most critical functions or services El Paso County should be providing.
- b. At the following meeting and once the ranking and deliberations are complete, Financial Services will then present the 2009 Discretionary or funding available to provide these services and functions. CBOC will also be provided the cost associated with the programs. Based on the ranking and available funding, the discussion will occur as to which programs will be recommended to BoCC to be continued in 2009 and which programs cannot. Other budget balancing options will be discussed at that time.
- c. Final discussions and direction will occur regarding the compilation of the formal recommendation and scheduling of the presentation to the BOCC.

VII. PROPOSALS

- a. Ex-Officio members to be able to rank departments.
- b. At presentation to BoCC the Ex-Officio members can dissent from votes.

<u>Future Meetings:</u>	Friday, June 27, 2008	1:00 – 5:00 p.m.
	Friday, July 11, 2008	1:00 – 5:00 p.m.
	Friday, July 18, 2008	1:00 – 5:00 p.m.

VIII. The meeting was adjourned at 5:00 p.m.