

**STAFF MEETING MINUTES  
LANCASTER COUNTY BOARD OF COMMISSIONERS  
COUNTY-CITY BUILDING, ROOM 113  
THURSDAY, AUGUST 7, 2008  
8:30 A.M.**

Commissioners Present: Bob Workman, Chair  
Ray Stevens  
Deb Schorr

Commissioners Absent: Bernie Heier, Vice Chair  
Larry Hudkins

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 8:33 a.m.

**AGENDA ITEM**

**1 APPROVAL OF THE STAFF MEETING MINUTES OF THURSDAY,  
JULY 31, 2008**

**MOTION:** Stevens moved and Schorr seconded approval of the minutes of the July 31, 2008 Staff Meeting. Schorr, Stevens and Workman voted aye. Motion carried.

**2 ADDITIONS TO AGENDA**

A. Improvements to West "O" Street for the New Jail

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

**3 RECOMMENDATION FROM PENSION REVIEW COMMITTEE FOR  
AWARD OF BID ON PENSION PROVIDER REQUEST FOR  
PROPOSAL (RFP)**

Kerry Eagan, Chief Administrative Officer and a member of the Pension Review Committee (PRC), said the County received eight proposals in response to a Request for Proposals (RFP) to provide bundled services for Lancaster County's 401(a) retirement plan and 457(b) deferred compensation program, with seven meeting the minimum bid requirements. He said the proposals were reviewed by the RFP Review Committee and Frank Picarelli, Segal Advisors (Pension Plan Consultant), prepared an Analysis of Service Providers, comparing the seven proposals. The information was presented to the PRC and based on this information, the PRC recommended the following finalists be interviewed: ING, Prudential, ICMA and Nationwide Retirement Solutions (NRS). Interviews were conducted on July 28<sup>th</sup> and the PRC met August 6<sup>th</sup> to discuss the results. He said after careful consideration of the information contained in the proposals, the presentations given by the finalists, the analysis provided by Segal Advisors and the RFP Review Committee's recommendation, the PRC offers the following recommendation (Exhibit A):

*The PRC believes Prudential presented the best proposal for administration of Lancaster County's 401(a) retirement plan and 457(b) deferred compensation program. Negotiations should begin immediately with Prudential to obtain their last and best offer. In consultation with Frank Picarelli of Segal Advisors, the County should use its accumulated revenue sharing fees and the proposed annual revenue sharing of \$100,000 to leverage lower fees on all investment options, including the stable value fund. A report should be presented to the County Board no later than August 21, 2008 regarding the status of negotiations with Prudential.*

Eagan said the stable value fund was a major factor in the decision. He said Prudential has a long history of above average performance with the fund and has the highest rate of return. Prudential also offered the County a separate account, which Segal Advisors had recommended. Prudential has the highest overall fees but their revenue requirement is only 25 basis points. Eagan said Picarelli pointed out that Prudential selected funds which are very high performers, but have corresponding high fees. He said the County will need to talk to Prudential to see if they are willing to change the array. Another factor was the revenue sharing. Eagan said the County has \$190,000 accumulated (\$40,000 accumulates a year under the existing contract and \$100,000 will accumulate a year under the new proposal). The PRC has suggested the funds be leveraged in the negotiations with Prudential to try get lower fees across the board.

It was noted the County will have to pay NRS a market value adjustment to get out of the present fixed account. **NOTE:** NRS currently administers the 401(a) Lancaster County Retirement Plan and 457(b) Deferred Compensation Program.

Doug Cyr, Chief Administrative Deputy County Attorney and PRC member, said there was not a significant difference between the top three proposals.

Schorr asked what features set Prudential apart.

Dennis Meyer, PRC, appeared and said he was impressed with the education component.

Don Killeen, PRC, said the fee transparency and an asset allocation tool called GoalMaker were positive features.

Schorr inquired about the time line for transition.

Cyr said the proposals all indicated transition could be accomplished within 90 days.

**MOTION:** Stevens moved and Schorr seconded to direct the Request for Proposal (RFP) Review Committee to proceed with negotiating with Prudential on terms, conditions and fees. Stevens, Schorr and Workman voted aye. Motion carried.

**4 JAIL BOND FINANCING UPDATE** - Scott Keene, Ameritas Investment Corporation; Lauren Wismer, Gilmore & Bell PC (Bond Counsel); Dennis Meyer, Budget and Fiscal Officer; Don Killeen, County Property Manager

Scott Keene, Ameritas Investment Corporation, said Mayor Beutler and the City Council are still considering the Joint Public Agency (JPA) option. He stressed the need to move forward quickly, as creation of the JPA and budget will need to be completed by September 20<sup>th</sup>. **NOTE:** It will require public hearings and action by both the City Council and County Board.

Eagan said a committee appointed by the Board will meet next week to renegotiate the County's interlocal agreement with the City for the housing of prisoners in the jail. He noted responsibility for medical expenses has been an item of concern and said the City only pays medical expenses when officers cause an injury during the course of apprehension.

Workman noted the architects are concerned with improvement costs for West "O" Street (estimated at \$500,000).

Don Killeen, County Property Manager, said there are a number of issues that need to be worked out with the Mayor's Office and Public Works and Utilities.

Schorr asked whether the JPA can be used for jail purposes other than the bond issue.

Lauren Wismer, Gilmore & Bell PC (Bond Counsel), said it depends how the agreement is worded.

Dennis Meyer, Budget and Fiscal Officer, added the JPA will only be able to levy for items that can be excluded from the lid.

## **ADDITIONS TO AGENDA**

A. Improvements to West "O" Street for the New Jail

See Item 4.

### **5 CONTRACT WITH MILKWORKS - Tom Fox, Deputy County Attorney**

Tom Fox, Deputy County Attorney, gave an overview of a proposed contract with MilkWorks. He said under the terms of the contract the County will transfer ownership of its breast pump to MilkWorks. In return, MilkWorks will provide, maintain and schedule the use of one breast pump to County employees, at no cost to the employee. The length of contract will be the working life of the breast pump.

### **6 WIND MACHINES (CONDITIONAL USE) - Mike DeKalb, Planner**

Mike DeKalb, Planner, gave an overview of a proposed zoning text amendment to modify the requirements allowing for wind machines. He said wind machines are currently allowed as a conditional use in the Agricultural (AG) and Agricultural Residential (AGR) if certain standards are met (setbacks based on a 1982 study on ice throw and blade throw). Wind machines are also allowed in the Residential (R), Business (B) and Industrial (I) zoning districts by a special permit. DeKalb said new data shows the chance of a blade or ice throw is much less than originally thought so the Planning Department is proposing that wind machines be treated as any other accessory use in the City and County. He said the setbacks of the district will apply (setbacks are based on prop throw) and said a special permit will be required to exceed the height of the district.

### **7 SOLID WASTE CONTRACTS - Gene Hanlon, Recycling Coordinator; Bob Walla, Assistant Purchasing Agent**

Gene Hanlon, Recycling Coordinator, proposed the contracts for solid waste collection and recycling services be combined into one bid. He said the intent is to strengthen recycling and to better track recycling rates for different buildings. Hanlon said there may also be efficiencies if the City is divided geographically for waste collection. He said the goal is to have a contract in place by January, 2009.

Bob Walla, Assistant Purchasing Agent, noted Lancaster Manor has daily waste pickup and said most of it is cardboard. He said he provided Hanlon and the Manor with information so they work together to get a grant for a compactor. Walla said other facilities have also indicated interest in recycling grants.

Gwen Thorpe, Deputy Chief Administrative Officer, expressed concern that disposal from health care facilities such as the Manor and Community Mental Health Center (CMHC) is in compliance with the Health Insurance Portability & Accountability Act (HIPAA) requirements.

Board consensus was to proceed with a Request for Proposals (RFP) for solid waste collection and recycling services.

## **8 ACTION ITEMS**

- A. Microcomputer Request No. 48735, \$3,374.45 from the Microcomputer Fund for Memory Upgrades, Nine (9) 22" Computer Monitors, Etc. for the County Clerk's Office

Cori Beattie, Deputy County Clerk, said she recently contacted Information Services (IS) to order the four 20" LCD monitors, four memory upgrades and software the Board had approved as part of the County Clerk's annual microcomputer request. She was informed IS has 22" monitors in its inventory at less cost than the 20" monitors that were approved. IS also offered to include five additional memory updates, which normally cost \$100 each. Beattie said the County Clerk's Office can get nine 22" monitors and 5 additional memory upgrades for an additional \$655.18.

**MOTION:** Schorr moved and Stevens seconded to direct that the original amount be billed to the Microcomputer Fund and the additional \$655.18 billed to the County Clerk's Office, with review of the County Clerk's budget at mid-year. Schorr, Stevens and Workman voted aye. Motion carried.

## **9 ADMINISTRATIVE OFFICER REPORT**

- A. Request from Gage County for Consolidation Report

Eagan said Allen Grell, Gage County Supervisor, has asked him to give a report on Nebraska Revised Statute §22-417, which provides that a county may consolidate the offices of the Clerk of the District Court, County Assessor, County Clerk, County Engineer or Register of Deeds.

There was no objection to the request.

## B. Removal of Deposit Penalty

Eagan said the Internal Revenue Service (IRS) has agreed to waive the \$25,000 penalty that was assessed to the County for late payment of employment taxes (see July 3, 2008 Staff Meeting minutes).

Stevens said the interest was not waived.

## C. Reappointment of Bernie Heier as Nebraska Association of County Officials (NACO) Representative

The item was scheduled on the Tuesday, August 12, 2008 Board of Commissioners Meeting agenda for action.

## D. Rock Hauler Contracts

Tom Fox, Deputy County Attorney, appeared and said the Board recently approved bids for the annual supply of rock or gravel for road surfacing and ice control material. He said the successful bidders were required to secure a percent performance bond. One of the producers, Bluff Gravel, will only provide a couple of loads and does not want to get the bond. Fox asked whether the Board wants to waive the bond requirement for Bluff Gravel.

Don Thomas, County Engineer, appeared and explained the producer has a small operation and does not want to spend money on a performance bond.

Fox stated the bonding requirement will not be in the specifications next year.

**MOTION:** Schorr moved and Stevens seconded to waive the performance bond requirement for Bluff Gravel. Stevens, Schorr and Workman voted aye. Motion carried.

# 10 DISCUSSION OF BOARD MEMBER MEETINGS

## A. Budget Monitoring Committee - Hudkins, Stevens

Stevens said Dennis Meyer, Budget and Fiscal Officer, gave an overview of the budget. He said one member of the committee indicated he would oppose any increase in the property tax levy over last year.

## B. Public Building Commission (PBC) - Hudkins, Workman

Workman reported on a decision to move the City Attorney's Office from the Justice and Law Enforcement Center to the third floor of the County-City Building to make room for the Courts.

**11 ADJOURNMENT**

**MOTION:** Schorr moved and Stevens seconded to adjourn the meeting at 10:05 a.m. Schorr, Stevens and Workman voted aye. Motion carried.

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Dan Nolte  
Lancaster County Clerk