

**STAFF MEETING MINUTES
LANCASTER COUNTY BOARD OF COMMISSIONERS
COUNTY-CITY BUILDING
BILL LUXFORD STUDIO (ROOM 113)
THURSDAY, AUGUST 7, 2014
8:30 A.M.**

Commissioners Present: Brent Smoyer, Vice Chair
Deb Schorr
Roma Amundson

Commissioners Absent: Larry Hudkins, Chair
Jane Raybould

Others Present: Kerry Eagan, Chief Administrative Officer
Dan Nolte, County Clerk
Ann Taylor, County Clerk's Office

Advance public notice of the Board of Commissioners Staff Meeting was posted on the County-City Building bulletin board and the Lancaster County, Nebraska, web site and provided to the media on August 6, 2014.

The Vice Chair noted the location of the Open Meetings Act and opened the meeting at 8:34 a.m.

AGENDA ITEM

1 APPROVAL OF THE MINUTES OF THE JULY 31, 2014, STAFF MEETING

MOTION: Amundson moved and Schorr seconded approval of the minutes of the July 31, 2014 Staff Meeting. Amundson and Smoyer voted aye. Schorr abstained from voting. Hudkins and Raybould were absent from voting. Motion carried 2-0, with one abstention.

2 ADDITIONS TO AGENDA

A. Procurement Advisory Committee

MOTION: Amundson moved and Schorr seconded approval of the addition to the agenda. Schorr, Amundson and Smoyer voted aye. Hudkins and Raybould were absent from voting. Motion carried 3-0.

3 LABOR NEGOTIATIONS - Doug McDaniel, Lincoln-Lancaster County Human Resources Director; Nicole Gross and Amy Sadler, Compensation Technicians; Richard Grabow, Deputy County Attorney

MOTION: Schorr moved and Amundson seconded to enter Executive Session at 8:35 a.m. for the purpose of protecting the public interest with regards to labor negotiations.

The Vice Chair restated the motion for the record.

ROLL CALL: Amundson, Schorr and Smoyer voted aye. Hudkins and Raybould were absent from voting. Motion carried 3-0.

MOTION: Schorr moved and Amundson seconded to exit Executive Session at 8:47 a.m. Schorr, Amundson and Smoyer voted aye. Hudkins and Raybould were absent from voting. Motion carried 3-0.

4 CLASSIFIED UNREPRESENTED EMPLOYEE SALARIES - Doug McDaniel, Human Resources Director

Doug McDaniel, Human Resources Director, said his department has collected trend data regarding classified, unrepresented positions, adding they did not have the resources to review every position. He said they looked at comparable counties in the salary array, Douglas County, Nebraska (includes Omaha), Linn County, Iowa (includes Cedar Rapids), Minnehaha County, South Dakota (includes Sioux Falls), Polk County, Iowa (includes Des Moines), Sedgwick County, Kansas (includes Wichita), and Shawnee County, Kansas (includes Topeka), and they averaged increases of 2.22% to 2.25%. McDaniel suggested an increase of 2.5% for the unrepresented employees to help achieve parity.

Schorr said the Board has discussed changing the County's retirement plan match for unrepresented employees from 1.5 to 1, to 1 to 1, once that change was negotiated with the unions. McDaniel said if that is the direction the Board wants to pursue, it would only apply to new hires and could not be applied retroactively. He said consideration should also be given to what is comparable in the market in terms of retirement matches and said he does not have that data.

Joe Kelly, County Attorney, appeared and said unrepresented employees do not have the ability to bargain future retirement benefits with present cost-of-living adjustments (COLA), which is what some of the unions are doing.

Doug Cyr, Chief Deputy County Attorney, appeared and presented a comparison of COLA increases for "E" class (unrepresented, excluded) employees, compared to those for general American Federation of State, County & Municipal Employees (AFSCME) represented employees, since 2004-2005 (Exhibit A). He said over the last ten years, AFSCME employees have received a cumulative increase of 25.96%, plus a one-time lump sum payment of \$400, which is 5.71% more than "E" class employees. Over the last five years, AFSCME employees have received a cumulative increase of 12.35%, plus a one-time lump sum payment of \$400, which is 5.35% more than "E" class employees.

McDaniel said there has also been a compression of salaries because of increases in some of the represented classes and said some individual classes may need to be adjusted further. He said that causes employee relations issues.

Jeff Bliemeister, Chief Deputy Sheriff, appeared and said the Sheriff's Office has 12 AFSCME and 12 unrepresented employees. He said the Sheriff looked at data from 2002-2011 and found AFSCME employees received 10.62% more than unrepresented employees in that time period, with compounding interest. Bliemeister noted there was a 1% differentiation to the favor of the unrepresented employees the last two years.

Bliemeister also reported the Lancaster County Deputy Sheriff's Association Fraternal Order of Police, Lodge 29 did not accept the County's proposal to move to a 1 to 1 retirement plan match. He added he and Terry Wagner, Lancaster County Sheriff, do not support the proposal, believing it would further hinder the ability to recruit and retain qualified candidates for positions of the greatest trust.

Schorr asked what percentage of the current employee base has been moved to the 1 to 1 retirement plan match. Cyr said it is small because it only involves new hires.

Schorr then asked how many employees are included in the unrepresented group. Nicole Gross, Compensation Technician, estimated there are 500.

Schorr clarified that she would like to know the percentage of employees covered under the union contracts. McDaniel agreed to forward the requested information to the County Board.

Cyr noted the County Employees Retirement Act covers all counties in Nebraska with the exception of Douglas and Lancaster Counties, and provides for a 1.5 to 1 match.

Sheli Schindler, Youth Services Center (YSC) Director, said most of her staff are represented by a union and received a 14% increase over the past three years, whereas supervisory personnel, who are unrepresented, received a 3% increase. She said she has very committed employees but said some have come to her with questions about that disparity. She felt there could be complications if the unions continue to get these increases and others don't.

Schorr asked McDaniel whether Schindler's team would be one of the specific groups which will be considered for salary adjustments. McDaniel said it would.

MOTION: Schorr moved and Amundson seconded to propose a 3% increase for unrepresented employees and moving to a 1 to 1 retirement plan match for new hires.

Smoyer said this would serve as a "patch" for now and stressed the need for a comprehensive review of salaries.

ROLL CALL: Amundson, Schorr and Smoyer voted aye. Hudkins and Raybould were absent from voting. Motion carried 3-0.

Further discussion was scheduled on the August 21st Staff Meeting agenda.

5 LANCASTER COUNTY 401(a) LANCASTER COUNTY EMPLOYEES RETIREMENT PLAN & 457(b) DEFERRED COMPENSATION PROGRAM PENSION EXPENSE ACCOUNTS - John Watson, Deputy County Attorney

Kerry Eagan, Chief Administrative Officer, said there is \$322,000 in the expense account for the 401(a) Lancaster County Employees Retirement Plan and \$22,000 in the expense account for the 457(b) Deferred Compensation Program. He said Prudential, which administers the plans for the County, provides approximately \$7,000 in revenue sharing per quarter and said those funds may be used to pay plan expenses.

Schorr noted the Board received a legal opinion regarding paying insurance premiums out of those funds. Eagan said that legal opinion has not been made public.

John Watson, Deputy County Attorney, said in working through that legal opinion, it was determined that the County probably should have been more active in using the funds in these expense accounts. He said although the County's pension plan is not subject to the Employee Retirement Income Security Act (ERISA), it is his office's position that the County should look to ERISA for guidance in how to govern the plan. He said one of the provisions in the agreement with Prudential is that the County is

required to disburse any excess funds from the revenue sharing back to the plan. The County has not done that. Watson suggested the County “reset it” and develop a plan so that any excess funds, after paying any reasonable and necessary expenses, are disbursed back to the plan on an annual basis. He said that could be done on a pro-rata or per-capita basis, stating he believes a pro-rata disbursement makes the most sense.

Eagan said another possibility would be to use the funds as a “bargaining chip” to get lower fees going forward.

There was consensus to schedule further discussion with Frank Picarelli, Segal Rogerscasey (Pension Plan Consultant), when he presents his comprehensive review of the County’s pension plan.

6 YOUTH SERVICES CENTER (YSC) PER DIEM FOR HEALTH AND HUMAN SERVICES (HHS) AND JUVENILE PROBATION

CONTRACTS - Sheli Schindler, Youth Services Center (YSC) Director; Melissa Hood, Administrative Aide, YSC; Brittany Behrens, Deputy County Attorney

Sheli Schindler, Youth Services Center (YSC) Director, presented Fiscal Year 2014-2015 Per Diem Proposals (Exhibit B). She said Brittany Behrens, Deputy County Attorney, has been working on the language for the contracts with Health and Human Services (HHS) and Juvenile Probation but needs direction from the Board on what per diem rate to propose. Schindler noted YSC’s population numbers have decreased and said the budget was based on a projection of 50 youth per day and what YSC believes it will be reimbursed, based on language in Legislative Bill (LB) 464. **NOTE:** The bill changed provisions relating to the juvenile justice system, arraignment, court jurisdiction, services for juveniles and families, and truancy. She said it looks like 90% of the youth will be billable. Schindler noted that most of the youth the County has been paying for are going through Adult Court. Due to legislative change, there may be fewer going through Adult Court and more going through Juvenile Probation, which could result in additional revenue for the County. HHS is paying a per diem of \$236 but is providing transport, other than to court, and has taken on medical costs. Juvenile Probation is billed a per diem of \$304 but is reimbursing at \$276. Behrens said if the County provides transportation to outside medical appointments for the Juvenile Probation population, which will be the larger population, it will need to be compensated. **NOTE:** Youth who are detained under adult criminal charges will not be Juvenile Probation’s responsibility under the new legislative language. Schindler said other counties are charged a per diem of \$236 and YSC is billing Juvenile Probation on their behalf to get that revenue in a more timely manner.

There was consensus to propose a per diem of \$307 in the contract negotiations with HHS and Adult Probation.

Schorr suggested that Schindler share the County's "story" with state senators and candidates for those offices at the County's Legislative Retreat on August 14th so they can understand how their legislative intent and language impacts the County in a fiscal manner.

7 ADOPT-A-ROAD CONTRACT - Brittany Behrens, Deputy County Attorney; Pam Dingman, County Engineer

Pam Dingman, County Engineer, said 12 groups currently participate in the Adopt-a-Road Program, each maintaining one to two miles of County roads, and said her department provides reflective vests, trash bags and roadside signs. She said she would like to expand the program and worked with the County Attorney's Office to update the contract groups are required to sign.

Brittany Behrens, Deputy County Attorney, cautioned the County could have liability and workers' compensation exposure.

In response to a question from Schorr, Dingman said the County has 272 miles of paved roads and 1,050 miles of gravel roads.

8 ACTION ITEMS

There were no action items.

9 CONSENT ITEMS

There were no consent items.

10 ADMINISTRATIVE OFFICER REPORT

A. Legislative Retreat Agenda

There was consensus to ask Dr. Steve Joel, Lincoln Public Schools (LPS) Superintendent, and Marc Pelka, Senior Policy Analyst, Council of State Governments, to address those in attendance.

B. Appointment to Aging Partners Areawide Advisory Council (Sharon L. Busch)

The Board scheduled the appointment on the August 12, 2014 County Board of Commissioners Meeting agenda.

C. Health Risk Appraisals Incentive

Board members agreed to contribute \$10 each for the incentive for the Health Risk Appraisals.

11 PENDING

There were no pending items.

ADDITIONS TO AGENDA

A. Procurement Advisory Committee

Schorr said Jacob North Printing has an on-line storefront for the City and County to place orders for paper products (business cards, letterhead, etc.). She noted the City and County are required to include estimated usage of products on bids and said the State Auditor is watching activity. **NOTE:** A 10%-15% overage is allowed. Schorr said she has asked Bob Walla, Assistant Purchasing Agent, to speak to the Management Team about the Request for Proposals (RFP) process.

12 DISCUSSION OF BOARD MEMBER MEETINGS

A. Guest Reader - Schorr

Schorr reported on her experience volunteering as guest reader at the Clyde Malone Center and suggested the other Board members consider participating in the program which promotes language and literacy skills for beginning readers by reading aloud with children in one-on-one or group settings.

B. Chamber Coffee - Amundson, Smoyer

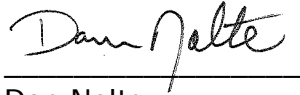
Amundson said discussion focused on what is going on in the community with reports from the City, County and Board of Education.

13 EMERGENCY ITEMS AND OTHER BUSINESS

There were no emergency items or other business.

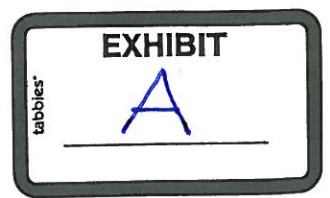
14 ADJOURNMENT

MOTION: Amundson moved and Schorr seconded to adjourn the meeting at 9:47 a.m. Amundson, Schorr and Smoyer voted aye. Hudkins and Raybould were absent from voting. Motion carried 3-0.



Dan Nolte
Lancaster County Clerk





COLA INCREASES SINCE 2004/2005

	AFSME	E CLASS
2004/2005	2.96	2.00
2005/2006	2.65	1.75
2006/2007	3.00	4.00
2007/2008	2.00	2.50
2008/2009	3.00	3.00
2009/2010	3.25	2.00
2010/2011	3.50	1.00
2011/2012	3.60	0
2012/2013	1.0 + \$400 lump sum/emp	2.00
2013/2014	1.0 +	2.00

10 years

25.96
+\$400

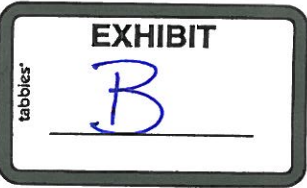
20.25 (-5.71)

5 years

12.35
+\$400

7.00 (-5.35)

*all
non compounded*



FISCAL YEAR 2014-2015 PER DIEM PROPOSALS

FY15 Proposed Per Diem Rate Option 1	
Adopted Expenditure Budget	\$6,019,052
Less Education Program Reimbursed	\$872,212
Less School Lunch Program Reimbursed	\$82,855
Plus Indirect Costs	\$211,515
Plus Depreciation	\$200,704
Total	\$5,476,204
Care Days	\$18,250
Proposed Per Diem Rate	\$300

This option reflects our adopted budget for fiscal year 2014-2015.

FY15 Proposed Per Diem Rate Option 2	
Expenditure Budget with wage adjustments	\$6,142,065
Less Education Program Reimbursed	\$872,212
Less School Lunch Program Reimbursed	\$82,855
Plus Indirect Costs	\$211,515
Plus Depreciation	\$200,704
Total	\$5,599,217
Care Days	\$18,250
Proposed Per Diem Rate	\$307

This option reflects a projected wage increase and back pay for some employees. This increase is estimated at \$123,013.