

**STAFF MEETING MINUTES  
LANCASTER COUNTY BOARD OF COMMISSIONERS  
COUNTY-CITY BUILDING, ROOM 113  
THURSDAY, JULY 16, 2009  
8:30 A.M.**

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

Commissioners Absent: Bernie Heier, Chair

Others Present: Kerry Eagan, Chief Administrative Officer  
Gwen Thorpe, Deputy Chief Administrative Officer  
and Interim Lancaster Manor Administrator  
Cori Beattie, Deputy County Clerk  
Dan Nolte, County Clerk  
Ann Taylor, County Clerk's Office

The Vice Chair opened the meeting at 8:30 a.m.

**AGENDA ITEM**

**1 APPROVAL OF THE STAFF MEETING MINUTES, THURSDAY, JULY 9, 2009**

**MOTION:** Schorr moved and Workman seconded approval of the July 9, 2009 Staff Meeting minutes. Hudkins, Stevens, Schorr and Workman voted aye. Motion carried.

**2 ADDITIONS TO THE AGENDA**

None were stated.

**3 BUDGET REVIEW - Dennis Meyer, Budget and Fiscal Officer; Don Thomas, County Engineer**

Don Thomas, County Engineer, gave an overview of the Highway Fund and Bridge Fund budgets (Exhibits A and B).

Thomas said he has budgeted for two grading projects this year: 1) Three (3) miles on Bluff Road, east of Waverly; and 2) 6/10 of a mile on South 98<sup>th</sup> Street, Pioneers Boulevard to Van Dorn Street (Phase II of a Rural to Urban Transportation System (RUTS) Program road project). The bituminous surfacing projects are: 1) Raymond Road, from Highway 79 to the Branched Oak Lake Dam (90% Reimbursement by the State); 2) Contracted crack sealing at different locations throughout the County; 3) Two (2) miles on South 82<sup>nd</sup> Street; 4) Overlay on Old Cheney Road, from 98<sup>th</sup> Street to 112<sup>th</sup> Street; 5) Four and one half (4.5) miles of overlay on Panama Road from South 96<sup>th</sup> Street east to Panama; and 6) Overlay on Waverly Road from Highway 77 to North 14<sup>th</sup> Street. Thomas said he added \$30,000 in the Highway Fund for the Denton Road Project, adding the project may be pushed back to 2012.

Thomas also discussed the following special budget items (Exhibit C):

- New Gas Pumps and Gasboy System at the Westgate Facility (\$18,000)
- Unitary Controller System for Heat/Air System for the Westgate Office (\$25,200)
- Plan and Specifications Preparation for the New Unitary Controller System (\$11,300)
- Set Aside Funds for the East Beltway
- Eleven (11) New Windows for the Waverly Office (\$11,000)

Dennis Meyer, Budget and Fiscal Officer, said the funds for the East Beltway are included in the Keno Fund budget.

Thomas said the Nebraska Department of Roads (NDOR) recently contacted him regarding a voluntary acquisition for the South Beltway. He said the property is near the intersection of the South and East Beltways and said NDOR would like the County to share in the cost of the acquisition. The County's share would be 40%, or approximately \$100,000.

Thomas also reported that the federal government has raised the safety factor for bridges and said the number of bridges in Lancaster County that are posted has been reduced from 50 to 20. **NOTE:** Those bridges can't handle a 25 ton legal load limit.

**4 SIX-MONTH SALARY REVIEW FOR ANNETTE THOMPSON, YOUTH SERVICES CENTER DEPUTY DIRECTOR** - Michelle Schindler, Youth Services Center (YSC) Director

Michelle Schindler, Youth Services Center (YSC) Director, said Annette Thompson has been in her position as YSC Deputy Director for six months and recommended that her salary of \$68,001.00 be increased to \$70,449.04, a 3.6% increase.

**MOTION:** Schorr moved and Workman seconded to accept the recommendation to increase the salary for Annette Thompson, Youth Services Center Deputy Director, to \$70,449.04, with formal action at a County Board of Commissioners Meeting. Workman, Schorr, Stevens and Hudkins voted aye. Motion carried.

### **ACTION ITEMS**

A. Microcomputer Requests:

- 1) C#55932, \$926.43 from Adult Probation Budget for Three (3) Adobe Acrobat 9.0 Software
- 2) C#55934, \$1,474.76 from Corrections Budget, Eleven (11) New WordPerfect Licenses
- 3) C#55473, \$586.85 from Election Commission Budget, Two (2) Adobe Acrobat 9.0 Software

**MOTION:** Workman moved and Hudkins seconded approval, contingent upon having Dennis Meyer, Budget and Fiscal Officer, determine the appropriate funding source. Hudkins, Stevens, Schorr and Workman voted aye. Motion carried.

**5 LANCASTER MANOR UPDATE - Gwen Thorpe, Interim Lancaster Manor Administrator**  
**(A) POTENTIAL SALE (EXECUTIVE SESSION)**

### **Lancaster Manor Update**

Gwen Thorpe, Interim Lancaster Manor Administrator, reported the following:

- Nebraska Department of Health and Human Services (HHS) conducted an investigation regarding lifts and transfers
- Lawsuit monitors for the Beatrice State Developmental Center will conduct periodic checks on residents transferred from that facility
- Portions of the facility experienced a brief power outage on July 9<sup>th</sup> during a test of the emergency generator switch

Thorpe also reported that a staff member broke a resident's dentures and said the family has asked the County to pay half of the cost of replacement (\$400).

There was no objection to the request.

Dennis Meyer, Budget and Fiscal Officer, presented documents detailing cash flow at Lancaster Manor (Exhibit D), noting the following:

- Expenditures exceeded revenues by \$237,866 for the month of June
- The ending balance for the fiscal year is \$411,475

Hudkins asked whether the Manor had a negative ending monthly balance at any time during the year.

Meyer said it did not because \$1,000,000 that was transferred from the Renewal and Replacement Fund was used to cover the cash flow. He said the County "dipped into" those funds by approximately \$589,000.

Hudkins asked which month had the lowest balance.

Meyer said the lowest balance occurred in January, 2009 (an ending balance of \$84,780).

Hudkins asked Meyer whether it is true that last year's audit showed approximately \$500,000 "to the good".

Meyer confirmed that the audit did not show a negative balance but said the audit report and the cash flow differ. He said the audit has been moving from a cash to accrual basis which he said also "muddies the discussion".

Hudkins noted a \$3,400,000 loss has been projected and asked whether the County has sustained that type of a loss.

Meyer said it has not, rather that is the amount the Manor is projected to lose next year.

Workman said he believes Hudkins' remarks are deceiving to the public and said he is "comparing apples to oranges".

Hudkins said he has only referred to audited figures. He said Workman had projected that the County would need to borrow from the General Fund to continue operations and said a supplemental appropriation has not been necessary.

In response to a question from Schorr, Meyer said last year's ending balance was a negative amount of \$743,702 (see Exhibit D, Page 3). He said this was before an accrual for a Medicare payment was booked and said that is when the negative cash flow problem began. Meyer noted the County did not begin to collect Medicare payments until 2009.

**MOTION:** Hudkins moved and Stevens seconded to: 1) Authorize Dennis Meyer, Budget and Fiscal Officer, to contact the State Auditor's Office and explore the cost, scope and a timetable for completion of an audit; and 2) Direct Meyer to report his findings and recommendations to the County Board until a decision is made.

Schorr said Meyer is already in contact with the State Auditor's Office and is supplying them with information. She added it is within their purview whether to perform a full audit of the Manor.

Hudkins said the County needs to conduct a year-end audit of the Manor in order to fulfill its duties and said he believes a more comprehensive audit than the type normally performed would be of value. He said he has also requested a cost estimate from Bland & Associates, P.C., the County's auditors.

Schorr said she has complete confidence in Meyers' figures. She said the Board has used an outside certified public accounting firm to audit the Manor for years and has been satisfied with their reports.

Hudkins disagreed. He said Bland & Associates did a fairly good job last year but timeliness was a problem with the previous accounting firm and said that was one of the reasons the Board did not have good information on the Manor. Hudkins said the Manor is a valuable asset and said he would think the Board would want to have the best information available when making a decision on its future.

**ROLL CALL:** Hudkins voted aye. Stevens, Schorr and Workman voted nay. Motion failed.

### **Potential Sale (Executive Session)**

**MOTION:** Schorr moved and Workman seconded to enter Executive Session at 9:40 a.m. for discussion of potential sale of real estate. Workman, Schorr, Stevens and Hudkins voted aye. Motion carried.

Hudkins exited the meeting.

**MOTION:** Schorr moved and Workman seconded to exit Executive Session at 10:36 a.m. Workman, Schorr and Stevens voted aye. Hudkins was absent from voting. Motion carried.

Stevens indicated the Executive Session was related to potential sale of Lancaster Manor. He said the County is engaged in discussions with Hunter Management of Evanston, Illinois and said company representatives met yesterday with a committee appointed by the County Board. Stevens said their discussions are ongoing.

**6 PART-TIME CLIENT ACCOUNTS CLERK** - Dean Settle, Community Mental Health Center (CMHC) Director; Judi Tannahill, Administrative Services Officer, CMHC

Dean Settle, Community Mental Health Center Director, requested authorization to hire an individual who previously served as telephone receptionist as a part-time Clerk II in the Client Accounts Department (Exhibit E). He said there will be no additional cost to the County since the 20 hour position is already budgeted for, but not scheduled.

Hudkins returned to the meeting at 10:39 a.m.

**MOTION:** Schorr moved and Hudkins seconded to allow a 20-hour Clerk II position at the Community Mental Health Center to be filled. Hudkins, Stevens, Workman and Schorr voted aye. Motion carried.

**7 BUDGET REVIEW** - Dennis Meyer, Budget and Fiscal Officer; Dean Settle, Community Mental Health Center (CMHC) Director; Dennis Keefe, Public Defender

**General Budget Discussion**

Dennis Meyer, Budget and Fiscal Officer, presented Lancaster County, Property Tax Funded Budgets, Fiscal Year 2010 Requested Compared to Fiscal Year 2009 Adopted (Exhibit F), noting a net change of \$1,696,053. He also reported the following:

- An additional \$56,000 in costs for the Personnel Department were shifted to the County
- The amounts that will need to be transferred to County Engineering, Noxious Weed Control and County Engineering and Property Management from the General Fund have increased
- Debt service amount has decreased by \$117,000
- Fund balance for the Community Mental Health Center is approximately \$250,000 less than last year

## **Public Defender Budget**

Dennis Keefe, Public Defender, said \$70,000 in revenue from the City has been built into the budget, which he said does not fully cover the cost of legal representation in City cases. He noted there have been discussions of incremental increases and said the City has indicated a willingness to increase the amount by \$15,000 this year but does not want to make a commitment for future years. Keefe said the interlocal agreement will be redrafted to show the increase and suggested it may be beneficial to make it a year-to-year contract so the issue is re-addressed each year.

Keefe also addressed the issue of case standard overloads, noting only case standards in City misdemeanor cases were exceeded the last six months. He said felony and juvenile court filings are down but said there is no way to tell if that trend will continue. Keefe projected the County will spend approximately \$30,000 more for assigned counsel in felony cases in County/District Court; approximately \$60,000 more for City misdemeanor cases in County Court; and approximately \$20,000 more for assigned counsel in Juvenile Court and contract costs in the next 12 month period. He said options for handling these cases are: 1) Continue to send overload cases to private assigned counsel and the legal contracts; 2) Hire additional staff (1.5 full-time equivalent attorneys and a full-time paralegal); 3) Contract out the Child Support/Paternity Cases and use that attorney time to cover the City misdemeanor cases and any felony case overages. Keefe stated a preference for Option 3 which he said is the less expensive option. He also recommended that the County set aside \$10,000 for mental health cases.

**MOTION:** Schorr moved and Hudkins seconded to authorize Dennis Keefe, Public Defender, to begin the process of drafting a contract for assigned counsel in child support/paternity cases, with a start date of January 1, 2010. Workman, Schorr, Stevens and Hudkins voted aye. Motion carried.

Stevens asked Keefe to communicate to the City that the \$15,000 is appreciated but more appropriate reimbursement is expected next year.

## **Community Mental Health Center (CMHC) Budget**

Dean Settle, Community Mental Health Center (CMHC) Director, presented information regarding his department's budget (Exhibit G), noting the following:

- Carry-over funding from the Fiscal Year 2008-09 Budget of approximately \$500,000.
- The number of individuals served has increased by at least 13%.

- Approved increased expenditures total \$462,695. These include merit and cost-of-living adjustments; one (1) additional full-time forensic intensive case manager for the Behavioral Health Jail Diversion Program; additional salary and benefit increase for Travis Parker's move to Deputy Director; a rent increase (includes a full-time maintenance worker at the Crisis Center); work provided by one (1) additional graduate student; capital equipment; increased contributions to Region V Systems; and Commission on Accreditation of Rehabilitation Facilities (CARF) accreditation expenses.
- CMHC will receive a 1% increase in income from Region V Systems (\$50,000) and additional revenue from Medicaid and Medicare (\$10,000).
- Grant funding for the Behavioral Health Jail Diversion Program will decrease by \$78,000. **NOTE:** This is the final year of grant funding.

In response to a question from Hudkins, Meyer said the property tax asking last year was \$2,300,000 and said it is a little over \$3,000,000 this year.

Schorr suggested elimination of one case worker, through attrition.

Settle said the case managers already have much higher caseloads than recommended by the State.

Hudkins asked Settle to identify possible areas of reduction.

Settle said he will consult his Management Team and said he should have some answers by next Wednesday. He also cautioned the Board that cuts to programs will reduce revenues.

Schorr said she believes the Board should continue efforts to get Region V Systems to pay for the full-time maintenance worker at the Crisis Center since their clients are doing the damage to the facility.

Settle concurred and suggested the Board also consider denying Region V's request for an increased contribution.

### **Returning to General Budget Discussion**

Meyer noted the Lancaster County Correctional Facility Joint Public Agency (JPA) will meet on July 28<sup>th</sup> and said if the Board wants the General Fund reimbursed for funds paid to the jail architect (\$3,100,000) that would be an opportune time.

Brief discussion followed on what would be an appropriate amount.

Meyer asked the Board how it wants to address the \$1,696,053 deficit.

Board consensus was to have Meyer transfer enough funds for the proposed budget to keep property taxes at the current levy, based on the assumption of a zero valuation increase.

## **8 ACTION ITEMS**

### **A. Microcomputer Requests:**

- 1) C#55932, \$926.43 from Adult Probation Budget for Three (3) Adobe Acrobat 9.0 Software
- 2) C#55934, \$1,474.76 from Corrections Budget, Eleven (11) New WordPerfect Licenses
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Item was moved forward on the agenda.

## **9 CONSENT ITEMS**

There were no consent items.

## **10 ADMINISTRATIVE OFFICER REPORT**

### **A. Pension Update (Life Insurance Premiums)**

Kerry Eagan, Chief Administrative Officer, reported on a carry-over life insurance program. He said Prudential, the new pension plan provider, will send policy holders a letter giving them the option of continuing their policies. Eagan said the Board will need to decide whether to pay premiums quarterly or annually.

**MOTION:** Workman moved and Hudkins seconded to allow payment on an annual basis. Hudkins, Stevens, Schorr and Workman voted aye. Motion carried.

### **B. Invoice from Segal Advisors (\$3,200)**

**MOTION:** Workman moved and Schorr seconded to pay the invoice out of the revenue sharing funds. Workman, Schorr, Stevens and Hudkins voted aye. Motion carried.

C. Board of Equalization Final Action on Property Valuation Protests

Cori Beattie, Deputy County Clerk, suggested the Board schedule final action on property valuation protests on August 6<sup>th</sup>, starting at 1:00 p.m.

The Board concurred with the suggestion.

Stevens asked the Clerk's Office to provide the Board with a spreadsheet detailing the assessed valuation, requested valuation, referee's recommendation and a brief explanation of why the property owner is requesting a change. He also asked that Tom Kubert, Referee Coordinator, summarize any new information that has been submitted.

D. Board of Health Appointment (Jane Snyder)

The Board scheduled the item on the July 21, 2009 County Board of Commissioners Meeting agenda.

E. Jail Construction Update

Item was dropped from the agenda.

**11 PENDING**

There were no pending items.

**12 DISCUSSION OF BOARD MEMBER MEETINGS**

A. Information Services Policy Committee (ISPC) - Stevens

Stevens said the City is looking at an e-Discovery software package (estimated cost is \$200,000 to \$250,000). He also reported on a proposed Microsoft Enterprise (volume licensing) agreement.

B. Parks & Recreation Advisory Board - Stevens

Stevens said the meeting is scheduled for later in the day (annual tour).

C. Public Building Commission - Hudkins, Workman

Hudkins said the City Attorney's Office has moved into its new space on the third floor of the County-City Building. He also reported that remodeling of the District and Juvenile Court space in the Justice and Law Enforcement Center is on schedule.

D. Air Pollution Control Advisory Committee - Hudkins

Hudkins reported on a \$1,000,000 diesel emissions grant through the Health Department.

E. Board of Health - Schorr

Schorr said she didn't attend the meeting.

**13 ADJOURNMENT**

**MOTION:** Schorr moved and Workman seconded to adjourn the meeting at 11:40 a.m. Workman, Schorr, Stevens and Hudkins voted aye. Motion carried.

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Dan Nolte  
Lancaster County Clerk