

**STAFF MEETING MINUTES
LANCASTER COUNTY BOARD OF COMMISSIONERS
COUNTY-CITY BUILDING
ROOM 113
THURSDAY, JANUARY 23, 2003
8:15 A.M.**

Commissioners Present: Bernie Heier, Chair
Ray Stevens, Vice Chair
Larry Hudkins
Bob Workman
Deb Schorr

Others Present: Kerry Eagan, Chief Administrative Officer
Gwen Thorpe, Deputy Chief Administrative Officer
Bruce Medcalf, County Clerk
Trish Owen, Chief Deputy County Clerk
Ann Taylor, County Clerk's Office

The Staff Meeting was called to order at 8:17 a.m.

AGENDA ITEM

1 APPROVAL OF STAFF MEETING MINUTES OF TUESDAY, JANUARY 21, 2003

MOTION: Hudkins moved and Stevens seconded approval of the Staff Meeting minutes of January 21, 2003. Hudkins, Stevens, Heier and Workman voted aye. Schorr was absent from voting. Motion carried.

2 ADDITIONS TO THE AGENDA

- A. Community Mental Health Center Advisory Committee Appointments (Exhibit A)
- B. Lancaster Manor Budget
- C. Lancaster County Juvenile Detention Center Budget

MOTION: Workman moved and Hudkins seconded approval of the additions to the agenda. Hudkins, Stevens, Heier and Workman voted aye. Schorr was absent from voting. Motion carried.

3 COMMISSIONER MEETING REPORTS

- A. District Energy Corporation - Heier, Hudkins

Schorr arrived at 8:19 a.m.

Hudkins reported a low thermal unit cost.

- B. Floodplain Task Force - Heier

No report.

- C. Juvenile Detention Center Advisory Committee - Heier

No report.

- D. Community Mental Health Center Advisory Committee - Stevens

Stevens said budget planning was discussed, with suggestions to explore charging the Lincoln Police Department for Emergency Protective Custody (EPC) placements and eliminating long-term care facilities.

ADDITIONS TO THE AGENDA

- A. Community Mental Health Center Advisory Committee Appointments (Exhibit A)

The Board scheduled the appointments on the January 28, 2003 Board of Commissioners Meeting agenda and agreed to look at appointing a family/user representative in the future.

RETURNING TO COMMISSIONER MEETING REPORTS

- E. Lincoln Independent Business Association (LIBA) Budget Monitoring Committee - Workman, Stevens

Stevens said budget concerns were discussed.

- F. Keno Prevention Advisory Committee - Stevens, Schorr

Schorr reported that 21 applications have been received, with requests totaling \$122,000. She said \$32,000 is available for allocation.

Hudkins recommended shifting as many requests as possible to the endowment fund.

4 LEGISLATIVE UPDATE - Gordon Kissel, Legislative Consultant; Amy Prenda, Director of Legal Research and Analysis for Kissel/E&S Associates

Gordon Kissel, Legislative Consultant, gave a legislative update (Exhibit B), noting the following:

- * Introduction of Lancaster County bills.
- * Revenue Committee heard testimony on LB 80 (change tax sale procedures) and an amendment was offered to give counties the authority to decide whether to retain the current system or to change and delay tax sales for one year.

Stevens asked whether the bill will negatively impact cash flow.

Dave Kroeker, Budget & Fiscal Officer, said it will not have a significant impact for Lancaster County as tax collections will be coming in. He added that most are paid within 30 days.

Hudkins said a taxing entity can utilize a Tax Anticipated Note (TAN) or registered warrant if it becomes necessary to draw on those funds.

- * The Governor has expressed interest in LB 377 (change provisions relating to payment of county jail inmates' medical costs) and an amendment will be offered to bring inmates in the prison system under the same provisions.

Mike Thew, Chief Deputy County Attorney, said an amendment will be needed to add juvenile detention.

- * LB 665 (authorize counties to enact ordinances) was introduced and is similar to LB 567. Sarpy County is also interested in ordinance authority and efforts will be coordinated with them.
- * Nebraska Association of County Officials (NACO) plans to testify in opposition to LB 177 (change inheritance tax collection). Senator Raikes plans to introduce inheritance tax legislation, similar to legislation he introduced last year.
- * Government Committee will hold hearings on LB 41 (change County Purchasing Act bidding requirements) and LB 328 (change competitive bidding provisions for county boards).

MOTION: Workman moved and Hudkins seconded to support LB 41, provided the language is permissive and contains the concept of LB 328. Hudkins, Stevens, Schorr, Heier and Workman voted aye. Motion carried.

The Board asked that Vince Mejer, Purchasing Agent, and Don Killeen, County Property Manager, coordinate testimony on those bills.

Workman expressed concern regarding LB 456 (change provisions relating to the Landlord & Tenant Act).

MOTION: Workman moved and Hudkins seconded to oppose LB 456.

Stevens questioned whether it is appropriate to take a position on the bill.

ON CALL: Workman voted aye. Heier, Schorr, Stevens and Hudkins voted no. Motion failed.

5 PENDING LITIGATION - Mike Thew, Chief Deputy County Attorney

MOTION: Hudkins moved and Workman seconded to enter Executive Session at 9:05 a.m. for discussion of pending litigation. Hudkins, Schorr, Heier, Workman and Stevens voted aye. Motion carried.

MOTION: Hudkins moved and Workman seconded to exit Executive Session at 9:20 a.m. Stevens, Schorr, Hudkins, Heier and Workman voted aye. Motion carried.

RETURNING TO ADDITIONS TO THE AGENDA

B. Lancaster Manor Budget

Larry Van Hunnik, Lancaster Manor Administrator, appeared and said there are indications that the Nebraska Department of Health and Human Services (HHS) may use a base year of 2002 for reimbursements, which would mean a 7% to 8% reduction for Lancaster Manor.

6 EARLY RETIREMENT - Georgia Glass, Personnel Director; Diane Staab, Deputy County Attorney

Georgia Glass, Personnel Director, said the American Federation of State, County & Municipal Employees (AFSCME) has expressed interest in a retirement incentive. The City provided National Association of Government Employees (NAGE) with this incentive last year and anticipates \$.5 million in savings over a 5 year period. She reported that 141 County employees (15% of the workforce) will be eligible to retire in 2003 and said health insurance will be a key factor.

Stevens said an option would be to offer eligible employees an unpaid leave of absence, with the County continuing insurance coverage until the employees become Medicare eligible.

Glass said any employee that retires may continue the group health insurance but must pay the full premium.

Hudkins said the State has negotiated a contract for a 1% increase for the first year and a 2% increase for the second year. Step increases will be froze.

MOTION: Hudkins moved and Workman seconded to direct the Personnel Department to bring back a proposal for an early retirement incentive that includes insurance coverage to bridge the gap until Medicare eligibility in exchange for an adjustment to merit (step) increases. Hudkins, Stevens, Schorr, Heier and Workman voted aye. Motion carried.

RETURNING TO ADDITIONS TO THE AGENDA

C. Lancaster County Juvenile Detention Center Budget

Item was deferred until the next Staff Meeting, by order of the Chair.

7 REQUEST FOR PROPOSALS FOR BENEFITS CONSULTANT - Georgia Glass, Personnel Director; Diane Staab, Deputy County Attorney

Georgia Glass, Personnel Director, said the contract with Marsh USA, Inc. for benefits consulting will expire May, 2003. She recommended that the County continue to utilize the services of a benefits consultant, with selection through a Request for Proposals (RFP) process.

Workman asked whether there is someone in-house that can "crunch" the numbers.

Glass said insurance is complex and a benefits consultant has expertise in this area that the County lacks.

Hudkins said he would prefer to use the funds to hire assistance for the Personnel Department's Benefits Specialist and to perform that work in-house.

Diane Staab, Deputy County Attorney, said a benefits consultant has access to actuaries and resources that the County does not have and offers a range of benefits, such as seminars, that are of benefit to the County.

MOTION: Workman moved and Stevens seconded to participate in the Request for Proposals (RFP) for a benefits consultant. Workman, Heier, Schorr, Stevens and Hudkins voted aye. Motion carried.

8 PRISONER TRANSPORT VAN - Bill Jarrett, Chief Deputy Sheriff

Bill Jarrett, Chief Deputy Sheriff, requested authorization to purchase a new Dodge Caravan for prisoner transport from the State bid (Exhibit C).

Board consensus was to hold the item until the Mid-Year Budget Review.

LOCATION OF JUSTICE SERVICES RESOURCE CENTER AT 9TH & "J" STREETS - Don Killeen, County Property Manager

Don Killeen, County Property Manager, estimated the cost of locating the Justice Services Resource Center in the 9th & "J" Street Building at \$15,000 (\$3,000 for plans and permits and \$12,000 for materials), assuming that labor is provided by the Corrections work crew.

Workman said he has concerns about locating both juvenile and adult services in the 9th & "J" Street Building.

Killeen said a door separation may not be possible, due to fire code requirements.

Hudkins said Warren Cook, Coordinator of Adult Offender Services, believes location in that building will only buy "a one year fix". He suggested further consideration of locating the center in Trabert Hall, as it offers room for further expansion.

MOTION: Hudkins moved and Workman seconded to authorize Don Killeen, County Property Manager, and Sinclair Hille & Associates Inc. (architect) to assess both the 9th & "J" Street Building and Trabert Hall in terms of cost and the ability to meet long-range needs and to bring a recommendation back to the Board. Hudkins, Stevens, Schorr, Heier and Workman voted aye. Motion carried.

ACTION ITEM

- A. Approval to Waive Bidding Requirements for Combined Phone System for County Assessor/Register of Deeds

The Chair withdrew the item at the request of the County Assessor/Register of Deeds.

ADMINISTRATIVE OFFICER REPORT

A. Letter to Bryan/LGH Health System

The Board reviewed a letter draft (see agenda packet).

MOTION: Heier moved and Stevens seconded approval. Hudkins, Stevens, Schorr, Workman and Heier voted aye. Motion carried.

B. Inclusion of Emergency Medical Services (EMS) Inc., Representative on Mayor's Emergency Services Task Force

MOTION: Stevens moved and Workman seconded to authorize the Chair to send a letter to Mayor Wesely recommending inclusion of a representative of EMS, Inc. on the Emergency Services Task Force. Hudkins, Stevens, Schorr, Workman and Heier voted aye. Motion carried.

C. Committee Assignments

The Board made the following changes to the list (see agenda packet):

- * Appoint Hudkins to the Homeland Security Advisory Committee
- * Appoint Workman to the Joint Budget Committee, rather than Schorr
- * Appoint Schorr to the Visitors Promotion Advisory Committee, rather than Workman

D. Nebraska Association of County Officials (NACO) Health Insurance Portability & Accountability Act (HIPAA) Seminar in Kearney, Nebraska (Friday, February 28, 2003)

MOTION: Hudkins moved and Stevens seconded to authorize Gwen Thorpe, Deputy Chief Administrative Officer, and Diane Staab, Deputy County Attorney, to attend the seminar. Hudkins, Stevens, Schorr, Heier and Workman voted aye. Motion carried.

E. County Department Tour Dates

The Board rescheduled the tour dates as follows:

- * Tuesday, March 25, 2003 at 9 a.m.
- * Thursday, March 27, 2003 at 1 p.m.

F. Mid-Year Budget Retreat Agenda

The Board reviewed the agenda (see agenda packet) and requested the following additions:

- * Prisoner transport van for Sheriff's Department
- * Report from Cost of Service Review Consultant

G. Memorandum from Vince Mejer, Purchasing Agent, Regarding Sheriff Vehicle Set-Up

Board consensus was to have County Engineering continue to provide tear-down and set-up for the County Sheriff's patrol vehicles and to ask Don Shafer, Equipment Maintenance Supervisor, to try to expedite the process.

EMERGENCY ITEMS AND OTHER BUSINESS

- * The Board recognized Valentino's for their food service in the County-City Building.
- * Doug Ahlberg, Emergency Management Director, introduced members of a Weapons of Mass Destruction group charged with assessing the vulnerability of the County-City Building.

SCHEDULE OF BOARD MEMBER MEETINGS

Hudkins said the Nebraska Association of County Officials (NACO) Board is scheduled to meet and vote on whether to create a County Board affiliate organization, with fees ranging from \$100 to \$500 per year.

MOTION: Hudkins moved and Workman seconded to: 1) Support creation of a County Board affiliate organization; 2) Authorize Commissioner Workman, County Board representative, to vote the County Board's position; and 3) Pay the associated fee. Hudkins, Stevens, Schorr, Heier and Workman voted aye. Motion carried.

9 REPORT & RECOMMENDATIONS FROM THE PENSION REVIEW COMMITTEE - Doug Cyr, Dave Kroeker and Trish Owen, Pension Review Committee; Georgia Glass, Personnel Director

Gwen Thorpe, Deputy Chief Administrative Officer, distributed copies of County of Lancaster, Investment Review, January 2003 (Exhibit D) from Segal Advisors (pension consultant).

Kerry Eagan, Chief Administrative Officer, reviewed recommendations from the Pension Review Committee:

- * Establish a "Best of Class" for all of the investments
- * Mandatory reallocation (mapping) after a certain period of time for funds that have been eliminated
- * Add a mid-cap value stock
- * Combine deferred compensation and County Pension Plan administration
- * Combine all of the deferred compensation plans into one plan to leverage better fees
- * Wait on option of a self-directed brokerage
- * Tie elimination of money market fund to elimination of five year requirement on fixed investment
- * Keep Magellan and Neuberger Berman Genesis Funds (Large Cap)
- * Retain short-range and intermediate bond if money market fund is eliminated and retain one intermediate bond option if the money market fund is retained
- * Move to one deferred compensation plan, allowing participants to remain in existing plans but freezing new contributions
- * Get quotes on real estate sector stocks and lifestyle funds
- * Ask pension plan provider to customize existing fund options

Hudkins exited the meeting at 11:10 a.m.

MOTION: Workman moved and Stevens seconded to authorize Rod Crane, Segal Advisors, to enter into negotiations with Nationwide Retirement Solutions (NRS) for the County Pension Plan, including the following options: 1) Lifestyle funds through Nationwide Retirements Solutions; 2) A vested class line-up that includes Magellan and Neuberger Berman Funds; and 3) Combine deferred compensation plans (457's) and the County Retirement Plan administration.

Schorr asked whether it would be beneficial to have the same consulting firm for benefits and the pension plan.

Georgia Glass, Personnel Director, said not necessarily and explained that Segal Advisors was hired to analyze the pension plan and negotiate a renewal, while benefits consulting work is on-going.

ON CALL: Workman, Heier, Schorr and Stevens voted aye. Hudkins was absent from voting. Motion carried.

10 JUVENILE DETENTION CENTER CELL DOOR FRAMES - Chris Beardslee, Sinclair Hille & Associates Inc.; Dennis Banks, Lancaster County Juvenile Detention Center Director; Greg Pettibone, Project Manager

Heier expressed concern with the ongoing problem of door frames breaking away from the block jambs in the Lancaster County Juvenile Detention Center and asked if the problem will be fixed.

Chris Beardslee, Sinclair Hille & Associates Inc., said the doors swing out from the door frames and apparently hit the doorstops with enough force to cause a crack between the door frame and concrete block walls. He said the contractors have been asked to provide cost estimates and alternatives for the door stops. Repair will be at owner cost unless it is determined that the work did not meet the plans and specifications. Beardslee said the only way to make that determination is to take a portion of the wall apart.

Heier asked "What about the architect?"

Beardslee said the design was based on discussion with the hardware consultants and the owner and said what was installed was what everyone believed was the best solution.

In response to a question from Schorr, Beardslee said he does not know if other facilities with similar hardware setups have experienced this problem.

Heier suggested further research.

Dennis Banks, Lancaster County Juvenile Detention Center Director, distributed a report detailing the following: 1) Location of broken door frames; 2) Amount of door action for each door; and 3) Average door action for all bedroom doors in the facility (Exhibit E). He said he believes the problem results from normal "wear and tear", not abuse.

Greg Pettibone, Project Manager, concurred.

MOTION: Workman moved and Stevens seconded to authorize Dennis Banks, Lancaster County Juvenile Detention Center Director, and Greg Pettibone, Project Manager, to proceed with opening appropriate wall areas and to invite the architect, contractors, hardware consultant and hardware vendor to participate in the inspection. Workman, Heier, Stevens and Schorr voted aye. Hudkins was absent from voting. Motion carried.

11 LOCATION OF JUSTICE SERVICES RESOURCE CENTER AT 9TH & "J" STREETS - Don Killeen, County Property Manager

Item moved forward on the agenda.

12 ACTION ITEM

Item moved forward on the agenda.

13 ADMINISTRATIVE OFFICER REPORT

Items moved forward on the agenda.

14 EMERGENCY ITEMS AND OTHER BUSINESS

Items moved forward on the agenda.

15 SCHEDULE OF BOARD MEMBER MEETINGS

Item moved forward on the agenda.

16 ADJOURNMENT

MOTION: Workman moved and Stevens seconded to adjourn the meeting at 11:43 a.m. Workman, Heier, Schorr and Stevens voted aye. Hudkins was absent from voting. Motion carried.

Bruce Medcalf
County Clerk