

**STAFF MEETING MINUTES  
LANCASTER COUNTY BOARD OF COMMISSIONERS  
COUNTY-CITY BUILDING, ROOM 113  
THURSDAY, JULY 28, 2011  
8:30 A.M.**

Commissioners Present: Deb Schorr, Chair  
Bernie Heier, Vice Chair  
Larry Hudkins  
Jane Raybould  
Brent Smoyer

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

**AGENDA ITEM**

**1 APPROVAL OF THE MINUTES OF THE THURSDAY, JULY 21, 2011  
STAFF MEETING**

**MOTION:** Heier moved and Smoyer seconded approval of the minutes of the July 21, 2011 Staff Meeting. Smoyer, Heier and Schorr voted aye. Raybould abstained from voting. Hudkins was absent from voting. Motion carried 3-0, with one abstention.

**2 ADDITIONS TO THE AGENDA**

- A. Introduction of Charlie Hillis and Mason Mower from Boy Scout Troop 21 and Mike Hillis, Charlie Hillis' Father
- B. Explore Consolidation of the County Sheriff's Office with the Lincoln Police Department (LPD) and County Engineering with City Public Works/Utilities
- C. Correspondence from Innovations Siding and Windows Regarding a Contract Dispute with the Lancaster County Agricultural Society (Exhibit A)
- D. Holiday Schedule

**MOTION:** Heier moved and Raybould seconded approval of the additions to the agenda. Raybould, Heier, Smoyer and Schorr voted aye. Hudkins was absent from voting. Motion carried 4-0.

### **ADDITIONS TO THE AGENDA**

A. Introduction of Charlie Hillis and Mason Mower from Boy Scout Troop 21 in Lincoln and Mike Hillis, Charlie Hillis' Father

Raybould introduced her guests and said the boys are working on their Citizenship Merit Badge and are interested in one of the items on the agenda.

### **3 COUNTY ENGINEER MAINTENANCE SHOP - Don Thomas, County Engineer; Vince Mejer, Purchasing Agent; Bob Walla, Assistant Purchasing Agent**

Don Thomas, County Engineer, said vehicle maintenance operations for the County Sheriff and County Engineering were consolidated in the 1980's and the County Maintenance Shop, which is part of his department, was formed. He said the six mechanics, two of which came over from the Sheriff's Department, maintain and service 446 vehicles for county departments ranging from pickup trucks to motor graders. The County spends approximately \$400,000 annually on wages and benefits for those six mechanics. Departments are charged \$16 an hour for labor plus the cost of parts. Last year those charges totaled \$119,055. Thomas said the \$16 rate reflects what it costs to absorb the two mechanics from the County Sheriff's Office in his budget and is basically an arbitrary number. He said outside repair shops charge around \$90 per hour for labor. Thomas said the \$16 per hour rate may not cover actual costs but said "if you can't afford \$16, you can't afford \$90."

Hudkins arrived at the meeting at 8:36 a.m.

Heier said expediency is also a factor. He said departments can get vehicles into the Maintenance Shop immediately but have to schedule work at outside repair shops. Thomas said that is correct.

Raybould posed the following questions:

- Approximately how many vehicles does the County Maintenance Shop service on a daily basis?
- What is the turnaround time on the repair and maintenance?
- How many vehicles does the County Maintenance Shop service on a weekly basis?

Thomas said he doesn't know.

- What are the total revenues that the County Maintenance Shop brings in?

Thomas said it totals \$119,055. He said that figure includes work performed on County Engineering vehicles.

- How are those mechanic positions accounted for in the budget?

Thomas said two are included in the Bridge Fund and the other four are in the Highway Fund.

- What are their salaries and how much revenue do they bring in?

Thomas estimated the median at salary is \$66,000, including benefits, which equates to \$32 per hour. He said they bring in around \$400,360.

- How does the department track overhead expenses, such as rent and utilities, to determine the actual cost of that department?

Thomas said he considers them operating expenses and does not charge departments.

- What are inventory costs?

Thomas said he doesn't know. He added that parts are generally ordered on an as needed basis.

Raybould asked Thomas how he can determine actual costs if he doesn't track those expenditures. Thomas explained that departments are just charged the hourly rate, plus part costs.

Raybould inquired about use of private repair shops. Thomas said 43 vendors were utilized last fiscal year for work that could not be performed in-house at a total cost of \$84,402. He said that work represents 11% of the total maintenance and repair hours, adding the costs are passed on to the departments requiring the work. For example, the Maintenance Shop does every other oil change for the Sheriff's Office and inspects them for other maintenance issues.

Raybould expressed concern that the numbers Thomas presented do not reflect the "total and complete picture" of the County Maintenance Shop costs. She suggested that it may be more cost effective to privatize the operation. Thomas estimated the cost of privatization at \$654,000 and said it would never be his recommendation to do so.

Schorr asked whether excess inventory could be returned or sold to downsize the operation. Thomas said most of the inventory is everyday items, such as oil and air filters, and said it wouldn't make much sense to turn it back in.

Raybould asked Thomas to prepare a comprehensive assessment of the costs so the Board can determine whether there is value in retaining the County Maintenance Shop. She offered to assist him in that effort.

Thomas said he will do so when the Board notifies him in writing that it has more funds available for department budgets.

Schorr asked for comments from departments that utilize the County Maintenance Shop. Terry Wagner, Lancaster County Sheriff, said when the County Maintenance Shop absorbed his department's mechanics the Sheriff's Office had 35 vehicles in its fleet. He said they now have more than 65 vehicles to maintain but the number of mechanics has remained the same. Wagner said they are outsourcing every other oil change and graphic work on the patrol cars. He said they tried to outsource equipping of patrol vehicles with disastrous results. Bill Jarrett, Chief Deputy Sheriff, said the vehicles were out of service much longer than necessary. Raybould asked whether the Sheriff's Department has used the Lincoln Police Department's (LPD's) Repair and Maintenance Shop. Jarrett said only when an immediate repair is needed after hours. Norm Agena, County Assessor/Register of Deeds, appeared and said his department can't afford to maintain a fleet if costs increase. He added that the service they receive from the County Maintenance Shop is very good.

#### **4 ARENA UPDATE - Dan Marvin, Arena Consultant**

Dan Marvin, Arena Consultant, gave an update on the West Haymarket Arena project. He said dirt is being moved onto the pad site to take it out of the five hundred year floodplain and to compress the pad prior to putting in the footings and foundation. Marvin said the building is scheduled to be completed within a 24-month period, noting the City has provided an incentive for the Construction Managers at Risk to complete it in less time. **NOTE:** The arena is targeted to be completed by September, 2013. He said procedures and protocols have been developed on how to address contaminants and the City has qualified for a grant that will provide reimbursement for those costs, up to \$800,000. Marvin noted the City purchased an insurance policy to provide protection for unknown costs, up to \$20,000,000, throughout the construction phase and for a subsequent ten years. He said other projects include: 1) Design of the Amtrak Station; 2) Two public parking garages south of R Street, one of which will house the District Energy Corporation (DEC) facility that will serve the arena; 3) Design of the festival space; and 4) A street project that involves creating a direct route to the Arena from Salt Creek Roadway, including installation of double roundabouts. Marvin

said in terms of financing, the City is also looking at issuing an additional \$100,000,000 in debt (bonds) to take advantage of low interest rates.

Hudkins asked Marvin whether consideration was given to bringing traffic in off Interstate 80 (I-80). Marvin said it was discussed early on but dismissed for several reasons, including cost.

Raybould asked whether issues involving the Burlington Northern/Santa Fe Railroad have been resolved. Marvin said flooding in other areas delayed railroad crews in getting tracks moved out of the way but the railroad has indicated it will have them moved by next year.

## **ADMINISTRATIVE OFFICER REPORT**

### **B. Improvement Fund Grant Contract for Arena (Draft)**

The Board scheduled the item on the August 2, 2011 County Board of Commissioners Meeting agenda.

Heier said he wants it specified how the funds will be used.

Schorr noted the Mayor has offered the County a naming opportunity in recognition of the funding from the County's Visitors Improvement Fund. The County will also be allowed to utilize a suite in the arena for economic development purposes.

### **5 LABOR NEGOTIATIONS AND POTENTIAL LITIGATION** - Mark Koller, Personnel Director; John Cripe, Classification and Compensation Manager; Nicole Gross, Compensation Technician; Mike Thew, Chief Deputy County Attorney; Tom Fox, Deputy County Attorney

**MOTION:** Smoyer moved and Hudkins seconded to enter Executive Session at 9:32 a.m. for the purpose of protecting the public interest with regards to labor negotiations and potential litigation.

The Chair restated the motion for the record.

**ROLL CALL:** Hudkins, Smoyer, Raybould, Heier and Schorr voted aye. Motion carried 5-0.

**MOTION:** Hudkins moved and Smoyer seconded to exit Executive Session at 9:59 a.m. Smoyer, Heier, Hudkins, Raybould and Schorr voted aye. Motion carried 5-0.

**6 HEALTH INSURANCE REQUEST FOR PROPOSALS (RFP) UPDATE -**  
Kim Lobato, Senior Vice President for Health and Benefits, AON  
Risk Solutions; Tracy Krause, Account Executive, AON Risk Solutions; Bill  
Kostner, City Risk Manager

Kim Lobato, Senior Vice President for Health and Benefits, AON Risk Solutions, presented a revised summary of combined and stand alone proposals for the City of Lincoln, Lancaster County and Lincoln Electric System (LES), noting BlueCross and BlueShield of Nebraska (BCBS) has reduced its fixed costs for Lancaster County by \$57,000. He said UnitedHealthcare (UHC) still has the lowest combined and stand alone proposals (see Exhibit B) and is projected to have better network discounts. BCBS has better facility (hospital) discounts. Lobato said the City also received a reduction from BCBS and has selected BCBS as its administrator. LES has not made a decision as of yet.

Raybould said it appears that BCBS is weak on claims management. Lobato said there will be a lot of changes in the way insurance carriers pay providers with health care reform and said BCBS has been working with provider groups to develop payment structures. He said on a national basis, UHC has the best integrated approach in terms of care, wellness and claims management. In response to a question from Raybould, Lobato said there would be internal costs if the County changed administrators but could not project what they would be.

Board members noted they received numerous phone calls and emails from employees urging the Board to remain with BCBS.

**MOTION:** Hudkins moved and Heier seconded to accept the proposal from BlueCross and BlueShield of Nebraska (BCBS). Raybould, Heier, Hudkins, Smoyer and Schorr voted aye. Motion carried 5-0.

**7 BUDGET UPDATE -** Dennis Meyer, Budget and Fiscal Officer

Dennis Meyer, Budget and Fiscal Officer, noted the Board had requested information regarding how much has been spent on registration fees for the Nebraska Association of County Officials (NACO) conferences. He said it has varied from \$950 to \$1,350 each year over the last three years. Registration for the Annual Conference is \$120 per person and registration for the Southeast District Meeting is in the range of \$30-\$50 per person. Registration for NACO's Institute of Excellence is \$250. Meyer said the Administrative Services Budget would still be under 97% of last year's budget if those fees were added back in.

Heier noted Lancaster County has a seat on the NACO Board which requires some overnight stays. He felt those costs should be covered. Meyer said \$1,500 would probably be sufficient to cover those expenses.

In response to a question from Hudkins, Meyer said membership in the National Association of County Officials (NACo) is \$5,000 per year. He said that expense was removed from the budget.

**MOTION:** Heier moved and Hudkins seconded to include \$1,500 in the budget to cover registration fees for the Nebraska Association of County Officials (NACO) conferences and expenses related to the County's seat on the NACO Board. Hudkins, Smoyer, Heier, Raybould and Schorr voted aye. Motion carried 5-0.

Meyer said he will file the proposed budget with the County Clerk's Office on Friday and will post it on the County's website. He will also issue a press release regarding the proposed budget (Exhibit C). **NOTE:** The Board will hold a public hearing on the budget on Tuesday, August 30, 2011 at 7:00 p.m. and will formally adopt the budget on Tuesday, September 6, 2011 at the 9:30 a.m. County Board of Commissioners Meeting.

## **8 ACTION ITEMS**

- A. Letter of Support for "New Opportunities Child Care Project" Grant Application for Center for People in Need

**MOTION:** Heier moved and Smoyer seconded approval. Raybould, Heier, Smoyer, Hudkins and Schorr voted aye. Motion carried 5-0.

## **9 CONSENT ITEMS**

There were no consent items.

## **10 ADMINISTRATIVE OFFICER REPORT**

- A. Staff Secure Update

Kerry Eagan, Chief Administrative Officer, said the Nebraska Department of Health and Human Services (DHHS) has decided not to pursue licensing of the Youth Services Center (YSC) as a Child Caring Agency.

B. Improvement Fund Grant Contract for Arena (Draft)

Item was moved forward on the agenda.

C. Grant Period Extension for Lincoln Airport Authority's Visitor Improvement Fund Grant

The Board scheduled the item on the August 2, 2011 County Board of Commissioners Meeting agenda.

D. Diversion Services

Schorr said she met with Joe Kelly, County Attorney, and Kim Etherton, Community Corrections Director, and discussed the diversion programs operated by Diversion Services: 1) Safety Training Option Program (S.T.O.P.); 2) Bad Check Program; 3) Restitution Collection; and 4) Pre-Trial Diversion. She said Eric McMasters, President and Chief Executive Officer (CEO), Diversion Services, has indicated he may retire and Kelly believes the County could absorb some of those programs. Schorr suggested the Board discuss a possible transition with the Mayor.

**MOTION:** Heier moved and Raybould seconded to send a letter to Eric McMasters, President and Chief Executive Officer (CEO), Diversion Services, asking for his support during the transition period. Raybould, Heier, Smoyer, Hudkins and Schorr voted aye. Motion carried 5-0.

E. City Farm Land Manager

Eagan said the City has concerns as to whether it is receiving sufficient rents from properties it owns and would like to explore hiring a farm land manager. The City plans to issue a Request for Proposals (RFP) and has asked whether the County would like to participate.

The Board declined, noting the County has a property manager.

F. Annie E. Casey Foundation Interview with Juvenile Justice Stakeholders in Lancaster County (August 22, 2011)

Raybould said she will attend the presentation on the Juvenile Detention Alternatives Initiation (JDAI) on August 22<sup>nd</sup>. Heier will represent the Board in an interview with a representative of the Annie E. Casey Foundation later that day.



## **ADDITIONS TO THE AGENDA**

- B. Explore Consolidation of the County Sheriff's Office with the Lincoln Police Department (LPD) and County Engineering with City Public Works/Utilities

Raybould disseminated information regarding potential costs savings and efficiencies provided to the Board in 2000 when consolidation of the Register of Deeds and County Assessor's Office was being considered (Exhibit D). She said she would like to explore consolidation of the County Sheriff's Office with the Lincoln Police Department (LPD) and County Engineering with City Public Works/Utilities and would like Dennis Meyer, Budget and Fiscal Officer, to gather facts and financial information and to further define costs related to operation of the County Maintenance Shop (see Item 3). Raybould identified the next steps as discussion at a City-County Common Meeting and formation of a committee to work through the issues.

Smoyer asked Raybould whether she has discussed her ideas with the Mayor and Tom Casady, City Public Safety Director. Raybould said she spoke to the Mayor some time ago and recently spoke to Chief Casady. She said the Mayor told her to "go for it." Raybould said she has also discussed the matter with Gene Carroll, Chair of the City Council. Smoyer noted there will a number of issues to consider, i.e. labor agreements, differences in salaries and benefits, etc. Statutory changes may also be required. Heier said he would like a formal letter of support from the Mayor before expending staff time to gather information. Schorr concurred and said she and Heier will discuss the matter with the Mayor at their next meeting.

- C. Correspondence from Innovations Siding and Windows Regarding a Contract Dispute with the Lancaster County Agricultural Society (Exhibit A)

Eagan advised the Board not to get involved in the matter. He said he has provided the company with a contact number for Ron Snover, Lancaster Event Center Managing Director.

- D. Holiday Schedule

There was general consensus to not hold any County Board meetings the week of December 25, 2011 or January 1, 2012.

## **11 PENDING**

There were no pending items.

## 12 DISCUSSION OF BOARD MEMBER MEETINGS

### A. Region V Governing Board - Smoyer

Smoyer said they discussed a personnel matter.

### B. Lincoln Independent Business Association (LIBA) Monthly Meeting - Heier

Heier said discussion focused on the City's budget. He also reported that Richard Meginnis, Lincoln Board of Education, has expressed interest in having the Lincoln Public Schools (LPS) join the City, County and State for information technology (IT) services.

### C. Lancaster County Correctional Facility Joint Public Agency (JPA) - Heier, Schorr

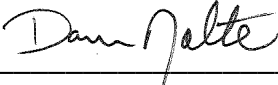
Schorr said they approved claims totaling \$3,046,124.56. The claims reflect payments to Wells Fargo for bank fees, Sampson Construction Company, the construction manager at risk, and The Clark Enersen Partners, the architect.

## 13 EMERGENCY ITEMS AND OTHER BUSINESS

There were no emergency items or other business.

## 14 ADJOURNMENT

**MOTION:** Smoyer moved and Heier seconded to adjourn the meeting at 11:08 a.m. Heier, Smoyer, Raybould, Hudkins and Schorr voted aye. Motion carried 5-0.

  
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Dan Nolte  
Lancaster County Clerk

