

**STAFF MEETING MINUTES
LANCASTER COUNTY BOARD OF COMMISSIONERS
COUNTY-CITY BUILDING, ROOM 113
THURSDAY, MAY 14, 2009
8:30 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
and Interim Lancaster Manor Administrator
Dan Nolte, County Clerk
Ann Taylor, County Clerk's Office

The Chair opened the meeting at 8:35 a.m.

AGENDA ITEM

1 APPROVAL OF THE STAFF MEETING MINUTES, THURSDAY, MAY 7, 2009

MOTION: Stevens moved and Schorr seconded approval of the May 7, 2009 Staff Meeting minutes. Workman, Hudkins, Heier, Stevens and Schorr voted aye. Motion carried.

2 ADDITIONS TO THE AGENDA

A. Report on the Meeting the Chair and Vice Chair had with Greg Newport, The Clark Enersen Partners (Architect for the New Jail)

MOTION: Stevens moved and Hudkins seconded approval of the addition to the agenda. Workman, Hudkins, Heier, Stevens and Schorr voted aye. Motion carried.

3 LEGISLATIVE UPDATE - Gordon Kissel and Joe Kohout, Kissel/E&S Associates (Legislative Consultants)

Gordon Kissel, Legislative Consultant, presented a legislative update and a report on legislative bills of interest (Exhibits A and B).

Hudkins inquired about the status of the bill that will create an additional district court judgeship in Lancaster County.

Kissel said that bill was bundled with six other bills into Legislative Bill (LB) 35 (Change legal process regarding limited liability companies, courts, civil and criminal procedure, grants, estates, real estate, adoption, foster care, juveniles, court appointed special advocates, and administrative hearings and change fees). He said the bill is on final reading and said the bill is not subject to line item veto.

ADDITIONS TO THE AGENDA

A. Report on the Meeting the Chair and Vice Chair had with Greg Newport, The Clark Enersen Partners (Architect for the New Jail)

Stevens said he and Heier met with Greg Newport, The Clark Enersen Partners, to discuss whether plans for the jail could be expanded by 112 beds if the County has additional money available. He said Newport indicated it would not be difficult to do but said it would require additional time on the part of the design team. His fee would increase from five to six percent. Newport said the bidders could be notified, before bid submission, that there is an add-on to the contracts and said it might delay the awarding of the contracts by thirty days. He said Newport estimated the cost of adding 112 beds at \$4,000,000, finished, and said the savings would not be significant if it were just shelled. Furniture, fixtures and equipment costs would also increase. Stevens also reported that Newport has been in contact with John Sampson (construction manager at-risk for the project) and said Sampson estimated the bids would come in at \$60,000,000.

Heier said he is concerned with the estimated increase in architect's fees, noting plans for a 776 bed facility were already drawn up.

Mike Thurber, Corrections Director, appeared and said it would help to have the additional beds as the current population is 490.

Hudkins suggested further negotiation of the architect's fee.

Vince Mejer, Purchasing Agent, appeared and explained that the discussion of 776 beds took place during the conceptual phase and said detailed drawings were not prepared. He said additional design fees are appropriate but said five percent may be high. Mejer said Sampson will present the Guaranteed Maximum Price (GMP) by May 22nd and said he needs to understand that the County wants the GMP for the present number of beds in the bid specifications, as well as the addition.

Schorr expressed concern about "charging forward", noting there are a number of excluded items (an extensive list of items that were not included in the architect's design) that still have to be paid for.

Stevens said he believes the funds would have been better allocated in hiring a project manager.

Mejer said the County will need the extra beds "down the road" and said it will be beneficial to have the plans and specifications done.

MOTION: Hudkins moved and Workman seconded to direct Vince Mejer, Purchasing Agent, to contact the architect and pursue negotiation of an addition as an alternate bid to the contract and as soon as it is ready, to develop a contract, in consultation with the County Attorney's Office.

FRIENDLY AMENDMENT: Workman offered a friendly amendment to direct Vince Mejer, Purchasing Agent, to notify John Sampson, Construction Manager at Risk, that the Board may be asking him for two Guaranteed Maximum Prices (GMP's), one for the present number of beds in the bid specifications and the other for the addition.

The maker of the motion accepted the friendly amendment.

ROLL CALL ON THE MOTION AS AMENDED: Workman, Hudkins, Stevens and Heier voted aye. Schorr voted no. Motion carried.

DISCUSSION OF BOARD MEMBER MEETINGS

A. Nebraska Innovation Zone Commission (NIZC) - Heier

No report.

B. Joint Budget Committee (JBC) - Stevens, Schorr

Schorr said Chad Blahak, Engineer, Public Works & Utilities Department, discussed stimulus funding.

Stevens said Kit Boesch, Human Services Administrator, gave a report on the Creating Assets, Savings and Hope (CASH) Program.

C. Monthly Meeting with the Mayor - Heier, Stevens

Stevens said discussion focused on access to the new jail facility, the proposed One-Stop Development Services Center and a proposal to issue a Request for Proposal (RFP) for EMS, Inc.

ADMINISTRATIVE OFFICER REPORT

D. Correspondence Regarding EMS, Inc. (See Agenda Packet)

Heier suggested it would be beneficial for the Mayor to discuss the issue with the City Council before it is brought to a City-County Common Meeting.

4 RETIREMENT PLAN AND DEFERRED COMPENSATION

INVESTMENT REVIEW - Russell Paoletti, Vice President, Investment Strategist, Prudential; and Kristy Dinh, Vice President, Relationship Manager, Prudential; Ryan Sullivan, Registered Representative, Prudential; Doug Cyr, Pension Review Committee (PRC)

Russell Paoletti, Vice President, Investment Strategist, Prudential, presented Investment Review, First Quarter, 2009, Retirement Plan Strategies, Lancaster County, Nebraska Eligible Employees & 457 Deferred Compensation Retirement Plans (Exhibit C):

- * Market Commentary
 - * Economic Review
 - * Financial Market Returns
 - * Domestic Equity Style Returns
 - * S&P 500 Sector Performance
 - * International Index Returns
 - * Fixed Income Returns
 - * U.S. Treasury Yield Curve
 - * Economic & Market Outlook
- * Plan Summary

Paoletti said plan assets total \$68,871,007, with 49.0% in the Stable Fund.

- * Investment Options Review
- * Fund Performance

Paoletti said the funds in the lineup are all meeting the investment policy criteria, with the exception of Fidelity Advisor Leveraged Company Stock Fund. He said the fund is down 19.3% on a three-year basis (its benchmark is down 15.53% and its peer group is down 15.16%). The fund is down 4.49% on a five-year basis (its benchmark is down 3.53% and its peer group is down 4.28%). Paoletti said since April 1st the fund is up 40%, which he said demonstrates the volatility of the fund. The fund is up 24.0% for the year and is the best performing option year-to-date.

Schorr noted the Alliance Dividend Value had the largest decrease for the quarter (20.0%) and asked why it was not targeted.

Paoletti said the fund is still outperforming its benchmark on a three-year and five-year basis. It is also outperforming its peer group on a five-year basis. He said the fund is the worst performing fund in the lineup year-to-date and said they will continue to monitor it.

Paoletti also indicated he will be reviewing the Investment Policy Statement the County had with the previous provider to see what revisions are necessary.

Schorr asked Prudential to look into consolidating statements.

Workman inquired about the level of interest in Income-Flex, a new retirement plan option that features a guaranteed minimum withdrawal benefit for plan participants who are at least 50 years of age.

Kristy Dinh, Vice President, Relationship Manager, Prudential, explained it won't be implemented until sometime in July.

Kerry Eagan, Chief Administrative Officer, said a plan amendment may be necessary to allow partial distributions.

Doug Cyr, Pension Review Committee (PRC), added there is still a question as to whether that will need to be run by the Internal Revenue Service (IRS).

Also present were the following members of the Pension Review Committee (PRC): Terry Adams, Tim Genuchi, Dennis Meyer and Bill Thoreson.

5 COMPUTER REQUEST - Bill Jarrett, Chief Deputy Sheriff

Bill Jarrett, Chief Deputy Sheriff, said one of his department's computers is no longer functioning and needs to be replaced. He stated they do not have funds in the budget for the expenditure.

MOTION: Hudkins moved and Workman seconded to authorize the purchase out of the Microcomputer Fund. Schorr, Stevens, Heier, Hudkins and Workman voted aye. Motion carried.

6 LANCASTER MANOR UPDATE - Gwen Thorpe, Interim Lancaster Manor Administrator; Dennis Meyer, Budget and Fiscal Officer

Gwen Thorpe, Interim Lancaster Manor Administrator, said she continues to work on staffing, Workers' Compensation and Purchasing issues. She also reported efforts to reduce energy costs.

Hudkins suggested Thorpe explore installing "electric eye" sensors to turn on lights when there is movement in a room.

Dennis Meyer, Budget and Fiscal Officer, presented updated information on Lancaster Manor's revenues, expenditures and cash flow (Exhibit D). He said revenues exceeded expenditures by \$188,428 for April, leaving a fund balance of \$319,700.

In response to a question from Hudkins, Meyer said the County is still using the \$1,000,000 that was in the Renewal and Replacement Fund.

Hudkins said the Board chose to use those funds.

Meyer said the Manor would have a deficit of \$1,700,000 without the Renewal and Replacement funds. He noted expenditures are up 16% and attributed part of it to physical therapy costs.

Hudkins asked what can be done to contain those costs.

Thorpe said the contract needs to be renegotiated.

In response to a question from Schorr, Meyer said the Manor received approximately \$1,000,000 in Medicaid back payments in April.

Thorpe said that was likely the final payment.

Meyer was asked to share the April figures with the Request for Qualifications (RFQ) Committee.

- 7 GRANT SUBMISSION REQUESTS: A) \$2,500 FROM NEBRASKA DEPARTMENT OF MOTOR VEHICLES FOR SUBSTANCE ABUSE ACTION COALITION (SAAC) CONFERENCE (EXHIBIT E); AND B) \$50,000 FROM SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION (SAMHSA) FOR EXPANSION OF DRUG FREE COMMUNITIES GRANT - Kit Boesch, Human Services Administrator**

Kit Boesch, Human Services Administrator, gave a brief overview of the grant requests.

MOTION: Stevens moved and Workman seconded to authorize submission of the grant applications. Workman, Hudkins, Heier, Stevens and Schorr voted aye. Motion carried.

DISCUSSION OF BOARD MEMBER MEETINGS

E. Public Building Commission (PBC) Meeting - Hudkins

Hudkins said the proposal to serve ethnic foods in the County-City Building café was discussed and suggested Boesch contact John Hendry, City Attorney, to clarify whether it is necessary to issue a Request for Proposals (RFP) for the coordinator.

Workman said a request from Steve's Hot Dogs to have a hot dog cart on the sidewalk outside the building was denied, due to Capitol environs restrictions. He also reported that tasers were purchased for security staff.

D. Public Building Commission (PBC) Meeting with Mayor - Hudkins

Hudkins said the Mayor indicated plans to make an announcement in June on plans for the third floor of the County-City Building. Watering guidelines will also be announced.

F. Board of Health - Schorr

Schorr said information on the H1N1 flu was presented.

RETURNING TO ITEM 3

MOTION: Schorr moved and Hudkins seconded to request a legal opinion on which departments would be affected by Legislative Bill (LB) 403 (Require verification of lawful presence in the United States for certain public benefits, public employment, contracting with public bodies, and tax incentive programs). Schorr, Stevens, Heier, Hudkins and Workman voted aye. Motion carried.

8 ACTION ITEMS

There were no action items.

9 CONSENT ITEMS

There were no consent items.

10 ADMINISTRATIVE OFFICER REPORT

- A. Appointments and Reappointments to the Lincoln-Lancaster County Board of Health (Dr. David R. Smith, M.D.; Dr. Ed Schneider, O.D.; and Tony Messineo)

The Board scheduled the appointments and reappointments to the Lincoln-Lancaster County Board of Health on the May 19, 2009 County Board of Commissioners Meeting agenda.

- B. Soil Mining Permit (County Resolution No. R-07-0089 - Highway 77 Between Branched Oak Road and Davey Road)

Workman reported that LeGrande Excavating would like to expand his hours of operation.

Eagan said that is changing the terms of the special permit and said the request would need to run through the proper channels. He suggested the Board seek advice from the Planning Department and County Attorney's Office.

- C. Legal Opinion on County Authority to Assist with Waverly Watershed Master Plan Cost (Exhibit F)

Workman said the legal opinion indicates the County lacks authority to contribute financially to the cost of the watershed master plan and asked that a copy of the legal opinion be forwarded to Doug Rix, Waverly City Administrator/Clerk.

There was no objection to the request.

- D. Correspondence Regarding EMS, Inc. (See Agenda Packet)

Item was moved forward on the agenda.

- E. Lincoln Public Schools (LPS), Lincoln City Council and Lancaster County Board Meeting

Schorr suggested that discussion of the impact of losing the State Volleyball Tournaments to another community would be an appropriate agenda item.

RETURNING TO ITEM 10B

Mike DeKalb, Planner, appeared and said there are three options (Exhibit G):

1. Administrative amendment to the special permit (Estimated time frame is 10 days)

DeKalb said this option is used in cases where there is no controversy. He noted there was a lot of opposition to the special permit and said the time restrictions were included at the request of the neighbors.

Tom Fox, Deputy County Attorney, appeared and said this option is probably not appropriate because it involves a substantial change to the permit that would affect a public safety concern that was specifically voiced by the County Board when the permit was approved with its current restrictions.

2. File an amendment to resolution that applies to the special permit (County Resolution No. R-07-0089) (Exhibit H) (Estimated time frame is 6 weeks)

DeKalb said the Planning Commission and County Board would hear the matter at public hearings. He said it would be posted and neighbors would receive notification of the proposed change and would have an opportunity to voice their opinion.

3. Amend the resolution, as approved (Estimated time frame is 1 week)

DeKalb said this is a method to correct simple errors. There would be no notification to neighbors. He recommended against using this option for changing the hours of operation.

Tom Fox recommended the Board follow the process outlined in Option 2.

Workman suggested the procedure be shortened by bypassing a public hearing before the Planning Commission.

Fox advised against doing so, as it would go against the standard procedure. He said a public hearing before the Planning Commission may also be required by statute.

Stevens noted that the holder of the special permit has not requested the change.

Eagan was asked to notify LeGrande Excavating that any request for a change to the special permit would need to come from Greg Sanford, the holder of the special permit.

Stevens exited the meeting at 11:00 a.m.

RETURNING TO ITEM 2A

Mejer returned and said he spoke with construction manager at-risk and the architect. He said if the bids come in favorably and the Board decides to build another 112 beds, the County will have to pay the architect to do the formal design but it will be less than 5%. He said the construction manager at-risk will give the Board the GMP for the original 667 beds next week and will provide the GMP for the additional 112 beds a week later.

In response to a question from Heier, Mejer said the additional 112 beds will be an option in the bids.

F. Renewal of Industrial Services Contract for Dead Animal Renewal

MOTION: Hudkins moved and Workman seconded to proceed with renewal of the contract. Workman, Hudkins, Heier and Schorr voted aye. Stevens was absent from voting. Motion carried.

11 PENDING

There were no pending items.

12 DISCUSSION OF BOARD MEMBER MEETINGS

- A. Nebraska Innovation Zone Commission (NIZC) - Heier
- B. Joint Budget Committee (JBC) - Stevens, Schorr
- C. Monthly Meeting with the Mayor - Heier, Stevens
- D. Public Building Commission (PBC) Meeting with Mayor - Hudkins
- E. Public Building Commission (PBC) Meeting - Hudkins
- F. Board of Health - Schorr

Items A, B, C, D, E and F were moved forward on the agenda.

13 ADJOURNMENT

MOTION: Schorr moved and Heier seconded to adjourn the meeting at 11:08 a.m. Workman, Hudkins, Heier and Schorr voted aye. Stevens was absent from voting. Motion carried.

Dan Nolte
Lancaster County Clerk