

**STAFF MEETING MINUTES  
LANCASTER COUNTY BOARD OF COMMISSIONERS  
COUNTY-CITY BUILDING, ROOM 113  
THURSDAY, AUGUST 14, 2008  
8:30 A.M.**

Commissioners Present: Larry Hudkins  
Ray Stevens  
Deb Schorr

Commissioners Absent: Bob Workman, Chair  
Bernie Heier, Vice Chair

Others Present: Kerry Eagan, Chief Administrative Officer  
Gwen Thorpe, Deputy Chief Administrative Officer  
Dennis Meyer, Budget and Fiscal Officer  
Dan Nolte, County Clerk  
Ann Taylor, County Clerk's Office

Commissioner Schorr opened the meeting at 8:34 a.m.

**AGENDA ITEM**

**1 APPROVAL OF THE STAFF MEETING MINUTES OF THURSDAY,  
AUGUST 7, 2008**

**MOTION:** Stevens moved and Hudkins seconded approval of the minutes of the August 7, 2008 Staff Meeting. Stevens, Hudkins and Schorr voted aye. Motion carried.

**2 ADDITIONS TO AGENDA**

None were stated.

**3 BUDGET WORK SESSION (15 CENT RURAL LEVY) - Dennis Meyer,  
Budget and Fiscal Officer**

Dennis Meyer, Budget and Fiscal Officer, presented 2008-09 Preliminary Allocation of Levy, with calculations for 0% and 1% valuation growth (Exhibits A & B). He noted the Malcolm and Raymond Rural Fire Districts have asked for more than the maximum fire district levy and said the request for the Rural Library and the overall levy for the Lancaster County Agricultural Society have decreased, which would allow the maximum fire district levy to be increased. Meyer said the agreement with Lincoln Fire and Rescue (LFR) to provide ambulance service to the rural areas is the reason many of the rural fire districts requests have increased and said some took a lid exception for an interlocal agreement.

Schorr asked when valuation information will be made available.

Meyer said valuations must be certified by August 20th.

#### **4 MEDICAL AND DENTAL SELF-INSURANCE PROGRAM UPDATE - Stephanie Noonon and Jason Speer, Milliman USA**

Stephanie Noonon and Jason Speer, Milliman USA, presented an analysis of Lancaster County's medical and dental plans and calculation of 2009 medical and dental premiums, referring to the following documents (Exhibit C):

- \* Trend Analysis - Medical/Rx
- \* Calendar year 2009 Pricing Calculation - Medical Plans (Includes a Spend-Down of the Trust Fund)
- \* Calendar Year 2009 Medical Plans - Premium Equivalencies
- \* Calendar Year 2009 Pricing Calculation - Medical Plans
- \* Trend Analysis - Dental
- \* Calendar Year 2009 Pricing Calculation - Dental Plans (Includes a Spend-Down of the Trust Fund)
- \* Calendar Year 2009 Dental Plans - Premium Equivalencies
- \* Calendar Year 2009 Pricing Calculation - Dental Plans
- \* Incurred But Not Reported (IBNR) Reserve Calculation - Medical
- \* IBNR Reserve Calculation - Dental
- \* Analysis of Individual Claim Variability
- \* Individual Stop-Loss Comparison (Premium vs. Expected Reimbursements)
- \* Analysis of Aggregate Claim Variability (No Specific Stop-Loss)
- \* Analysis of Aggregate Claim Variability (\$225,000 Individual Stop-Loss)
- \* Analysis of Aggregate Claim Variability (\$200,000 Individual Stop-Loss)
- \* Analysis of Aggregate Claim Variability (\$175,000 Individual Stop-Loss)
- \* Analysis of Aggregate Claim Variability (\$150,000 Individual Stop-Loss)

Stephanie Noonon, Milliman USA, said the medical fund had a balance of \$5,247,453 and the dental fund had a balance of \$160,426, as of June 30, 2008. She said those balances were projected forward to December 31, 2008, taking projected expenses, premiums and IBNR reserve estimates into account. The medical fund balance is projected to be \$4,169,035 and the dental fund balance is projected to be \$120,272. Noonon noted that part of the fund is used to subsidize the premiums.

Noonon said Blue Cross Blue Shield of Nebraska (BCBS) has increased its fee for administration by 7% and individual stop-loss premiums by 12.9%.

Hudkins asked whether the 7% increase for administration is excessive.

Jason Speer, Milliman USA, said it is not out-of-line in terms of a dollar and percent of claims perspective. He said BCBS' stop-loss renewal is very reasonable.

Noonon said 5.2% increase in medical premiums is recommended (includes an amount to amortize the projected excess reserves over a five year period). A 5.3% increase in dental premiums is recommended (includes an amount to amortize the projected excess reserves over a three year period).

Speer said Milliman will continue to monitor the spend-down of the reserves.

Schorr inquired about prescription trends.

Speer said the trend has come down in the last couple of years but said the introduction of new specialty drugs is expected to drive the trend back up.

Speer also recommended the County eliminate its aggregate stop-loss coverage, as it is not expected to pay out.

**MOTION:** Hudkins moved and Stevens seconded to drop the aggregate stop-loss coverage. Hudkins, Stevens and Schorr voted aye. Motion carried.

The Board requested quotes to increase the stop-loss coverage. **NOTE:** Existing coverage is for claims exceeding \$150,000.

In response to a question from Stevens, Meyer said the projections fit within the budget.

- 5 **POTENTIAL LITIGATION** - Mike Thew, Chief Deputy County Attorney; Don Taute, Personnel Director; Ron Feters, Lancaster Manor Administrator

**MOTION:** Hudkins moved and Stevens seconded to enter Executive Session at 9:26 a.m. for discussion of potential litigation.

The maker of the motion and the seconder withdrew their motion.

**6 A) CONTINUING EDUCATION; AND B) LANCASTER MANOR FACILITY UPDATE - Ron Feters, Lancaster Manor Administrator**

**A) Continuing Education**

Ron Feters, Lancaster Manor Administrator, requested authorization to attend the Missouri Health Care Conference, stating his attendance will count as the continuing education hours needed to maintain his license. He estimated the cost at \$1,200 and said he has budgeted for the expense.

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

**B) Lancaster Manor Facility Update**

Feters said the Nebraska Department of Health and Human Services (HHS) is conducting its annual survey of the facility and said it appears to be going well. He also reported receipt of \$1.1 million in Medicare reimbursement.

**RETURNING TO ITEM 5**

**MOTION:** Stevens moved and Hudkins seconded to enter Executive Session at 9:31 a.m. for discussion of potential litigation. Stevens, Hudkins and Schorr voted aye. Motion carried.

**MOTION:** Stevens moved and Schorr seconded to exit Executive Session at 10:26 a.m. Stevens, Hudkins and Schorr voted aye. Motion carried.

**7 JAIL BOND FINANCING UPDATE - Scott Keene, Ameritas Investment Corporation; Lauren Wismer, Gilmore & Bell PC (Bond Counsel)**

Scott Keene, Ameritas Investment Corporation, indicated meetings are being held each week to discuss the proposed Joint Public Agency (JPA) agreement and whether the existing interlocal agreement with the City for the housing of prisoners in the jail needs to be amended. He said he and Lauren Wismer, Gilmore & Bell PC (Bond Counsel) will brief the City Council on the status of the JPA at the August 18<sup>th</sup> Pre-Council Meeting.

Keene reported the following timeline of events for the JPA proceedings:

August 14	Bond Counsel delivers notices of City and County public hearings to the newspaper
August 18	Pre-Council meeting to discuss JPA
August 19	First publication of notices
August 25	First reading of resolution by City Council
August 26	Second publication of notices
September 2	Third and final publication of notices
September 8	Second reading, consideration and vote by City Council
September 9	Consideration and vote by County Board
September 10	One required publication of JPA Budget Hearing
September 15	JPA Budget Hearing
September 16	Deliver appropriate notification of creation of JPA and budget to Secretary of State and State Auditor

Schorr questioned whether the JPA model has been presented to the public in a manner that is easily understood.

Keene noted the Board has had frequent meetings to discuss the jail financing and said the Journal Star Newspaper has done a fine job of reporting those activities. He said the Board should continue the discussions and to provide the press with details of how the JPA model will work.

Meyer suggested it would also be appropriate to talk about the jail financing at next week's budget hearing.

**8 COUNTY BOARD OF ZONING APPEALS NO. 08002, VARIANCE OF SIGN REGULATION FOR COUNTRYSIDE ALLIANCE CHURCH, 24005 SOUTH 12<sup>TH</sup> STREET, PRINCETON, NEBRASKA - Mike DeKalb, Planner**

Mike DeKalb, Planner, gave an overview of County Board of Zoning Appeals No. 08002, a request from Countryside Alliance Church for a variance of the zoning resolution to allow a 14' tall, 50 square foot sign (church bulletin board) in the front yard, at the property line, on property generally located at 24005 South 12<sup>th</sup> Street in Princeton, Nebraska.

**9 EMERGENCY MANAGEMENT PLANNING GRANT - Doug Ahlberg, Emergency Management Director**

Doug Ahlberg, Emergency Management Director, said the County has been awarded a United States Department of Homeland Security, Emergency Management Performance Grant (EMPG) Subgrant in the amount of \$62,260.

The Board scheduled the EMPG Subgrant Award Agreement on the August 19, 2008 Board of Commissioners Meeting agenda.

## **10 ADMINISTRATIVE OFFICER REPORT**

- A. Nebraska Association of County Officials (NACO) Southeast District Meeting (September 11, 2008)

Hudkins indicated plans to attend.

- B. West Haymarket Tourism District Billings

The Board reviewed West Haymarket, Preliminary Studies, Sources and Uses (see agenda packet).

- C. Pension Update

Kerry Eagan, Chief Administrative Officer, said there has been progress in the negotiations with Prudential (see August 7, 2008 Staff Meeting minutes) and said several members of the Pension Review Committee (PRC) have been working with Frank Picarelli of Segal Advisors (Pension Plan Consultant) to refine the fund list to get a better share of classes and to lower Prudential's fees.

- D. Legal Opinion Requests (Joint Public Agency (JPA) Valuations and Medical Costs of House Arrests)

**MOTION:** Stevens moved and Hudkins seconded to request legal opinions regarding the issues of Joint Public Agency (JPA) valuations and medical costs of house arrests.

Stevens asked whether responsibility for medical expenses could be made a condition of entering the House Arrest Program.

Eagan said he will check.

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

## **11 DISCUSSION OF BOARD MEMBER MEETINGS**

- A. Joint Budget Committee (JBC) - Stevens

No meeting.

B. City Prisoner Interlocal Agreement Committee - Stevens

Stevens said he believes there will be two distinct agreements: 1) The JPA agreement to finance the jail; and 2) A revised interlocal agreement with the City for the housing of prisoners in the jail. He suggested the need for an algorithm to track the costs for city prisoners who are incarcerated or part of Community Corrections, even though, under the proposed JPA, those charges may be waived for a period of time.

C. Board of Health - Schorr

No report.

**12 AGENDA ITEMS FOR TUESDAY, AUGUST 19, 2008 COUNTY BOARD OF COMMISSIONERS MEETING**

Stevens asked that Kit Boesch, Human Services Administrator, give a presentation on the Creating Assets, Savings and Hope (CASH) Program.

**13 ADJOURNMENT**

**MOTION:** Stevens moved and Hudkins seconded to adjourn the meeting at 10:59 a.m. Hudkins, Stevens and Schorr voted aye. Motion carried.

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Dan Nolte  
Lancaster County Clerk