

**STAFF MEETING MINUTES  
LANCASTER COUNTY BOARD OF COMMISSIONERS  
COUNTY-CITY BUILDING, ROOM 113  
THURSDAY, MAY 22, 2008  
8:30 A.M.**

Commissioners Present: Bob Workman, Chair  
Bernie Heier, Vice Chair  
Larry Hudkins  
Ray Stevens  
Deb Schorr

Others Present: Kerry Eagan, Chief Administrative Officer  
Gwen Thorpe, Deputy Chief Administrative Officer  
Dennis Meyer, Budget and Fiscal 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 STAFF MEETING MINUTES OF THURSDAY,  
MAY 15, 2008**

**MOTION:** Heier moved and Hudkins seconded approval of the Staff Meeting minutes of Thursday, May 15, 2008. Hudkins, Heier, Workman and Stevens voted aye. Schorr was absent from voting. Motion carried.

**MOTION:** Stevens moved and Hudkins seconded to place on file the minutes of Lancaster County Department of Corrections (LCDC) Design Workshop No. 3, dated April 21, 2008. Hudkins, Heier, Workman and Stevens voted aye. Schorr was absent from voting. Motion carried.

**2 ADDITIONS TO AGENDA**

- A. Letter from Benchmark BioLabs, Inc. (Exhibit A)
- B. Pending Litigation

**MOTION:** Stevens moved and Heier seconded approval of the additions to the agenda. Hudkins, Heier, Workman and Stevens voted aye. Schorr was absent from voting. Motion carried.

Schorr arrived at 8:33 a.m.

**3 BOARD OF EQUALIZATION PROTEST SYSTEM** - Terry Lowe and Nick Wemhoff, Information Services; Dan Nolte, County Clerk; Cori Beattie, Deputy County Clerk

Terry Lowe and Nick Wemhoff, Information Services, gave a demonstration of how the public will be able to access the protest system from the County's website. Lowe said information will be imported directly from the County Assessor's ORION database and residential property owners will be able to self-schedule their protest hearings.

Cori Beattie, Deputy County Clerk, said the County Clerk's Office will still schedule the hearings on commercial parcels.

Lowe noted a ruling by the Secretary of State did not arrive in time to offer property owners the option of providing an electronic signature on the property valuation protest form this year but said e-filing may be an option next year.

**4 JAIL FINANCING OPTIONS** - Lauren Wismer, Gilmore & Bell PC (Bond Counsel); Scott Keene, Ameritas Investment Corporation; Dennis Meyer, Budget and Fiscal Officer

Scott Keene, Ameritas Investment Corporation, noted the jail bond issue failed in the primary election and presented a preliminary analysis of other financing options (Exhibit B):

- 1) Limited Tax Bonds under Nebraska Revised Statute §23-120 (using only 5.2 cents for 10 years)
  - \* Using 90% of 5.2 cents levy to fund existing obligations plus the jail project would fund only \$63 million of construction (with a 4.12 cent levy)
  - \* Would require additional cash contribution or additional Public Building Commission (PBC) financing to complete a \$65 million project
  - \* Would prevent the County from using §23-120 for other projects
  - \* Would require the highest relative interest rates or insurance premiums due to additional risk associated with 5.2 cent levy limit

Keene said this is the riskiest of the financing options and would not generate enough to fund a \$65 million project. He said it is also likely the County's bond rating would be downgraded.

Stevens asked whether the Board could continue to levy 1 cent per \$100 of valuation for the Jail Savings Fund to supplement the levy amount.

Keene said he would defer to Bond Counsel as to whether that would be construed as part of the levy under §23-120.

Stevens suggested it be incorporated into the regular operating levy and money be taken out of operating funds to supplement the jail.

Lauren Wismer, Bond Counsel, said he would want to study the extent to which a levy under an operating budget for capital purposes would be able to withstand a legal challenge.

Stevens said perhaps another option would be to use the funds to purchase furnishings.

- 2) Limited Tax Bonds under §23-120 (using both levies under the statute)
  - \* Requires \$6.14 million levy for 10 years (3.37 cents) and \$2.0 million levy for 25 years (1.10 cents) or some combination of the two
  - \* Would maintain additional flexibility for County to use §23-120 for other projects
  - \* Would not require any participation by PBC
  - \* Would likely allow for slightly lower relative interest rates due to additional room under 5.2 cents

Keene said this option would allow the County to finance a \$65 million jail and would have a lower tax impact initially in terms of repaying the debt. He said it would also keep the County farther away from the 5.2 cent levy limitation in the first ten years, which would allow the County the flexibility to use §23-120 for other small projects. It would also eliminate the risk of having the bond rating downgraded.

- 3) Public Building Commission (PBC) financing over 25 years
  - \* Requires \$1.454 million levy by City and \$2.83 million levy (1.55 cents) by County for a period of 25 years
  - \* Would have the lowest relative interest rates or insurance premiums due to greater levy authority of City and County (can be financed outside of 5.2 cent levy limitation)
  - \* Would maintain maximum flexibility for County to use §23-120 for other projects

Keene said this option could also finance a \$65 million jail at today's interest rates but the County would have to replace operating costs.

Schorr suggested the Board continue to levy for the Jail Savings Fund and use those funds to pay the operating costs.

Workman remarked that those costs could be made up with what the County spends to house inmates out-of-county.

Keene said this is the strongest financing option and offers the lowest interest rates because the County would be sharing the load with another political subdivision and both would be repaying the debt under lease agreements.

Wismer said this method of financing will not be an option if the City opts out.

Stevens asked whether the plan would still work if the City's contribution was reduced to \$250,000.

Keene said the City would have to be a legitimate partner in the project.

Wismer said the County's levy limitations for capital expenditures are limited and said levies for operating expenses don't have that limitation. He said Options 3 and 4 convert some of the City money currently used for operating costs to capital costs.

- 4) Public Building Commission (PBC) financing over 25/10 years
  - \* Structured somewhat like the Health Department Building Project (City finances its portion over 25 years and the County over as little as 10 years)
  - \* Requires \$1.454 million levy by City and \$5.095 million levy (2.80 cents) by the County for a period of 10 years
  - \* Any term combination could be used
  - \* Would have lowest relative interest rates
  - \* Would maintain maximum flexibility for County to use §23-120 for other projects

It was noted approval is needed by a majority of both the City Council and Public Building Commission.

Keene recommended consideration be given to wording the agreements so the City pays based on head count, as it does now.

Kerry Eagan, Chief Administrative Officer, said Community Corrections has had an impact on the number of City prisoners and said that should be factored in as well.

Hudkins said he would like to see the Board move forward and get a levy in place by September to take advantage of interest rates.

Keene concurred and said all of the options assume the first year's levy will be in place this fall. He said financing the project this fall without starting the levy would require the Board to take a couple million dollars out of the bond proceeds to pay the interest until taxes are received the year after next.

**MOTION:** Schorr moved and Hudkins seconded to send a letter to the City Council requesting their attendance at the June 3, 2008 City-County Common Meeting to discuss financing the new jail through the Public Building Commission (PBC).

Workman and Keene agreed to brief Mayor Beutler on the matter.

Keene also agreed to bring back a detailed analysis of Option 3, including 15 and 20 year repayment scenarios.

**ROLL CALL:** Hudkins, Heier, Workman, Stevens and Schorr voted aye. Motion carried.

#### **ADMINISTRATIVE OFFICER REPORT**

H. Leasing Corporation Bonds for Lancaster Manor

**MOTION:** Hudkins moved and Stevens seconded to have Scott Keene, Ameritas Investment Corporation, investigate authority to pay off the bonds. Schorr, Stevens, Workman, Hudkins and Heier voted aye. Motion carried.

- 5 A) MATTRESS PURCHASE; AND B) CLAIMS FOR REVIEW - PV NO. 168905 (\$1,832.50); PV NO. 168915 (\$904.59); AND PV NO. 169030 (\$2,520) - PURCHASE ORDER REQUIRED** - Ron Fetters, Lancaster Manor Administrator; Tom Fox, Deputy County Attorney; Vince Mejer, Purchasing Agent; Bob Walla, Assistant Purchasing Agent

#### **A) Mattress Purchase**

Tom Fox, Deputy County Attorney, said bids went out and Ron Fetters, Lancaster Manor Administrator, selected the bid from McKesson. He said their proposal stated the price was contingent upon deletion of the County's indemnification clause.

Fetters said he selected this company over the two lower bidders because their mattresses slope down at the bottom to allow the patient's heels to drop down, which prevents bed sores (this is a patented feature).

Vince Mejer, Purchasing Agent, said Fetters should have submitted a sole source request.

Fetters said he was not aware he could do so.

**MOTION:** Schorr moved and Hudkins seconded to authorize the purchase of McKesson mattresses for Lancaster Manor. Schorr, Workman, Heier and Hudkins voted aye. Stevens voted no. Motion carried.

**B) Claims for Review: 1) PV No. 168905 (\$1,832.50), 2) PV No. 168915 (\$904.59), and 3) PV No. 169030 (\$2,520)**

Bob Walla, Assistant Purchasing Agent, said the claims are related to the purchase of linens and bedding supplies. He said a bid has been prepared but the purchase could not be delayed.

**MOTION:** Heier moved and Hudkins seconded to handle the claims through the regular claims process at the May 27, 2008 Board of Commissioners Meeting. Hudkins, Heier, Workman, Stevens and Schorr voted aye. Motion carried.

**ADMINISTRATIVE OFFICER REPORT**

- A. Claim for Review: PV No. 169050 (\$2,165) from County Extension - Purchase Order Required

Walla said County Extension did not utilize the contract for clothing. He said this invoice also exceeds the amount that requires a purchase order.

**MOTION:** Heier moved and Hudkins seconded to handle the claim through the regular claims process at the May 27, 2008 Board of Commissioners Meeting. Schorr, Stevens, Workman, Heier and Hudkins voted aye. Motion carried.

**ACTION ITEMS**

- A. Medicare System Access Agreement Between Lancaster County and Wisconsin Physicians Service (WPS) to Allow Lancaster Manor and its Medicare Billing Contractor, Medi-Bill Systems, Authorization to Access Selected Computer Systems for the Purpose of Filing Medicare Claims and Making Medicare Claims Inquires (C-08-0223)

Tom Fox, Deputy County Attorney, said Medi-Bill has agreed to amend their contract for Medicare Part A and B claims management, processing, documentation and appeals services. The addendum provides that Medi-Bill Systems will pay all charges associated with the installation, administration, access and on-going use of a third-party communications network which are billed to the County by Wisconsin Physicians Services. He said he still does not have a definitive answer on the fee.

**MOTION:** Stevens moved and Hudkins seconded approval of the agreement. Hudkins, Heier, Workman, Stevens and Schorr voted aye. Motion carried.

**NOTE:** The Board will take action on the addendum at the May 27, 2008 Board of Commissioners Meeting.

**6 MAXIMUS CONTRACT REGARDING INDIRECT COST PLAN** - Tom Fox, Deputy County Attorney

Tom Fox, Deputy County Attorney, said Maximus is seeking to add a limitation of liability clause to their contract for cost allocation planning. After further negotiation Maximus agreed to a clause that would limit their liability to ten times the cost of the contract. He said it would also limit their consequential and indirect damages and loss of profit time.

**MOTION:** Stevens moved and Schorr seconded to ask the County Attorney's Office to schedule the contract on the May 27, 2008 Board of Commissioners Meeting agenda, as outlined. Hudkins, Heier, Workman, Stevens and Schorr voted aye. Motion carried.

**ADDITIONS TO AGENDA**

A. Letter from Benchmark BioLabs, Inc. (Exhibit A)

**MOTION:** Heier moved and Hudkins seconded to ask Kerry Eagan, Chief Administrative Officer, to send a letter of response to Benchmark BioLabs, Inc. suggesting they submit an offer for the County's property at 831 Westgate Boulevard. Schorr, Stevens, Workman, Heier and Hudkins voted aye. Motion carried.

B. Pending Litigation

**MOTION:** Heier moved and Stevens seconded to enter Executive Session at 10:51 a.m. Hudkins, Heier, Workman, Stevens and Schorr voted aye. Motion carried.

**MOTION:** Steven moved and Heier seconded to exit Executive Session at 11:00 a.m. Hudkins, Heier, Workman, Stevens and Schorr voted aye. Motion carried.

**7 COUNTY SPECIAL PERMIT NO. 08021, HISTORICAL PRESERVATION OF BED & BREAKFAST AT 2400 SOUTH 148<sup>TH</sup> STREET - Mike DeKalb, Planner**

Mike DeKalb, Planner, gave an overview of County Special Permit No. 08021, a request for a special permit to enhance the preservation of a historic property, the Leavitt House, by recognizing its historic architectural significance and by allowing additional uses of the property, under the provisions of Articles 13.007 Special Use: Historic Preservation and 4.007 (m) "Historic Preservation" of the Lancaster County Zoning Resolution. Requested uses include up to six (6) bed and breakfast suites and the owners' dwelling unit in the main building (Leavitt House), two (2) bed and breakfast suites and a caretaker's apartment in the second house (France/Cottage House) and accessory and additional uses in the 1900 barn (Exhibit C).

**8 ACTION ITEMS**

- A. Medicare System Access Agreement Between Lancaster County and Wisconsin Physicians Service (WPS) to Allow Lancaster Manor and its Medicare Billing Contractor, Medi-Bill Systems, Authorization to Access Selected Computer Systems for the Purpose of Filing Medicare Claims and Making Medicare Claims Inquires (C-08-0223)

Item was moved forward on the agenda.

**9 ADMINISTRATIVE OFFICER REPORT**

- A. Claim for Review: PV No. 169050 (\$2,165) from County Extension - Purchase Order Required

Item was moved forward on the agenda.

- B. Adobe Photoshop 7 for County Board Administrative Assistant

**MOTION:** Hudkins moved and Heier seconded approval of the request, with funding through the Microcomputer Fund. Hudkins, Heier, Workman, Stevens and Schorr voted aye. Motion carried.

C. New Computer for County Commissioners' Office

**MOTION:** Stevens moved to proceed with a Windows XP and memory upgrade for Commissioner Schorr's computer.

The motion died due to the lack of a second.

Board consensus was to: 1) Move the administrative aide's old computer to Commissioner Schorr's office; and 2) Move Commissioner Schorr's computer to Commissioner Hudkins' office.

D. Start Time for Staff Meeting (June 19, 2008)

The Board set the start time at 9:00 a.m. .

E. Requests for Early Participation in Pension Plan

Board consensus was to have the requests handled administratively, rather than through formal action at a regular Board of Commissioners Meeting.

F. Joint Receptionist Hours

**MOTION:** Schorr moved and Hudkins seconded to adjust the joint receptionist's working hours so that her workday will begin at 8:00 a.m. and end at 4:30 p.m., with a half-hour lunch, and to forward the recommendation to the City-County Common. Hudkins, Heier, Workman, Stevens and Schorr voted aye. Motion carried.

G. Virginia Jail Visit

The Chair indicated plans to visit a jail in Roanoke, Virginia at his own expense.

H. Leasing Corporation Bonds for Lancaster Manor

Item was moved forward on the agenda.

I. Schematic Design Update (June 24, 2008)

Gwen Thorpe, Deputy Chief Administrative Officer, said the presentation is estimated to take one to one and a half hours and will take place in the Design Studio (Landmark One Building, 1010 Lincoln Mall).

The Board scheduled it for 11:00 a.m.

## 10 DISCUSSION OF BOARD MEMBER MEETINGS

- A. Lancaster County Fairgrounds Joint Public Agency (JPA) - Heier, Workman

Workman reported on payment of expenditures.

- B. Lincoln Independent Business Association (LIBA) Budget Monitoring Committee - Stevens

Stevens said he was unable to attend the meeting.

- C. Budget Hearing
- D. Railroad Transportation Safety District (RTSD) Meeting - Schorr

Items C and D were dropped from the agenda.

## 11 ADJOURNMENT

**MOTION:** Heier moved and Stevens seconded to adjourn the meeting at 11:26 a.m. Schorr, Stevens, Workman, Heier and Hudkins voted aye. Motion carried.

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Dan Nolte  
Lancaster County Clerk