

**STAFF MEETING MINUTES  
LANCASTER COUNTY BOARD OF COMMISSIONERS  
COUNTY-CITY BUILDING, ROOM 113  
THURSDAY, OCTOBER 14, 2010  
8:30 A.M.**

Commissioners Present: Ray Stevens, Vice Chair  
Larry Hudkins  
Bob Workman

Commissioners Absent: Bernie Heier, Chair  
Deb Schorr

Others Present: Kerry Eagan, Chief Administrative Officer  
Gwen Thorpe, Deputy Chief Administrative Officer  
Dan Nolte, County Clerk  
Cori Beattie, Deputy County Clerk  
Ann Taylor, County Clerk's Office

The Vice Chair opened the meeting at 8:30 a.m.

**AGENDA ITEM**

- 1 APPROVAL OF THE MINUTES OF THE THURSDAY, OCTOBER 7, 2010 STAFF MEETING**
- 2 ADDITIONS TO THE AGENDA**

Items 1 and 2 were held until later in the meeting.

Hudkins arrived at the meeting at 8:32 a.m.

- 3 NEW JAIL CONSTRUCTION UPDATE** - Chuck Richter, Sampson Construction Company; Mike Thurber, Corrections Director; Brad Johnson, Transition Coordinator

Chuck Richter, Sampson Construction Company, gave an update on construction of the new jail facility (see Exhibit A for progress photographs).

Richter was asked to provide copies of the progress photographs to members of the Lancaster County Correctional Facility Joint Public Agency (JPA) and the District Energy Corporation (DEC).

In response to a question from Workman, Richter said the jail is projected to be completed in July, 2012.

It was noted the facility will be highlighted in a "Put Yourself on the Map" segment on HuskerVision. The segment features Maher Tadros, a UNL professor of civil engineering who invented NUTie, a product that is used to expand the strength, versatility and utility of concrete. NUTie is being used in the construction of the new jail facility.

Thurber said the Nebraska Department of Roads (NDOR) has requested a letter from the Board verifying that the County will share in the cost of bus turnouts at Southwest 40<sup>th</sup> and West "O" Street, if that intersection is developed. **NOTE:** The County plans to put in bus turnouts at Southwest 38<sup>th</sup> and West "O" Street as part of the jail construction.

Richter also gave an update on the DEC project on the site, noting well field drilling is projected to be completed in January, 2011.

Hudkins noted an issue involving the diameter of the well shafts and asked whether that has been resolved.

Thurber said 46 of the wells were determined to be too narrow in diameter and said backfill was a concern. He said they are still working to resolve the issue.

### **APPROVAL OF THE MINUTES OF THE THURSDAY, OCTOBER 7, 2010 STAFF MEETING**

**MOTION:** Workman moved and Hudkins seconded approval of the October 7, 2010 Staff Meeting minutes. Hudkins, Workman and Stevens voted aye. Motion carried 3-0.

### **ADDITIONS TO THE AGENDA**

A. Wilderness Park Bridges

**MOTION:** Workman moved and Hudkins seconded approval of the addition to the agenda. Workman, Stevens and Hudkins voted aye. Motion carried 3-0.

### **ADMINISTRATIVE OFFICER REPORT**

A. GoLincolnGo Improvement Fund Grant Payment

Kerry Eagan, Chief Administrative Officer, said GoLincolnGo's web site project has been completed and they have requested release of the grant funds. **NOTE:** GoLincolnGo, which was formerly known as the Updowntowners, was awarded a \$10,000 grant from the Visitors Improvement Fund to update their web site to help attract more visitors.

**MOTION:** Workman moved and Hudkins seconded to approve the grant payment. Hudkins, Workman and Stevens voted aye. Motion carried 3-0.

B. Mid-Year Budget Retreat Date

Eagan said Dennis Meyer, Budget and Fiscal Officer, has suggested February 17<sup>th</sup> as the date for the Mid-Year Budget Retreat.

Hudkins said he would prefer an earlier date.

Board consensus was to schedule further discussion on the November 4<sup>th</sup> Staff Meeting agenda when all five commissioners will be present.

C. Ex-Officio Members of Lancaster Manor Proceeds Committee

**MOTION:** Workman moved and Hudkins seconded to appoint Kerry Eagan, Chief Administrative Officer, an ex-officio member of the Lancaster Manor Proceeds Committee. Workman, Hudkins and Stevens voted aye. Motion carried 3-0.

D. Supplemental Security Income (SSI)/Social Security Disability Insurance (SSDI) Outreach Access and Recovery Program (SOAR) Training Conference in Oklahoma City, Oklahoma

The Board reviewed a request from Gary Chalupa, Veterans Service Officer/General Assistance Director, to allow a member of his staff to attend a SOAR training conference in Oklahoma City, Oklahoma. The SOAR Technical Assistance (TA) Center for Policy Research Associates, Inc. has offered to pay air fare, lodging and meal costs so there will be no cost to the County.

**MOTION:** Hudkins moved and Workman seconded approval of the request. Hudkins, Workman and Stevens voted aye. Motion carried 3-0.

E. Management Team Fall Retreat (Thursday, October 21, 2010)

Copies of the agenda were disseminated (Exhibit B).

## **DISCUSSION OF BOARD MEMBER MEETINGS**

### **A. Waverly Library Meeting - Workman**

Workman said he did not attend the meeting.

### **B. Meeting with Mayor - Heier, Stevens**

The meeting was cancelled.

### **C. Meeting of Public Building Commission (PBC) Chair, Vice Chair and Mayor - Hudkins**

Hudkins said they discussed how to add space to the City Attorney's Office to accommodate staff moving over from the Commission on Human Rights.

### **D. Public Building Commission (PBC) - Hudkins, Schorr**

Hudkins said the PBC approved a contract for a new sound system in the City Council/County Commissioners Hearing Room and the remodel of space in the County-City Building for relocation of the Human Services Department. He also reported that the HoneyBaked Ham Company, which offers sandwiches in the deli area on the first floor of the County-City Building on Mondays and Thursdays, has indicated that it has limited business on Mondays and has asked to change it to another day.

## **4 ROAD VACATION UPDATES: A) WEST WAGGONER DRIVE; AND B) NORTH STREET IN AGNEW - Mike DeKalb, Planner; Ken Schroeder, County Surveyor**

### **A) West Waggoner Drive**

Mike DeKalb, Planner, noted a request from Roger and Patty Vollstedt for vacation of West Waggoner Drive (see Exhibits C & D for aerial photograph and diagram of the lots). **NOTE:** West Waggoner Drive, which is platted in the Waggoner Subdivision (located 1/4 mile south of West "O" Street, on the east side of Southwest 98<sup>th</sup> Street) has not been graded or developed for public use and is currently being farmed. The Vollstedt's are abutting property owners. He said the road is located within the City's three-mile zoning jurisdiction so the street vacation requires action by both the City Council and County Board. DeKalb said Planning staff has recommended denial because the road location meets City standards and vacation of the road and any development might make it impossible to locate a new street at this location in the future. It would also create two un-buildable lots without frontage or access. He said

the Planning Commission has recommended approval, subject to a replat that would eliminate the two landlocked lots.

Hudkins said Vollstedt owns those lots and believes access would be better off of Southwest 92<sup>nd</sup>.

Ken Schroeder, County Surveyor, noted that 60' of right-of-way was dedicated to the County when the subdivision was platted.

**MOTION:** Hudkins moved to proceed with declaring the road surplus property and have the County Engineer prepare an appraisal.

Eagan explained that this was only intended to be a briefing. He said the City Council is scheduled to act first on the request. It will then be scheduled for a public hearing before the County Board.

The motion died for the lack of a second.

Schroeder said his department will begin the process to establish a value.

## **B) North Street in Agnew**

DeKalb said the only issue identified regarding the petition to vacate North Street (an unimproved county road stub) in Agnew is that access to Lot 24, a long, narrow lot owned by Todd B. and Michelle Jansa, would be restricted to Hudson Street (Agnew Road) (see Exhibits E, F & G).

Hudkins said he will contact the Jansa's to see what their wishes are.

### **5 COUNTY SPECIAL PERMIT NO. 05047, RECREATIONAL CABIN (NORTHWEST CORNER OF SOUTHWEST 84<sup>TH</sup> STREET AND KOLBROOK ROAD) - Mike DeKalb, Planner**

Mike DeKalb, Planner, said the special permit that was granted to Dr. David and Lynette Samani in 2005 giving them authority to have a private recreation cabin on property located at the northwest corner of Southwest 84<sup>th</sup> Street and Kolbrook Road stipulated that it would expire in five years and that renewal for an additional five years would be at the discretion of the County Board (see Exhibit H). He said the special permit is due to expire and Dr. Samani has contacted him about how to apply for renewal.

In response to a question from Workman, DeKalb said he is not aware of any expiring terms being placed on other recreational cabins in the County. He added that most are campgrounds.

Workman and Hudkins indicated they would like to see the condition removed.

DeKalb said Dr. Samani will need to submit a request for renewal. He said the item will then be scheduled on a regular County Board of Commissioners Meeting agenda for action and said the Board could remove the condition at that time.

**6 GRANT AWARD FROM BUREAU OF JUSTICE ASSISTANCE/CENTER FOR SUBSTANCE ABUSE TREATMENT - Kim Etherton, Community Corrections Director**

Item was dropped from the agenda.

**7 DEPUTY WEED CONTROL SUPERINTENDENT - Russ Shultz, Noxious Weed Control Authority Superintendent**

Russ Shultz, Noxious Weed Control Authority Superintendent, recommended that the top candidate (Brent Meyer, Noxious Weed Inspector, Nebraska Department of Agriculture) be interviewed.

Board consensus was to conduct the interview either on Tuesday, October 19<sup>th</sup>, following the regular County Board of Commissioners Meeting or on Thursday, October 21<sup>st</sup>, following the Management Team Fall Retreat. **NOTE:** Meyer will be given the option of having the interview take place in open or closed session.

Shultz also recommended that the deputy receive 90% of his salary.

**8 PAYCHECK DIRECT DEPOSIT POLICY - Brittany Behrens, Deputy County Attorney; Tim Genuchi, Accounting Operations Manager, County Clerk's Office**

Brittany Behrens, Deputy County Attorney, presented a draft resolution that would create a policy mandating that county employees accept payment of wages by electronic funds transfer or a similar means of direct deposit (see agenda packet). She also disseminated copies of the Direct Deposit Personal Exemption Request Form (Exhibit I). Behrens noted that new employees, rehired employees and current employees who are enrolling in direct deposit or changing their direct deposit financial institution will receive one paper check before direct deposit takes effect to allow for verification of the account information.

The Board scheduled the action on the resolution on the October 19<sup>th</sup> County Board of Commissioners Meeting agenda.

### **DISCUSSION OF BOARD MEMBER MEETINGS**

E. Board of Health - Schorr

No report.

F. Realtors Association of Lincoln Dinner - Schorr, Stevens

Stevens said he attended the function.

G. Lincoln Independent Business Association (LIBA) Southeast Quadrant Luncheon - Schorr

No report.

**9 REPORT AND RECOMMENDATION FROM THE PENSION REVIEW COMMITTEE (PRC) REGARDING AMENDED INVESTMENT POLICY AND SOCIALLY RESPONSIBLE FUND INVESTMENT OPTION -**  
Kerry Eagan and Doug Cyr, Members of the Pension Review Committee (PRC)

Eagan presented proposed amendments to the Statement of Overall Investment Objectives and Policy for the Lancaster County, Nebraska Employee Retirement and 457 Deferred Compensation Plan (Exhibit J). The amendments update the benchmarks against which investment options are measured; make changes to the guidelines for de-selection of funds; add language to stipulate that members who miss committee meetings with "good cause" will not be penalized; and delete exhibits included with the existing investment policy to eliminate the need to amend the policy whenever a specific fund option is changed. He said the PRC also recommends that the Socially Responsible Fund Option be eliminated and proceeds being held in that category either be transferred to another available fund in the same investment category or invested, as directed by the participant (see Exhibit J). Eagan said there are currently 108 participants in the fund and recommended that it be benchmarked against other funds in its style of investment (Large Cap Blend) if retained.

Doug Cyr remarked that not everyone would agree on a definition of what is socially responsible. He expressed concern that the array is overweighted by Large Cap Funds and recommend analysis of the fund to see how it is performing against the other Large Cap Funds.

**10 LABOR NEGOTIATIONS** - Tom Fox, Deputy County Attorney; Mark Koller, Personnel Director

**MOTION:** Workman moved and Hudkins seconded to enter Executive Session at 10:40 a.m. for the purpose of protecting the public interest with regards to labor negotiations. Hudkins, Workman and Stevens voted aye. Motion carried 3-0.

**MOTION:** Workman moved and Hudkins seconded to exit Executive Session at 10:53 a.m. Workman, Hudkins and Stevens voted aye. Motion carried 3-0.

**11 FOREIGN-TRADE ZONE STATUS FOR LANCASTER COUNTY** - Jason Smith, Vice President for Economic Development, Lincoln Chamber of Commerce

Jason Smith, Vice President for Economic Development, Lincoln Chamber of Commerce, said the U.S. Foreign-Trade Zone Program is administered by the Department of Commerce. He said companies that operate in foreign-trade zones can defer paying Customs duties on foreign products until such time as the product leaves the zone; can choose to either pay duties on the inputs into the finished product or duties on the product; and can eliminate paying duties on any imported product that is damaged or used in process. Smith said the Lincoln Chamber Economic Development Corporation obtained a foreign-trade zone designation in 1979 as part of bringing Kawasaki Motors in and said counties within the foreign-trade zone's geographic area (Lancaster, Otoe and Seward Counties) can ask to be included. A letter of concurrence would be required.

The Board scheduled a special presentation on foreign-trade zone status for Lancaster County on the October 19<sup>th</sup> County Board of Commissioners Meeting agenda.

**ADDITIONS TO THE AGENDA**

A. Wilderness Park Bridges

Stevens suggested the Board give consideration to making a contribution from the Keno Fund to the fund raising effort to replace some of the bridges in Wilderness Park.

Board consensus was to schedule further discussion with Terry Genrich, Parks & Recreation Natural Resources Manager.



## **12 ACTION ITEMS**

There were no action items.

## **13 CONSENT ITEMS**

There were no consent items.

## **14 ADMINISTRATIVE OFFICER REPORT**

- A. GoLincolnGo Improvement Fund Grant Payment
- B. Mid-Year Budget Retreat Date
- C. Ex-Officio Members of Lancaster Manor Proceeds Committee
- D. Supplemental Security Income (SSI)/Social Security Disability Insurance (SSDI) Outreach Access and Recovery Program (SOAR) Training Conference in Oklahoma City, Oklahoma
- E. Management Team Fall Retreat (Thursday, October 21, 2010)

Items A-E were moved forward on the agenda.

## **15 PENDING**

There were no pending items.

## **16 DISCUSSION OF BOARD MEMBER MEETINGS**

- A. Waverly Library Meeting - Workman
- B. Meeting with Mayor - Heier, Stevens
- C. Meeting of Public Building Commission (PBC) Chair, Vice Chair and Mayor - Hudkins
- D. Public Building Commission (PBC) - Hudkins, Schorr
- E. Board of Health - Schorr
- F. Realtors Association of Lincoln Dinner - Schorr
- G. Lincoln Independent Business Association (LIBA) Southeast Quadrant Luncheon - Schorr

Items A-G were moved forward on the agenda.

## **17 EMERGENCY ITEMS AND OTHER BUSINESS**

There were no emergency items or other business.

**18 ADJOURNMENT**

**MOTION:** Workman moved and Hudkins seconded to adjourn the meeting at 11:04 a.m. Workman, Hudkins and Stevens voted aye. Motion carried 3-0.

/s/ Dan Nolte

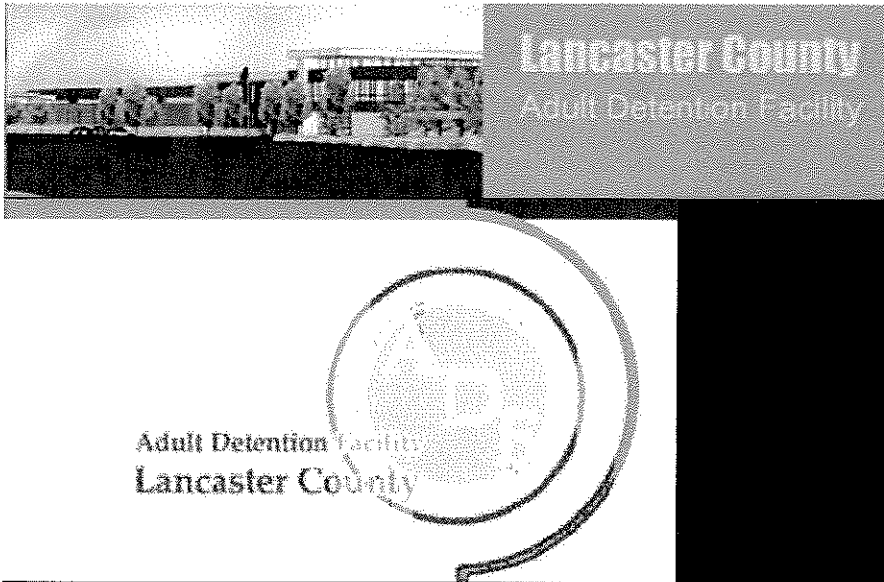
Dan Nolte  
Lancaster County Clerk

**Lancaster County  
Adult Detention Facility**

**Lincoln, Nebraska**

**EXHIBIT**

tabbles®



**Progress Photos  
October 14th, 2010**

Sept. 17, 2010

Installing precast at Pod 'F'



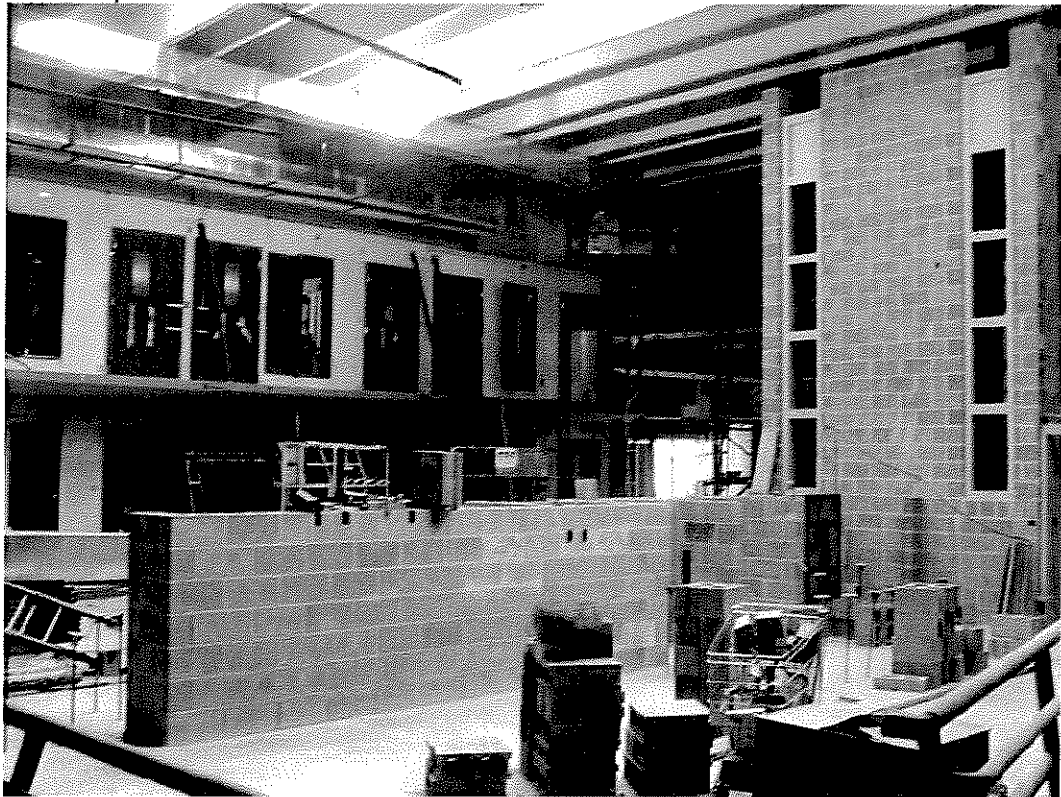
Sept. 22, 2010

Installing roof insulation at Pod 'E'



Oct. 10, 2010

1<sup>st</sup> level of Pod 'E'



Oct. 7, 2010

Ground level of Pod 'E'



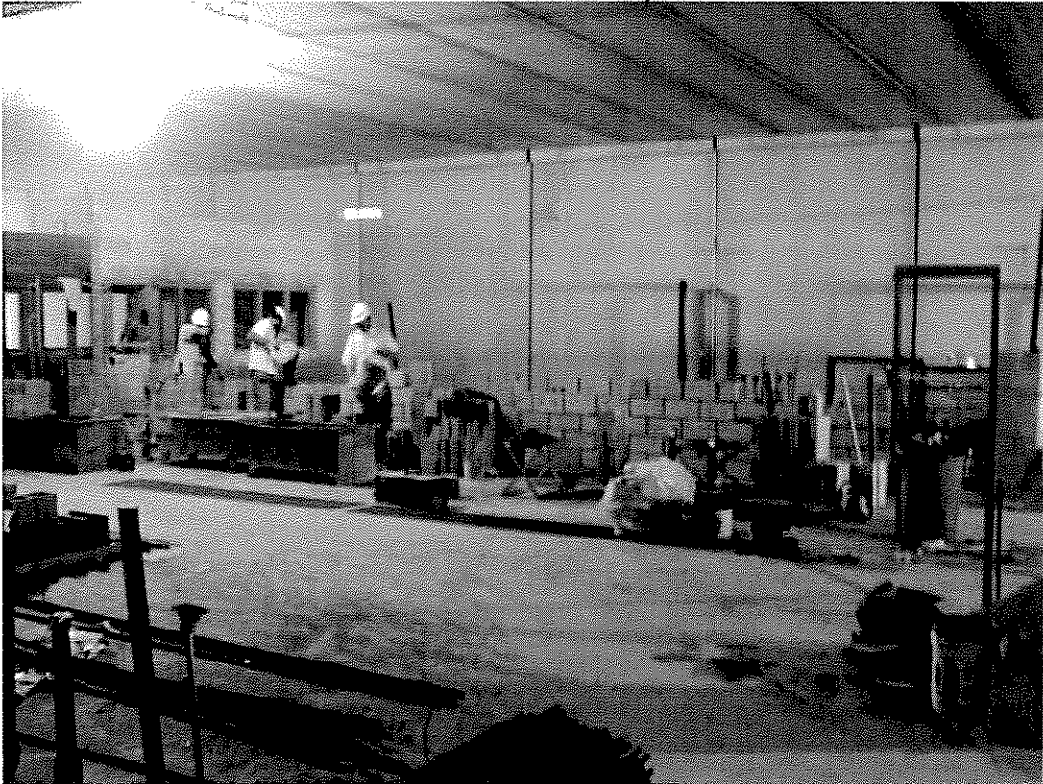
Oct. 8, 2010

Concrete at NE entrance to 'O' St.



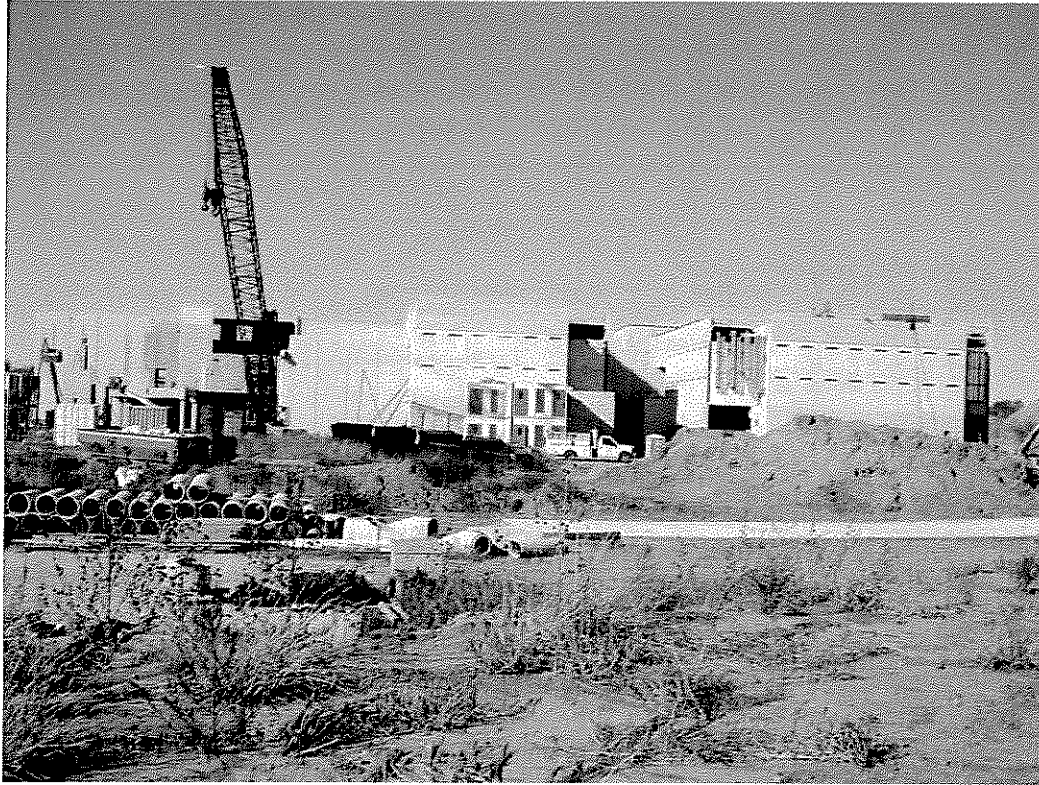
Oct. 12, 2010

Interior masonry work at kitchen area



Oct. 13, 2010

View from the south



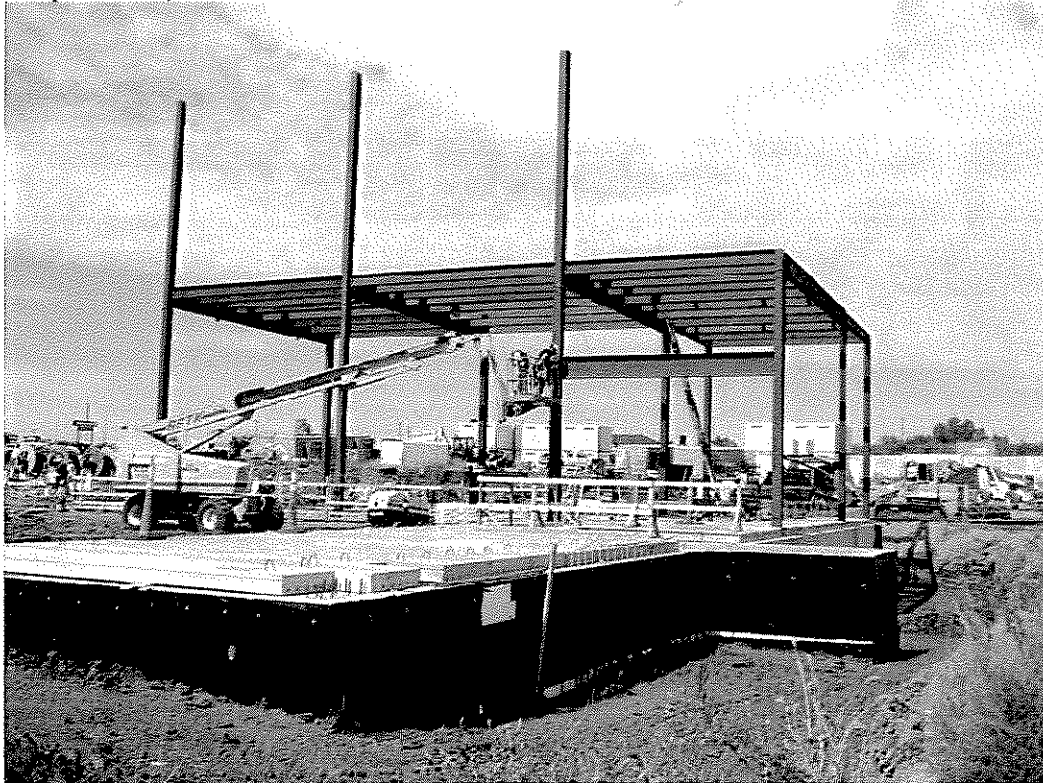
Oct. 13, 2010

View from the north



Sept. 27, 2010

DEC- steel erection



Sept. 28, 2010

DEC- south footings





Oct. 7, 2010

DEC - View from the northeast



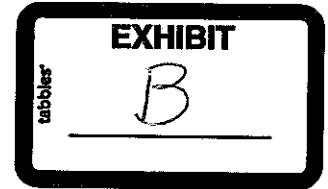
Oct. 13, 2010

DEC - View from the southeast





**DRAFT**



**MANAGEMENT TEAM FALL RETREAT  
THURSDAY, OCTOBER 21, 2010  
PIONEERS PARK NATURE CENTER  
MALINOVSKIS AUDITORIUM**

**AGENDA**

- |                   |   |
|-------------------|---|
| <b>8:30 am</b>    | <b>BREAKFAST</b>  |
| <b>9:00 am</b>    | <b>DISCUSSION WITH LANCASTER COUNTY<br/>STATE SENATORS AND COUNTY<br/>LEGISLATIVE AGENDA</b>                    |
| <b>10:30 am</b>   | <b>BREAK</b>  |
| <b>10:45 am</b>   | <b>USE OF COUNTY VEHICLES/INSURANCE<br/>COVERAGE - Sue Eckley, County Risk<br/>Manager; Tom Champoux, UNICO</b> |
| <b>11:00 am</b>   | <b>ROUND TABLE DISCUSSION</b>   |
| <b>12:00 noon</b> | <b>LUNCH</b>  |
| <b>1:00 pm</b>    | <b>ADJOURNMENT</b>  |

EXHIBIT  
C

NW 98TH ST

NW 91ST ST

SW 98TH ST

SW 92ND ST

WOST

SVOBODA,  
ROBERT C & STACY L

ANDERSON, ERVIN L ET AL

NGUYEN, TAM  
GLAD

BLAKESLEY, PATRICK A  
ACRES

ADD  
K/JP  
RANDALL A & SHERRY

WEST WAGGONER DR

WAGGONER,  
WM H & DARLENE M

VOLLSTEDT,  
ROGER J & PATTY L

VOLLSTEDT,  
ROGER J & PATTY L

WAGGONER SUB

VOLLSTEDT, ROGER J & PATTY

SECTION 27-10-5

VOLLSTEDT, ROGER J & PATTY L

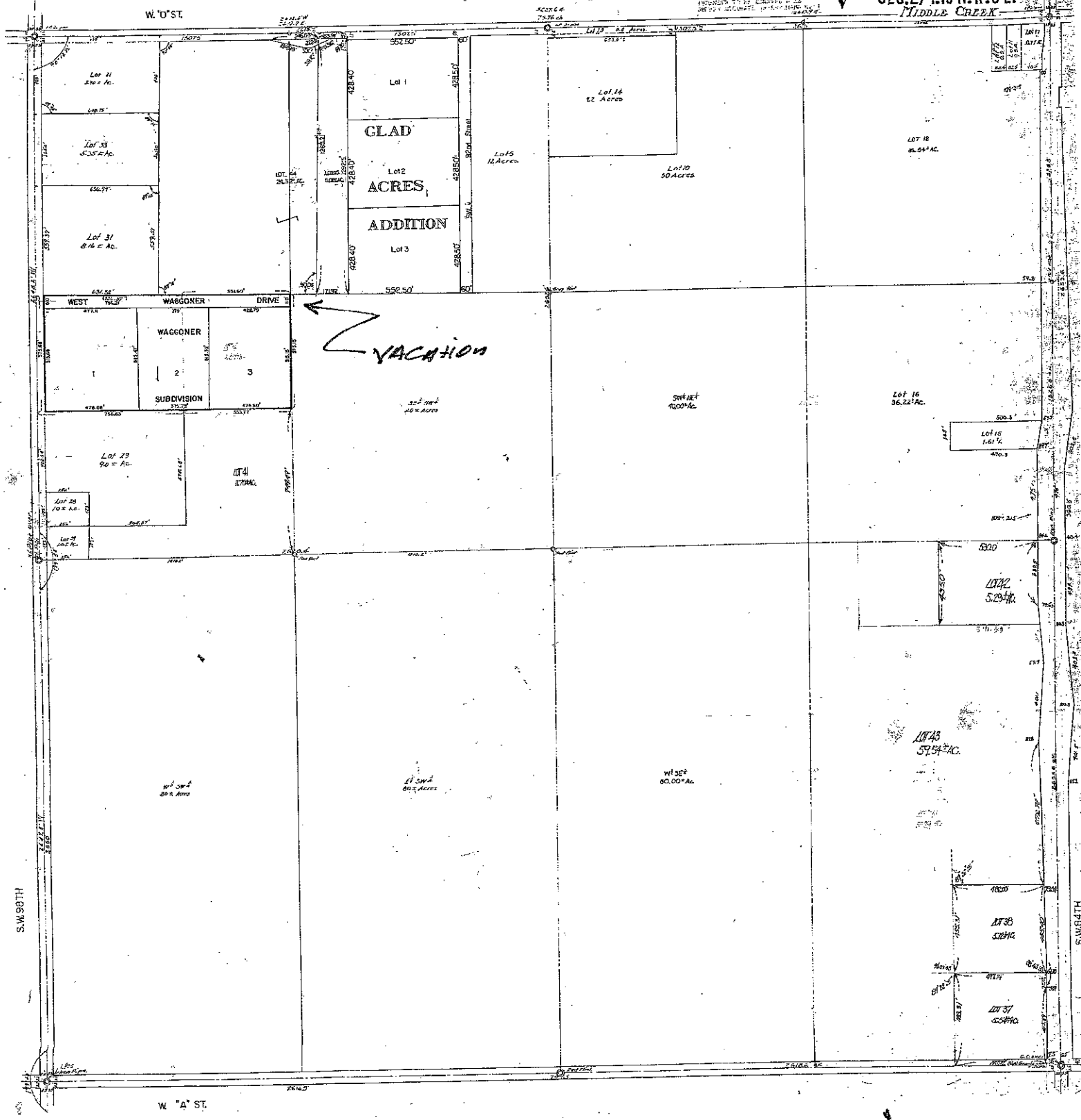
WIECHERT,  
ANNETTE

WIECHERT, CHARLES & DOROTHY TR





V SEC. 27 T. 10 N. R. 5 E. MIDDLE CREEK



Street & Alley Vacation #10014  
 SW 98th & W O St.  
 W Waggoner Dr.



C10

EXHIBIT

E

tabbles



AGNEW AREA

REGNIER, ROBIN F

STATES, ELMER & HARLAN

SECTION 11-12-5

SECTION 12-12-5

NW 70TH ST

STATES,  
ELMER & HARLAN

NORTH ST.

PEAKS,  
DORSEY G & LAVERNE L

FEDERAL NATIONAL  
MORTGAGE ASSOCIATION

MASEK, GLEN L

WIMMER,  
STEPHEN R & KATHIE

PROSOSKI,  
GREGORY L & NICOLE E

UNION PACIFIC RAILROAD COMPANY  
NW 70

JANSA, TODD B & MICHELE

N.W. 70th Street

RESOLUTION #4161

LOT 2  
0.62 ± Ac.  
Dd. Bk. 262,  
page 681

COUNTY ROAD #1265

FRANKLIN ST.

NORTH ST.

HUDSON ST.

AGNEW

U.P.R.R.

STATE HIGHWAY #79

LOT 26  
.02 ± Ac.  
Res #04-0129  
#2004-75377

LOT 24  
2.26 ± Ac.

LOT 3  
5.29 ± Ac.

Remaining Portion

LOT 27 #2004-10404  
Res #04-0129  
#2008-18232  
20 .27 ± Ac.

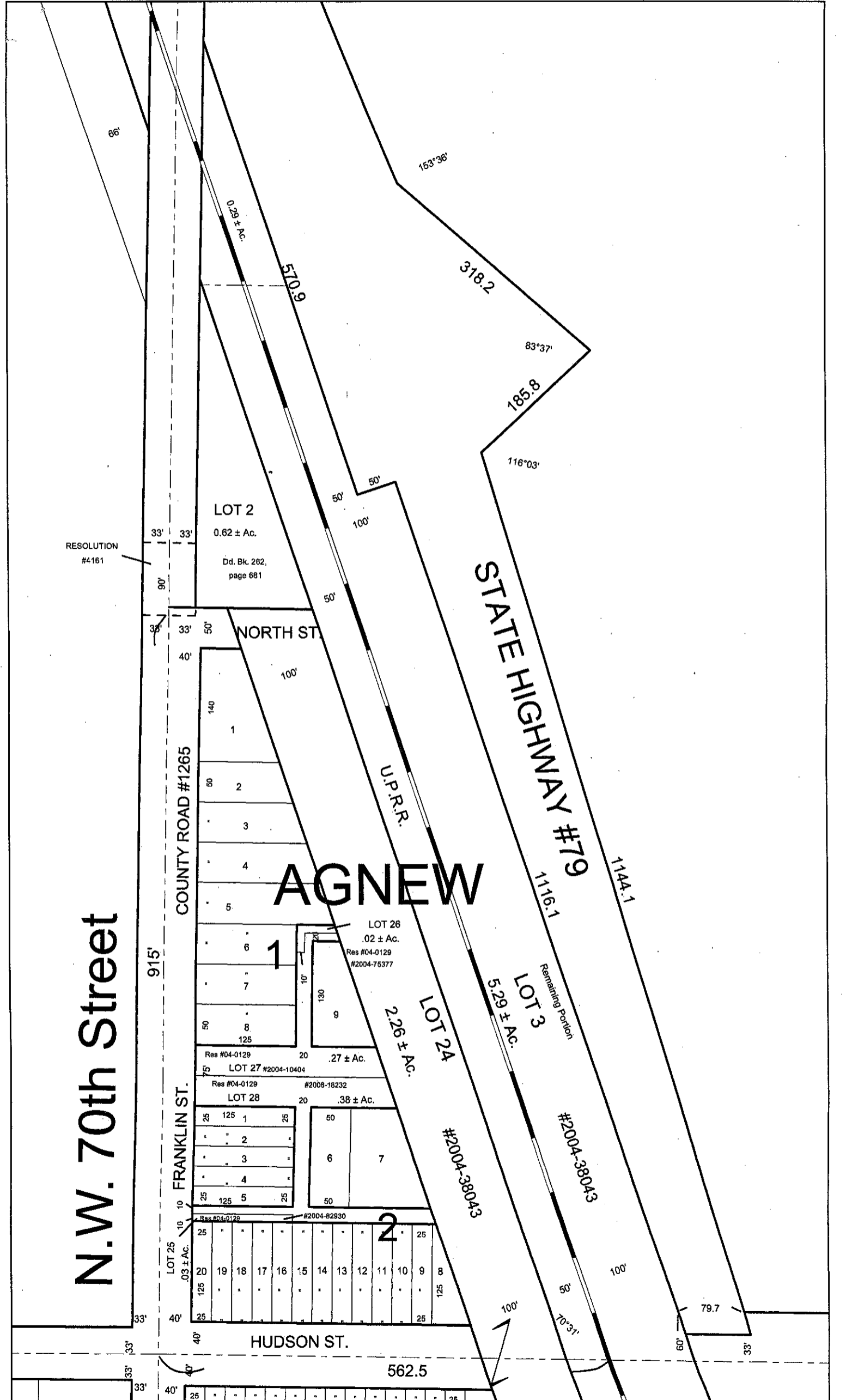
LOT 28  
Res #04-0129  
#2008-18232  
20 .38 ± Ac.

LOT 25  
Res #04-0129  
#2004-82830  
20 .03 ± Ac.

#2004-38043

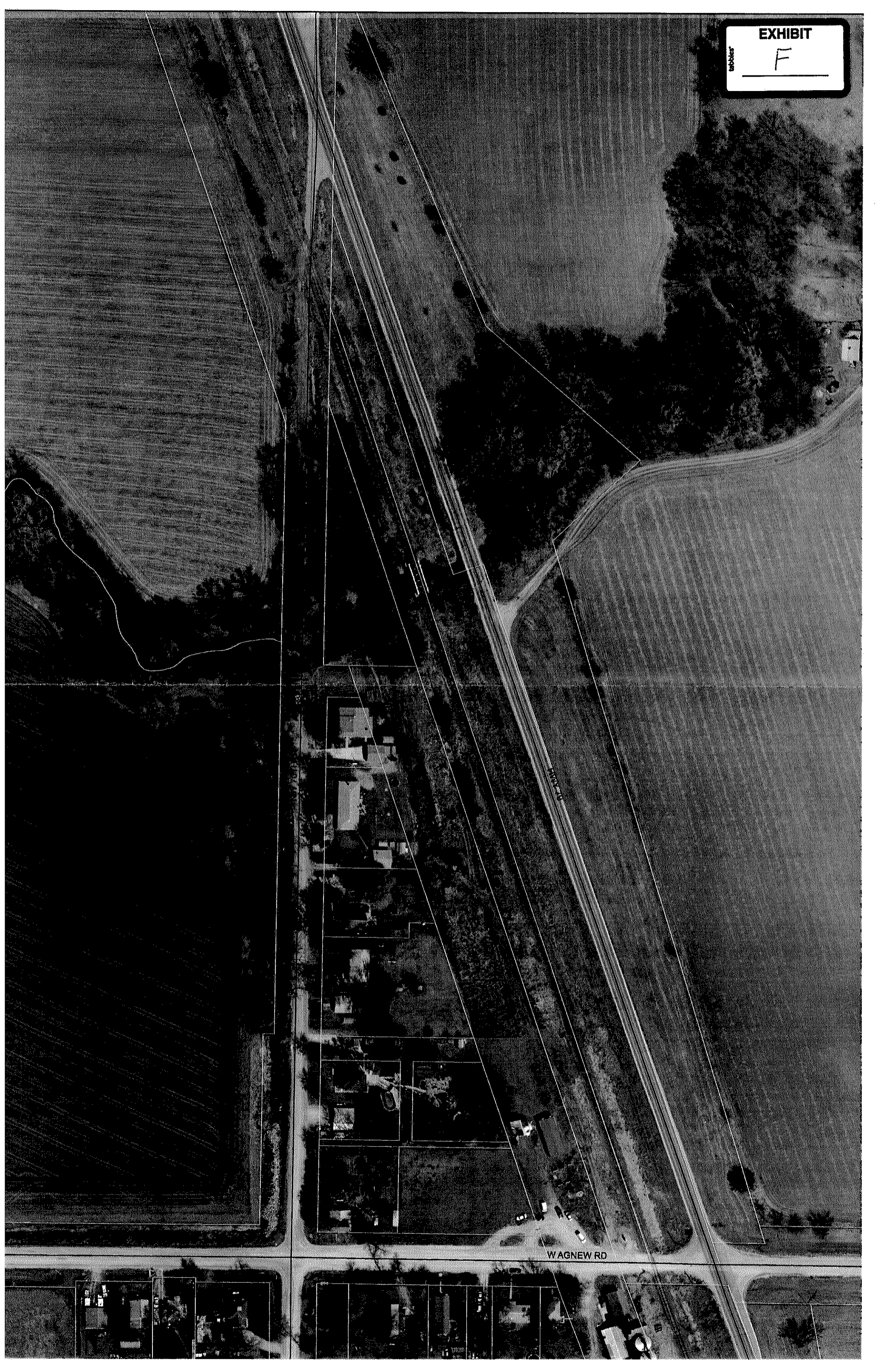
#2004-38043

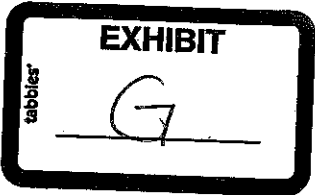
562.5



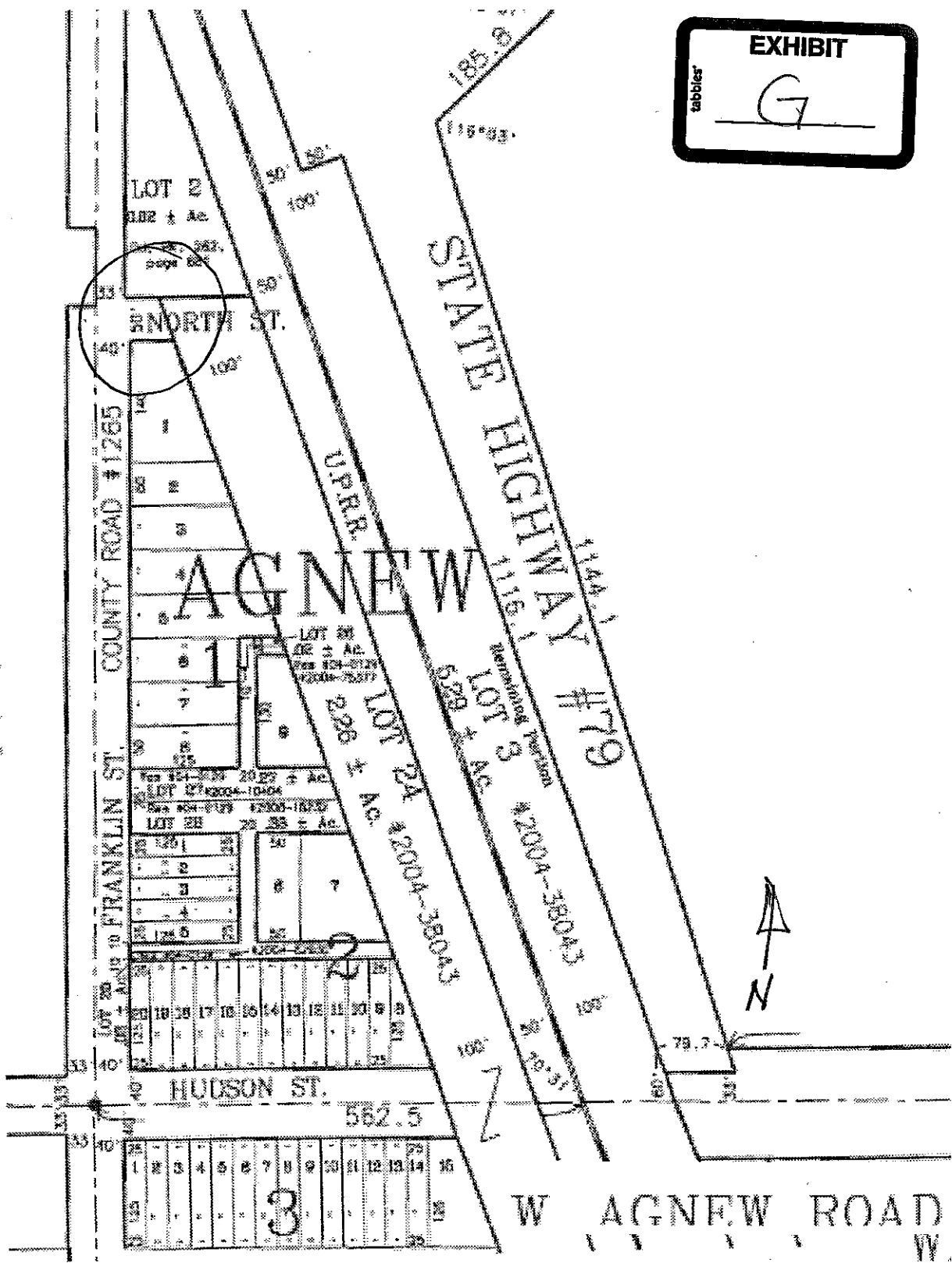




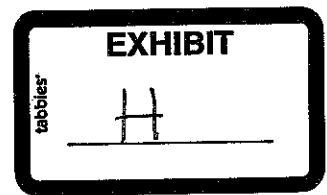




N.W. 70th



30.00 x 29.88 in



WHEREAS, on November 8, 2005, the Board of County Commissioners of Lancaster County, Nebraska, conducted a public hearing regarding County Special Permit No. 05047 and voted to approve said request with the conditions outlined by the Planning Department.

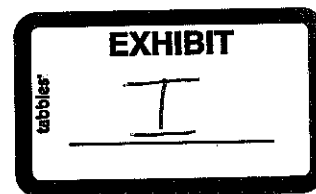
NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of Lancaster County, Nebraska, that County Special Permit No. 05047, requesting authority to allow a private recreation cabin under the provisions of Article 13.001(10) of the Lancaster County Zoning Resolution, on property generally located at the northwest corner of SW 84<sup>th</sup> Street and Kolbrook Road, Lancaster County, Nebraska, be and is hereby approved subject to the following conditions:

CONDITIONS:

1. This approval permits one recreation cabin which shall not be used as a permanent residence or more than three days per week.
2. The construction plans shall comply with the approved plans.
3. This special permit expires five (5) years from the date of approval. Application for renewal of an additional five (5) year term will be at the discretion of the County Board.

STANDARD CONDITIONS:

4. The following conditions are applicable to all requests:
  - 4.1 This resolution's terms, conditions, and requirements bind and obligate the permittee, its successors and assigns.
  - 4.2 The permittee shall file a copy of the resolution approving the permit and the letter of acceptance, a copy of which is attached hereto and incorporated by this reference, with the Register of Deeds. The permittee shall pay the recording fee.



### Direct Deposit Personal Exemption Request Form

**Employee Information**

Last	First	M	
Street Address	City	State	Zip Code
Job Title	Employee ID		
Organization / Department	Business Unit		
Employee's Email Address	Work Phone		

**Policy**

It is the policy of the State of Georgia that all employees paid by the PeopleSoft HCM central payroll system (system) administered by the State Accounting Office (SAO) be required to use direct deposit to receive payroll related payments. The policy can be found on SAO's website at the following location: [State Accounting Office Accounting Policy Manual](#).

**Personal Exemption Request** *(To be completed by employee desiring to be exempted from the requirement that they enroll in direct deposit)*

I request that I be paid by paper check for the following reason (check one):

- I currently do not have an account at an eligible financial institution and am unable to obtain an account. Attached is a letter from an eligible financial institution to this effect.
- I request that the State Accounting Officer consider an exemption for my specific extreme hardship. Attached is a letter explaining my hardship.

**Employee Acknowledgements**

All payroll related payments will be made in accordance with OCGA 50-5B-3(3) which states "The State Accounting Officer shall prescribe the manner in which disbursements shall be made by state government organizations." For payroll related payments not made by electronic funds transfer, all paper checks will be mailed by the State Accounting Office on the employee's designated payday and will be dated the date of the employee's pay date. No post dated paper checks will be mailed prior to the designated payday. Any employee receiving his/her pay by paper check will be required to maintain a valid mailing address in the system.

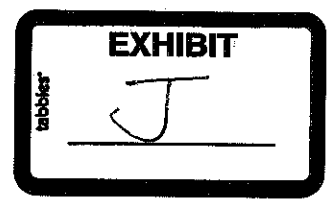
The State assumes no responsibility for the delay in receiving a paper check via the United States mail or its equivalent. Should a paper check have to be reissued due to a lost check, the employee may have to wait up to seven days before a replacement check can be issued and mailed.

Employee may enroll in direct deposit should circumstances change. Employee acknowledges that he/she may be offered other payment methods as options, other than paper check, when such options may become available.

By signing below, I acknowledge having been provided a copy of the referenced policy requiring direct deposit, acknowledge the advisement to hires and rehires regarding possible dismissal, acknowledge the risks associated with paper checks, and hereby submit my request for exemption for the reason stated above.

\_\_\_\_\_  
Signature of Employee

\_\_\_\_\_  
Date



**PENSION REVIEW COMMITTEE  
REVIEW OF AMENDED INVESTMENT POLICY  
AND RECOMMENDATION FOR  
ELIMINATION OF SOCIALLY RESPONSIBLE FUND OPTION**

**Review of Amended Investment Policy**

The Pension Review Committee (PRC) met October 6, 2010 for the purpose of reviewing the proposed amendments to the Statement of Overall Investment Objectives and Policy for the Lancaster County, Nebraska Employee Retirement and 457 Deferred Compensation Plan (Investment Policy). The primary purpose for amending the Investment Policy is to update the benchmarks against which investment options are measured. It was noted the Lehman Brothers Aggregate Bond Index was replaced by Barclays Capital Index for the Core Fixed Income and Balanced Fund Options. The benchmark for the Stable Value Fund was changed from the Lehman Brothers 1-3 Year Government Index to the Hueler Stable Value Index. The interest rate for the Stable Value Fund is also compared to the interest rate on 5-year Treasury notes.

Changes were also made to the guidelines for de-selection of funds. Under the existing policy, if performance of a fund falls below the 50<sup>th</sup> percentile for 6 consecutive, quarter-ending, three-year rolling periods, or for 6 of the past 8 quarter-ending, 3-year rolling periods, that fund will be considered for de-selection. The amended policy proposes to reduce the number of consecutive, quarter-ending 3-year rolling periods required for de-selection to 4, or in the alternative, 4 of the past 6 quarter-ending, 3-year rolling periods. Similar changes would also be made to the guidelines for placing a fund on the watch list. In this regard, the number of consecutive quarter-ending, 3-year rolling periods falling below the 50<sup>th</sup> percentile would be reduced from 4 to 3, or 3 of the past 6 quarter-ending, 3-year rolling periods instead of 4 of the past 6 quarter-ending, 3-year rolling periods.

Other changes to the Investment Policy included adding the phrase "without good cause" in reference to PRC members who miss Committee meetings, and eliminating all exhibits included with the existing Investment Policy. Specifically, Exhibit A contains a detailed list of the actual funds, Exhibit B is a graph of style boxes including the fund options, and Exhibit C contains Morning Star ratings for the funds in the investment array. These exhibits are being eliminated to streamline the Investment Policy and to obviate the need for amending the policy whenever a specific fund option is changed.

After reviewing these changes and noting several other textual corrections, it was the consensus of the Pension Review Committee to forward the amended Investment Policy to the Lancaster County Board of Commissioners for adoption.

### **Socially Responsible Fund Option**

As a final matter, the PRC discussed whether it is appropriate to include a “Socially Responsible” fund option. The Committee noted not all employees would agree on the definition of what is Socially Responsible. It was also noted that Socially Responsible Funds usually do not perform as well as other funds in a specific investment category, and therefore have no place in an investment array for a pension plan. Finally, it was noted if the Socially Responsible Fund Option is retained, it should be benchmarked against all funds in the investment category and not against other Socially Responsible Funds.

### **RECOMMENDATION**

Based upon the foregoing analysis, the Pension Review Committee hereby recommends the Socially Responsible Fund Option should be eliminated, and proceeds being held in that category should be either transferred to another available fund in the same investment category or invested as directed by the participant.

Respectfully submitted on behalf of the Pension Review Committee this 14<sup>th</sup> day of October, 2010.



Kerry P. Egan  
Chief Administrative Officer