

**STAFF MEETING MINUTES
LANCASTER COUNTY BOARD OF COMMISSIONERS
COUNTY-CITY BUILDING
BILL LUXFORD STUDIO (ROOM 113)
THURSDAY, AUGUST 28, 2014
8:30 A.M.**

Commissioners Present: Larry Hudkins, Chair
Brent Smoyer, Vice Chair
Deb Schorr
Jane Raybould
Roma Amundson

Others Present: Kerry Eagan, Chief Administrative Officer
Gwen Thorpe, Deputy 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 27, 2014.

The Chair noted the location of the Open Meetings Act and opened the meeting at 8:32 a.m.

AGENDA ITEM

1 APPROVAL OF THE MINUTES OF THE AUGUST 21, 2014, STAFF MEETING

MOTION: Amundson moved and Raybould seconded approval of the minutes of the August 21, 2014 Staff Meeting. Raybould, Amundson, Schorr and Hudkins voted aye. Smoyer was absent from voting. Motion carried 4-0.

2 ADDITIONS TO AGENDA

None were stated.

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

MOTION: Raybould moved and Amundson seconded to enter Executive Session at 8:34 a.m. for the purpose of protecting the public interest with regards to labor negotiations.

The Chair restated the motion for the record.

Smoyer arrived at 8:35 a.m.

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

Smoyer exited the meeting.

MOTION: Raybould moved and Amundson seconded to exit Executive Session at 9:07 a.m. Schorr, Raybould, Amundson and Hudkins voted aye. Smoyer was absent from voting. Motion carried 4-0.

4 JUVENILE JUSTICE PROGRAM FUNDING FOR FISCAL YEAR (FY) 2014-2015 - Kit Boesch, Human Services Administrator; Sara Hoyle, Juvenile Justice Coordinator

Kit Boesch, Human Services Administrator, said the Board has already approved pieces of Juvenile Justice Program funding (see agenda packet) and said she believes it is important for the Board to see and approve the full funding package.

Sara Hoyle, Juvenile Justice Coordinator, gave an overview of juvenile justice funding since Fiscal Year (FY) 2008-2009 (see graph in Exhibit A). She said the increase in State and Federal juvenile justice funding is the result of receiving a federal re-entry grant and additional funding as a result of Legislative Bill (LB) 561, which changed provisions and transferred responsibilities regarding the juvenile justice system, and LB 464, which changed court jurisdiction over juveniles and indictment procedures.

Smoyer returned to the meeting at 9:09 a.m.

Hoyle also presented a graph showing the number of graduated sanctions referrals from 2008 through June, 2014 (Exhibit B).

MOTION: Smoyer moved and Amundson seconded to adopt the Juvenile Justice Program funding for Fiscal Year (FY) 2014-2015. Smoyer, Schorr, Amundson, Raybould and Hudkins voted aye. Motion carried 5-0.

5 INDIRECT COST PLAN - Dennis Meyer, Budget and Fiscal Officer

Dennis Meyer, Budget and Fiscal Officer, said the County's three-year contract with Maximus, Inc., for professional consulting services to provide cost allocation plans and collections from programs which the County operates with outside funding, such as federal grants and the child support monies that run through the County Attorney's Office, is ending. He said the County paid \$9,200 per year for the services and has received quotes from Maximus (\$8,900 per year) and Sequoia Consulting Group (\$7,900 per year) for a new three-year contract. Meyer said an individual who had retired from Maximus now works at Sequoia and would be handling the County's work.

In response to a question from Hudkins, Meyer expressed confidence in Maximus and said he is concerned that the individual at Sequoia who would be handling the County's work would decide to retire again. He also questioned Sequoia's claim that it can bring in more dollars from indirect cost rates.

Raybould asked Meyer whether he has contacted other counties that are working with Sequoia to see if they are satisfied with their work. Meyer said he has not, as most are smaller counties and may not have as great of understanding of indirect cost plans.

MOTION: Schorr moved and Smoyer seconded to authorize Dennis Meyer, Budget and Fiscal Officer, to continue negotiations with Maximus, Inc.

AMENDMENT: Raybould moved and Amundson seconded to authorize Dennis Meyer, Budget and Fiscal Officer, to attempt to negotiate a further price reduction with Maximus, Inc.

ROLL CALL ON THE AMENDMENT: Raybould, Amundson, Smoyer, Schorr and Hudkins voted aye. Motion carried 5-0.

ROLL CALL ON THE ORIGINAL MOTION AS AMENDED: Amundson, Smoyer, Schorr, Raybould and Hudkins voted aye. Motion carried 5-0.

6 ACTION ITEMS

- A. Designation of County Representatives (Doug Cyr and Kerry Eagan) and Approval of Prudential Proposal for In-Kind Contribution

MOTION: Smoyer moved and Amundson seconded to authorize signature by the Chair. Schorr, Raybould, Amundson, Smoyer and Hudkins voted aye. Motion carried 5-0.

7 CONSENT ITEMS

There were no consent items.

8 ADMINISTRATIVE OFFICER REPORT

A. Pension Match for Classified, Unrepresented Employees

Richard Grabow, Deputy County Attorney, appeared and said the County Attorney's Office is of the opinion there can only be a report from the Administrative Officer on this matter and no action taken, because of the way the item was listed on the agenda.

Kerry Eagan, Chief Administrative Officer, maintained the Administrative Officer Report is for administrative interaction and said the Board uses it to take care of administrative business. He said the Board would not be taking action, rather giving him direction. Eagan said he wanted the Board to be aware of the County Attorney's advise and suggested the Board may want to ask for a written legal opinion.

Hudkins asked whether there is anything that would preclude Eagan from giving a summary of the Pension Review Committee's (PRC's) meeting. Grabow said no, that could occur, adding there could be discussion of the PRC's findings. It was noted that is a separate item on the agenda (see Item 8C).

Hudkins then asked whether previous action would stand. **NOTE:** A motion was made at the August 7th Staff Meeting to propose a 3% increase for the classified, unrepresented employees and move to a 1 to 1 pension plan match for new hires. The motion passed on a 3-0 vote, with two Commissioners absent. There was further discussion of the pension issue at the August 21st Staff Meeting with admonitions from the County Attorney's Office that the item was not properly listed on the agenda and it was not appropriate to have discussion or take action.

MOTION: Raybould moved and Schorr seconded to direct Eagan to schedule a resolution in the matter of a reduction in the pension match for new hires in the classified, unrepresented employee group from 1.5 to 1, effective January 1, 2015, on the September 2, 2014 County Board of Commissioners Meeting agenda.

Eagan suggested the effective date be the closest pay period to January 1, 2015. He also clarified it will be a 1 to 1 match, totaling 13%. The maker of the motion concurred, adding it is her intention that it apply to employees hired after January 1, 2015.

Tim Genuchi, Accounting Operations Manager, County Clerk's Office, appeared and said it is much easier, for payroll purposes, to make the effective date the first pay period commencing after January 1st.

The maker of the motion and the seconder agreed.

Grabow said the 1.5 to 1 match is not out of the ordinary for government entities and the proposed plan will make this the least lucrative retirement plan of any county in Nebraska. He added it is less than the City's mainstream plan and what State employees receive.

In response to a question from Hudkins, Grabow said the two City employee groups that are most comparable to the County's unrepresented employees receive a 1 to 1.29 match, which results in 16% of the employee's total compensation going to retirement. In addition, those employees also receive a 0.5% match of their bi-weekly salary for deferred compensation. He said that compares to 13% under the County's proposed plan.

Raybould said the County sought and obtained enabling legislation to reduce the match after discussion with many business groups. She said the unions were kept apprised and said four of the five labor unions have agreed to the reduction for new hires. Raybould also pointed out that the County Attorney's Office presented the Board with information showing the County would have to move to a 1 to 1 match once it met the 300,000 population threshold. Grabow said Douglas County, which is currently the only county with an official census reflecting a population over 300,000, may have a 1 to 1 match but also has a defined benefit plan. **NOTE:** Lancaster County has a defined contribution plan. He said the other Nebraska counties participate in the County Retirement System, which is a statutory creation, and have a 1.5 to 1 match. Grabow said employees in that system contribute 4.5% of their gross earnings while Lancaster County employees contribute 5.2%, adding Lancaster County employees are contributing more to get to that higher amount.

Smoyer cited the County Attorney and Public Defender Offices and said he wants to make sure that Lancaster County is able to attract the best talent. He asked whether the Board should look at allowing for a greater contribution from the employee. Grabow said the statutes limit the contribution to 13%.

Schorr said asked Grabow what made him decide that these comments were relevant now if they weren't relevant when the County was negotiating with the unions. Grabow said he's not sure when he could have offered those comments. Schorr pointed out that Grabow sits in on the labor negotiations. Grabow questioned whether she would have wanted him to publicly discuss his concerns in the negotiations.

Raybould said the Board has been talking about moving in this direction for two years and said this was the first time she has heard any of the Commissioners express concerns regarding the initiative. She said the Board has been very transparent in terms of its legislative priorities and said she does not recall any comments, objections or concerns regarding this issue being expressed by the directors or elected officials at the County's Legislative Retreat. Raybould noted the item has been on the Board's agenda several times, adding members of the PRC have come to the Board and discussed some of their concerns and the Board made modifications based on those concerns. She said the Board also asked the County Attorney's Office for a legal opinion to make sure the proposal was in compliance with the pension plan.

Eagan said the Board has had constant reminders from Doug Cyr, Chief Administrative Deputy County Attorney and a member of the PRC, that this matter was never sent to the PRC and to say there was never any opposition or warning is not correct. He also stated the law is discretionary and said putting the proposal in place could increase the County's contribution.

Joe Nigro, Deputy Public Defender, appeared and said he shares the County Attorney's concern regarding how this item was listed on the agenda and urged the Board not to take action at this time. He also made the following points:

- Future employees will view themselves as harmed by the action. If those employees decide to take legal action, the Board will have to hire outside counsel since the County Attorney has advised the Board not to do this.
- It is inappropriate for the Board to act without hearing the PRC's recommendation.
- It may make it more difficult to attract and retain good employees when every other governmental entity in Nebraska has a better contribution rate or a greater contribution total.
- Employees may feel they are not able to retire and the County will pay out more in health benefits.

It was noted the Sheriff's Office has concerns that a sergeant, who is covered by the union and still has a 1.5 to 1 pension match, could have a reduction in pension match if promoted to captain. That could make it more difficult to promote employees. The Chair said it is the Board's understanding that current employees would not see a reduction if they advance in their position.

Nigro suggested the Board take the approach that "we're going to take care of these people who worked hard for us and were good employees so they can survive after they retire."

Eagan said there have been assertions there wasn't proper notice that the pension match was to be discussed but felt meeting attendance and participation in the discussion indicates there was proper notification.

C. Recommendation from Pension Review Committee (PRC) Regarding Pension Match for Classified, Unrepresented Employees

Eagan reported the PRC voted unanimously to oppose a 1 to 1 pension match for any future County employees, including those represented by unions that have agreed to the reduction. He said a written report from the PRC will be coming to the Board at a later date.

NOTE: Also present for the discussion were Scott Gaines, Tim Genuchi, Dennis Meyers and Jeanne Sayers, members of the PRC.

RETURNING TO ITEM 8A

Jeff Bliemeister, Chief Deputy Sheriff, appeared and said the Sheriff's Office is concerned about creating a disparity between current and new employees hired after the effective date.

Hudkins asked whether a wage adjustment could address the issue of disparity. Bliemeister said there is a resolution that governs wages.

Terry Wagner, Lancaster County Sheriff, appeared and said he did not agree with the enabling legislation. He said Lancaster County has the lowest contribution rate for law enforcement officers of any county in Nebraska, noting Sarpy County has a supplemental contribution for law enforcement that puts them in the 15.25% range.

Schorr said there have been comments about creating a disparity between existing employees and new hires and said a disparity will exist regardless of whether the Board takes action because four of the five unions have agreed to the reduction.

Schorr asked how many applications the departments receive on average when they have a job opening. Wagner said they received 300 applications for 4 openings. Nigro estimated the number at 30 in the Public Defender's Office. Grabow said the County Attorney's Office does not post attorney openings, preferring to hire one of the law clerks.

Schorr said it was also suggested it would be hard to retain employees and said three former deputy county attorneys, Diane Carlson, Dave Johnson and John Watson, left for reasons other than the County's retirement match. Grabow said Carlson, who now

works for Douglas County government, is now in a defined benefit plan, as are the attorneys who worked in the County Attorney and Public Defender Offices who were appointed to the bench. Raybould remarked that salary and benefits are not the only reasons someone applies for a job.

Schorr said it would be nice if the County could be the leader Nigro had suggested and provide for employees retirement but said the funding would be from property tax dollars. Eagan said the PRC will address that issue in its report.

Amundson, Hudkins and Smoyer felt the Board should delay action until it receives the PRC's written report.

Raybould said the PRC reviewed this as part of their charge from the Board to make sure the County was in compliance with all of the retirement elements with Prudential and had opportunities to comment. Eagan said this question was never asked of the PRC.

FRIENDLY AMENDMENT: Raybould offered a friendly amendment to: 1) Allow the Pension Review Committee (PRC) to prepare a report and present it to the Board at the September 11, 2014 County Board Staff Meeting; and 2) Direct the County Attorney's Office to prepare a resolution on this matter for action at the September 16, 2014 County Board of Commissioners Meeting.

The maker of the motion and the seconder agreed to the friendly amendment.

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

Smoyer exited the meeting at 10:09 a.m.

B. Nebraska Association of County Officials (NACO) 9TH Annual
Legislative Conference (October 16, 2014 in Kearney, Nebraska)

Amundson, Hudkins, Schorr and Raybould indicated plans to attend. There was general consensus to cancel the County Board Staff Meeting scheduled for that day.

C. Recommendation from Pension Review Committee (PRC) Regarding
Pension Match for Classified, Unrepresented Employees

Item was moved forward on the agenda.

D. Presentation to Region V on County Funding

Eagan said he is still working on the draft of a statement on Region V's reduction of funding for the County's Crisis Center for the Board to present to the Region V Governing Board at their September 8th meeting.

Hudkins suggested the statement include the number of times the County Board has met with C. J. Johnson, Region V Systems Administrator, to discuss the issue.

Smoyer returned to the meeting at 10:14 a.m.

E. Food Bank Drive Press Release

Minette Genuchi, Administrative Assistant to the County Board, appeared and presented a draft press release (Exhibit C).

There was consensus to proceed with the press release.

9 PENDING

There were no pending items.

10 DISCUSSION OF BOARD MEMBER MEETINGS

A. Lincoln Independent Business Association (LIBA) Monthly Meeting - Schorr

Schorr said discussion focused on the budget; the 3% salary increase for classified, unrepresented employees; the bond refinancing for the Lancaster Event Center; and Region V's decision to reduce its allocation to the Crisis Center by \$400,000.

B. Lancaster County Correctional Facility Joint Public Agency (JPA) - Hudkins, Smoyer

Smoyer said they paid claims totaling \$110,910.19 from Sampson Construction Company, the Construction Manager at-Risk; and Dickey & Burham, Inc., Green Streak, Inc., and Bob & Don's Plumbing for work related to the jail warehouse. The JPA also approved the Fiscal Year (FY) 2014-2015 budget.

C. Meeting with Planning Department - Hudkins, Smoyer

Hudkins said they were briefed on a wind farm (a group of wind turbines used to produce energy) in the Hallam area and said they were informed of plans to seek height and noise variations. **NOTE:** There is split jurisdiction with Gage County.

D. Lancaster County Fairgrounds Joint Public Agency (JPA) - Amundson, Hudkins

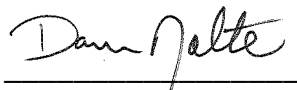
Amundson said they approved the bond refinancing for the Lancaster Event Center.

11 EMERGENCY ITEMS AND OTHER BUSINESS

Schorr and Raybould reported on the Joint Budget Committee (JBC) Meeting, noting a presentation on the University of Nebraska-Lincoln (UNL) Scan Project which is being done in conjunction with neighborhood associations.

12 ADJOURNMENT

MOTION: Schorr moved and Raybould seconded to adjourn the meeting at 10:29 a.m. Schorr, Raybould, Smoyer, Amundson and Hudkins voted aye. Motion carried 5-0.



Dan Nolte
Lancaster County Clerk

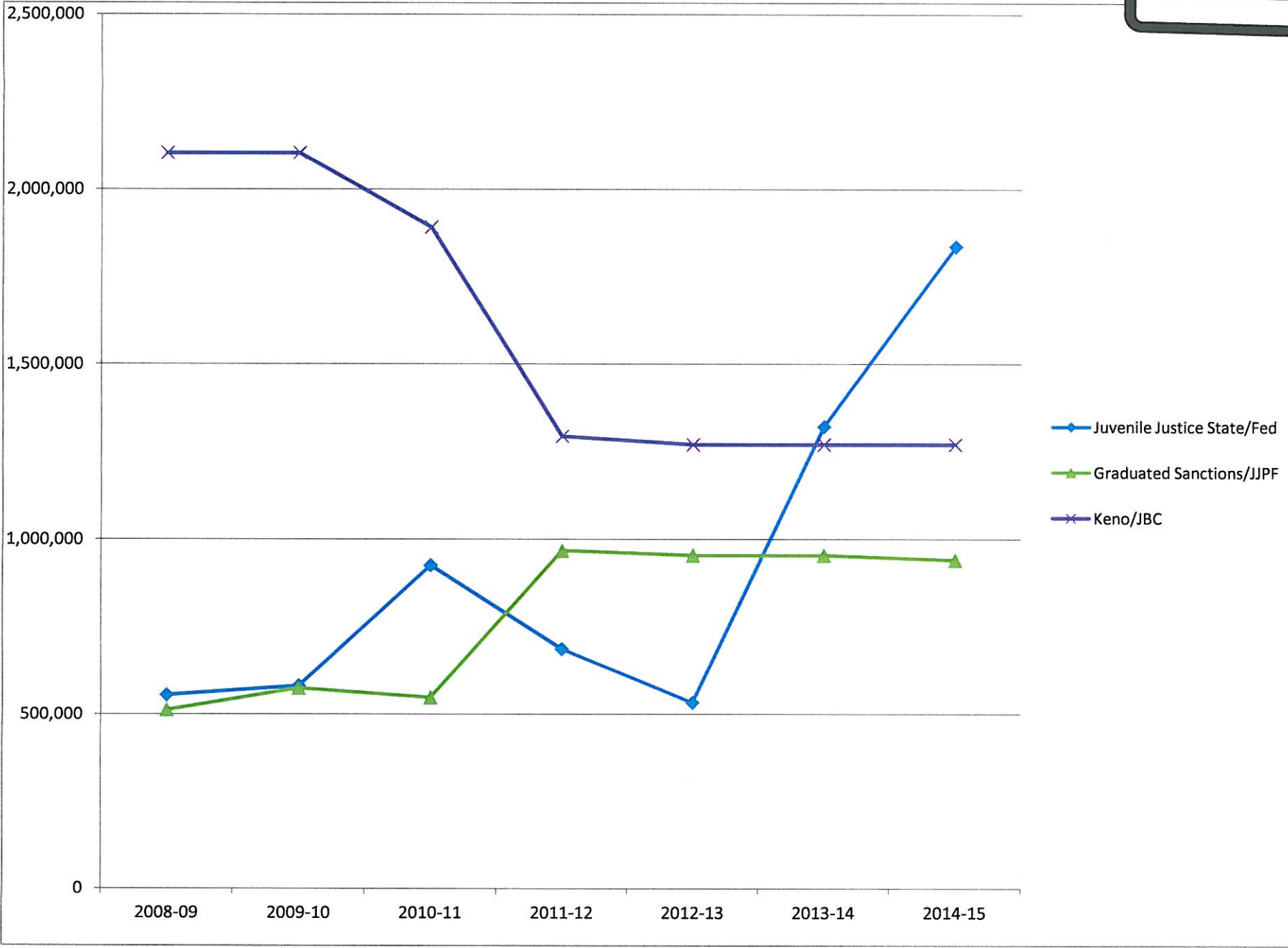


Human Services Grants

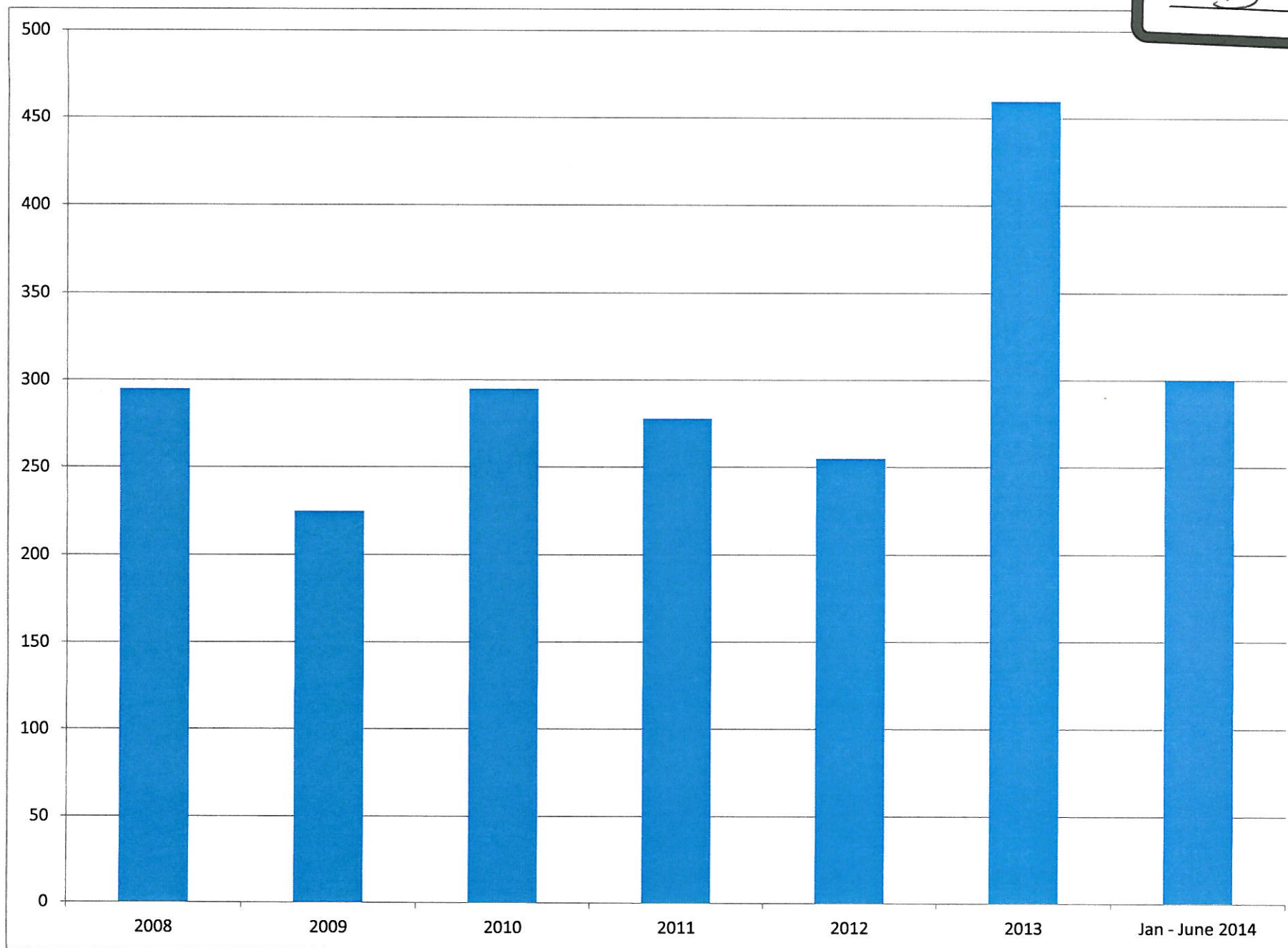
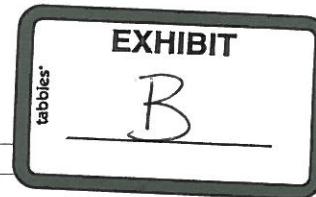
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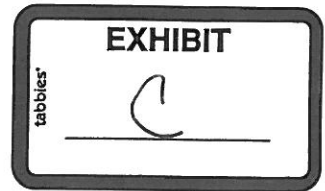
EXHIBIT

A



Graduated Sanctions Referrals





OFFICE OF THE MAYOR

555 South 10th Street, Lincoln, NE 68508, 402-441-7511

OFFICE OF THE LANCASTER COUNTY COMMISSIONERS

555 South 10th Street, Lincoln, NE 68508, 402-441-7447

FOR IMMEDIATE RELEASE: August 29, 2014

FOR MORE INFORMATION: Minette Genuchi, County Board, 402-441-7447

CITY-COUNTY FOOD BANK DRIVE A SUCCESS

Mayor Chris Beutler and Lancaster County Commission Chair Larry Hudkins today commended City and County employees for donating \$20,344 and more than 5,051 pounds of food and personal items to the Food Bank for Lincoln. Food Bank Director Scott Young said the annual City-County Food Bank Drive is a key part of the annual Campaign Against Hunger.

"The workforces of the City of Lincoln and Lancaster County have again this year provided great leadership in caring for all of our citizens," said Young. "The food and funds gathered by this year's City-County drive will benefit thousands of Lincoln families and individuals. Our partners at the City and County inspire us and lift the lives of their fellow citizens. We are grateful."

The City-County campaign was coordinated by Minette Genuchi in the County Commissioners Office and Elaine Severe at the Lincoln-Lancaster County Health Department.

"There's a lot of energy and a loyal commitment displayed by the various City and County departments during our annual food drive," said Severe and Genuchi in a joint statement. "The effort put forth by the employees combined with the tremendous support we receive from our department directors and elected officials has given us all a chance to make a big difference in our community."

Genuchi and Severe said the numerous fundraisers included bakes sales, taco and pizza sales, a silent auction, ice cream sundae sales and an employee picnic. Over 1,728 pounds of food was collected during a Lancaster County Court competition to see which team could collect the most.

More information on the Food Bank of Lincoln is available by calling 402-466-8170 or visiting lincolnfoodbank.org.