

**STAFF MEETING MINUTES
LANCASTER COUNTY BOARD OF COMMISSIONERS
COUNTY-CITY BUILDING, ROOM 113
THURSDAY, AUGUST 27, 2009
8:30 A.M.**

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

Others Present: Kerry Eagan, Chief Administrative Officer
Gwen Thorpe, Deputy Chief Administrative Officer
and Interim Lancaster Manor Administrator
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, TUESDAY, AUGUST 18, 2009

MOTION: Stevens moved and Hudkins seconded approval of the August 18, 2009 Staff Meeting minutes. Hudkins, Workman, Heier, Stevens and Schorr voted aye. Motion carried.

2 ADDITIONS TO THE AGENDA

A. News Release Regarding Hunter Management's Press Conference
(Exhibit A)

MOTION: Stevens moved and Schorr seconded approval of the addition to the agenda. Schorr, Stevens, Workman and Heier voted aye. Hudkins abstained from voting. Motion carried.

3 JAIL CONSTRUCTION UPDATE - Chuck Richter, Sampson Construction Company, Inc.; Mike Thurber, Corrections Director

Chuck Richter, Sampson Construction Company, Inc., said they are doing a lot of behind-the-scenes work, including review of drawings and getting products lined up.

Mike Thurber, Corrections Director, said he and/or his staff are meeting weekly with representatives of Sampson Construction (Construction Manager at Risk), The Clark Enersen Partners (Architect) and Don Killeen, County Property Manager. He said a pole has been erected for the webcam on the west side of the property.

In response to a question from Heier, Richter said the project is on schedule.

ADDITIONS TO THE AGENDA

- A. News Release Regarding Hunter Management's Press Conference (Exhibit A)

MOTION: Stevens moved and Workman seconded to send the news release to the Citizen Information Center's media list. Schorr, Stevens, Heier, Workman and Hudkins voted aye. Motion carried.

ACTION ITEMS

- A. Microcomputer Request C#56070, \$655.80 from County Treasurer's Budget for One (1) HP Printer

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

4 INSURANCE RENEWALS - Tom Champoux, UNICO Group, Inc.; Sue Eckley, County Risk Manager

Tom Champoux, UNICO Group, Inc., presented the insurance program proposal (Exhibit B):

- Insurance Overview

Champoux said the proposal reflects a 2% overall increase. Expiring coverage totaled \$525,739 and the renewal totals \$536,569. The renewal proposal includes \$5,876 for terrorism coverage. He said the coverage is limited to an act of foreign terrorism, with at least \$5,000,000 in death or property damage.

MOTION: Hudkins moved and Schorr seconded to reject the terrorism coverage. Hudkins, Stevens, Schorr and Heier voted aye. Workman voted nay. Motion carried.

- Law Enforcement/Public Officials/Excess Liability
- Property/Inland Marine

Champoux said the increase in property coverage is due to a property value increase.

Sue Eckley, County Risk Manager, said she asked Champoux to investigate the cost of adding inland marine coverage back in but said it appears it is cost prohibitive (\$93,440). The County currently self-insures with \$4,000,000 exposure.

Champoux recommended that the County take some of the money that it would have spent on premiums to pay losses.

- Business Auto

Champoux said the increase is due to additional exposure (six units were added).

- Workers' Compensation

Champoux recommended the County increase its per occurrence retention from \$800,000 to \$900,000, which will drop the renewal premium from \$52,673 to \$39,259. He noted the County has only had one loss over the last 15 years that even approached this range.

Eckley said she is comfortable with the recommendation.

Further discussion took place regarding terrorism coverage.

MOTION: Workman moved and Stevens seconded to: 1) Increase the workers' compensation retention to \$900,000; and 2) Add terrorism coverage for buildings. Schorr, Stevens, Workman and Hudkins voted aye. Heier voted nay. Motion carried.

- Crime

Champoux noted a slight decrease in premium.

- Boiler & Machinery

Champoux said there was no change in premium.

- Community Mental Health

Champoux said the increase in premium is due to increased exposure (more individuals served).

- Lancaster County Public Building Commission

Champoux said the increase in premium is due to the addition of the Courthouse Plaza parking lot. He noted there is also an option for terrorism coverage.

MOTION: Workman moved and Hudkins seconded to add terrorism coverage for the Courthouse Plaza parking lot. Hudkins, Workman, Stevens, Schorr and Heier voted aye. Motion carried.

Eckley also reported that an employee in the Election Commissioner's Office has been traveling to foreign countries every year to assist with elections. The employee is using compensation time for the travel, with expenses paid by the sponsoring organization. She expressed concern that her travel could be considered a work related mission.

Champoux said the minimum premium for foreign travel coverage is \$2,500 and includes foreign workers' compensation coverage, foreign auto liability, general liability, repatriation and kidnap and ransom coverage.

Stevens questioned why the employee is not using vacation time for the travel.

In response to a question from Hudkins, Champoux said the coverage could also apply to other county officials during travel to foreign countries.

MOTION: Schorr moved and Hudkins seconded to request: 1) A legal opinion on the issue; and 2) Additional information from the Election Commissioner. Hudkins, Schorr, Stevens, Workman and Heier voted aye. Motion carried.

MOTION: Stevens moved and Workman seconded to approve the insurance renewals with the stated changes and to authorize the Chair to sign the client authorization to bind coverage. Schorr, Stevens, Workman, Hudkins and Heier voted aye. Motion carried.

5 TOBACCO FREE CAMPUS - Sue Eckley, County Risk Manager

Sue Eckley, County Risk Manager, noted a draft resolution had been presented to the Board in the matter of creating a policy prohibiting smoking in, on, or around property, buildings, building grounds, parking areas, offices, vehicles and equipment owned, leased, or controlled by Lancaster County. She said a question had been raised whether an exception should be made for Crisis Center clients and said she contacted Dean Settle, Community Mental Health Center (CMHC) Director, and he indicated the facility is already tobacco free. Eckley said she also presented information to the City-County Common and said she got the impression from a couple of the City Council members that they are interested in pursuing a tobacco free campus. She asked whether the Board is interested in proceeding with the resolution, noting there is a possibility the Lancaster County Medical Society (LCMS) could withdraw their offer to fund up to \$5,000 towards the County's plans to offer smoking cessation drugs or classes to employees who smoke (see April 2, 2009 Staff Meeting minutes) if the policy does not include outdoor areas.

Hudkins, Workman and Heier expressed concern regarding enforcement. Hudkins noted smoking is not illegal. Workman and Heier both stated they believe regulation outside the buildings is "too much government".

MOTION: Hudkins moved and Workman seconded to proceed with the smoking cessation assistance and to provide up to \$5,000 in funding through the Keno Fund if the Lancaster County Medical Society (LCMS) withdraws their offer of funding.

Stevens said he believes the Board should wait and see whether LCMS withdraws its funding offer before making a commitment of funds.

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

Schorr expressed disappointment, stating she believes the County Board should be a leader in the public health arena. She noted previous support and said she could only attribute the change to a letter the Board received, which she found offensive, from an elected official.

MOTION: Stevens moved and Schorr seconded to move forward with the resolution, with an effective date of November 1, 2009.

Hudkins stated the letter did not change his mind and said he has always supported smoking cessation efforts.

ROLL CALL: Schorr and Stevens voted aye. Hudkins, Workman and Heier voted no. Motion failed.

MOTION: Hudkins moved and Schorr seconded to fund smoking cessation up to \$5,000 from the General Fund or Keno Fund, if the Lancaster County Medical Society withdraws its offer of funding.

Stevens noted LCMS's offer of funding was contingent upon a \$5,000 match from the County.

Hudkins clarified his motion was intended to indicate the County's exposure would be \$10,000 if LCMS withdraws its offer of funding.

Brief discussion took place regarding terms of cessation assistance with general consensus it would be on a "first-come, first-served" basis.

ROLL CALL: Schorr, Hudkins and Heier voted aye. Stevens and Workman voted no. Motion carried.

Eckley was asked to draft language and bring it back for the Board's consideration.

6 PURCHASE ORDER THRESHOLD (\$1,500) - Vince Mejer, Purchasing Agent; Bob Walla, Assistant Purchasing Agent; Tom Fox, Deputy County Attorney

Hudkins said he would like to discuss why the County's purchase order threshold (\$1,500) is less than the statutory limit (\$5,000).

Vince Mejer, Purchasing Agent, said the State has a higher percentage of purchases and is spread out geographically. He said 98% of items purchased by County departments are covered by "blanket" contracts and said when issues arise, the Purchasing Department talks to the department and tries to get an annual supply contract in place. Mejer said he does not see a reason to raise the threshold.

Bob Walla, Assistant Purchasing Agent, added there is a quick turnaround for purchase orders with electronic bidding.

Schorr asked whether there would be an advantage to raising the limit to \$2,000.

Walla said county departments have received training on the purchase order threshold and training materials were printed with that amount. He said a change would necessitate re-training and reprinting of those materials.

MOTION: Hudkins moved to raise the purchase order threshold to \$2,500.

The motion died for the lack of a second.

7 COUNTY HEALTH PLAN DESIGN OPTIONS - Ron Cornwell, Milliman USA; Bill Kostner, City Risk Manager

Health Plan

Ron Cornwell, Milliman USA, presented the following documents (Exhibit C):

- Calendar Year 2010 - Lancaster County Possible Plan Design

Hudkins request an option for a \$15 Primary Care Physician (PCP) co-pay with a \$300/\$600 deductible.

Schorr said she would like to see an option for a \$20 Primary Care Physician (PCP) co-pay with a \$300/\$600 deductible. She said she would also like to see all of the options run with a four-year amortization of the excess funds.

Stevens indicated a preference for Option 2, with a four-year amortization.

There was Board consensus to eliminate Options 5 and 6 and to try to keep the increase under 10%.

- Calendar Year 2010 Pricing Calculation - Medical Plans (No Subsidy)
- Calendar Year 2010 Pricing Calculation - Medical Plans (Includes a Spend-Down of the Trust Fund)

Dental Plan

Cornwell said there will be a 7.5% increase, without a spend-down of excess funds, and a 2.7% increase with a three-year amortization of the excess funds.

MOTION: Hudkins moved and Schorr seconded to spend-down the excess funds. Hudkins, Workman, Stevens, Schorr and Heier voted aye. Motion carried.

8 A) TRAVEL REIMBURSEMENT; AND B) TRACKING SYSTEM FOR BEHAVIORAL INTERVENTIONS (BI), INC. EQUIPMENT - Kim Etherton, Community Corrections Director

A) Travel Reimbursement

Kim Etherton, Community Corrections Director, said she would like to send Jerod Gavin, Drug Court Coordinator, to training related to administration of the Matrix Model (intensive outpatient treatment) and said she would like to attend a jail diversion forum that is sponsored by the National Association of County Officials (NACo). She estimated the total cost of the travel at \$1,400, which would exceed the travel funds in her budget by \$100 to \$200.

There was no objection to the request.

B) Tracking System for Behavioral Interventions (BI), Inc. Equipment

Etherton said her department needs a tracking system for its electronic field monitoring devices. She said Information Services (IS) has estimated the cost of a software program at \$4,000. IS has also offered to "build" a program for the same cost.

The following suggestions were offered: 1) Explore the tracking system employed by Records and Information Management; 2) Sponsor a "contest" to encourage county employees to write a program; and 3) Have a graduate student write a program.

9 BUDGET UPDATE - Dennis Meyer, Budget and Fiscal Officer

Dennis Meyer, Budget and Fiscal Officer, noted the decrease in valuations and asked what changes the Board would like to make to the budget.

Hudkins noted two departments' budgets (Corrections and Community Mental Health Center) were brought up at the recent public hearing on the budget and asked whether they have offered any reductions to help with the budget situation.

Mike Thurber, Corrections Director, appeared and said he believes he can reduce his budget by \$80,000 to \$100,000, primarily in the housing area.

Schorr suggested the Board target the ten largest departments and appropriate the remaining deficit (\$280,000) out to them, equally or pro-rated by agency size. She said the impact to those agencies would be less than 1%.

Dean Settle, Community Mental Health Center (CMHC) Director, appeared and said he has already made adjustments to his budget. He said further reductions would necessitate layoffs, which will have an impact on services. Settle said demands for services have increased and said "if you continue to cut mental health, then you're going to have to increase the size of your jail".

Hudkins asked Settle to explain why his budget has increased by \$500,000.

Settle attributed the increase to jail diversion costs (grant funding has expired) and cost-of-living adjustments.

Workman suggested the Board give consideration to reducing employee health insurance benefits to make up the deficit. He proposed the Board increase the \$250 medical plan deductible to \$750 and increase the \$15 Primary Care Physician (PCP) co-pay to \$25. Workman said that would spread the burden equally among all the employees and would help save jobs.

Schorr said she does not support placing the burden on the employees. She also pointed out that not all employees are on the health plan and said Workman's plan would penalize those that are.

Stevens noted several elected officials were in attendance and asked whether any would like to make comments relative to their budgets.

Gary Lacey, County Attorney, appeared and said he has already made reductions to his budget.

Schorr asked Lacey how his employees would view Workman's proposal.

Lacey responded they would not view the Board favorably. He also expressed concern that employees have been taken advantage of, noting the Board treated unrepresented employees differently this year in terms of cost-of-living increases than those represented by the union.

Stevens said he would favor implementing a hiring freeze and said perhaps the deficit could be made up with vacancy savings. If not, he would favor a transfer from the Inheritance Tax or Keno Funds to cover the shortfall.

Hudkins said he tends to favor Schorr's proposal.

Schorr identified the targeted agencies as County Treasurer, County Assessor, General Government, Public Defender, County Sheriff, County Attorney, Youth Services Center, County Engineer and Human Services. She said she did not include Corrections, the Community Mental Health Center or Lancaster Manor.

MOTION: Schorr moved and Hudkins seconded to make reductions to the County Treasurer, County Assessor, General Government, Public Defender, County Sheriff, County Attorney, Youth Services Center, County Engineer and Human Services' budgets in a ratio to the total proportion of their budget.

Lacey questioned why the Board is targeting the largest agencies and not making reductions to all budgets, including the Board's.

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

Board consensus was to schedule further budget discussion on the September 1, 2009 County Board of Commissioners Meeting agenda.

ADMINISTRATIVE OFFICER REPORT

A. Elected Officials Salary Committee

Board consensus was to retain the members of the committee, if they are still willing to serve. They are as follows: Kerry Eagan, Lancaster County Chief Administrative Officer; Gerry Dimon, former Vice President of Human Resources for Ameritas Life Insurance; Joe Edwards, former County Commissioner; Steve Eicher, Human Resources Director, Pfizer; Jim Gordon, Attorney at Law; Pat Kahm, President, Professional Resources Management, Inc.; Doug McDaniel, Human Services Director, Bryan/LGH Health System; and Sam Seever, Vice President of Legal Services, MDS Pharma Services. The following names were suggested as alternates: Scott Stuckey, Vice President of Corporate Communications, Ameritas Group; Andrew Loudon, Attorney at Law; Jim Nissen, Wells Fargo Nebraska; and Roger Larson, Planning Commissioner.

B. Consultant Review of Post Employment Health Plan (PEHP) with Nationwide Retirement Solutions (NRS)

Doug Cyr, Deputy County Attorney and member of the Pension Review Committee (PRC), appeared and recommended the County contract with Kelly Bush, Public Safety Consultants, LLC, for the purpose of initial negotiations with Nationwide Retirement Solutions (NRS) to allow current Voluntary Employee Beneficiary Association (VEBA) assets to freely transfer to an Internal Revenue Service (IRS) Code, Section 115 Trust (see June 11, 2009 Staff Meeting minutes). The consulting retainer is \$2,750.

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

C. Claims for Review:

1. PV232854 (\$320.00) & PV232853 (\$125.00) from Lancaster Manor (Claims Exceed 90 Day Time Period)

Gwen Thorpe, Interim Lancaster Manor Administrator, appeared and said a former employee of the Business Office discarded a number of bills. She said these claims are the first of a number the Board will see.

MOTION: Stevens moved and Workman seconded to handle the two claims through the regular claims process. Schorr, Stevens, Workman, Hudkins and Heier voted aye. Motion carried.

2. PV233828 (\$3,932.50) from Community Mental Health Center (CMHC) (Claim Requires a Contract)

Dean Settle, Community Mental Health Center Director, appeared and said the individual who was supposed to cover the duties of a clinical psychologist at the Crisis Center who was on vacation did not perform the duties required and Settle had to secure the services of another clinical psychologist. He said he authorized the services without a contract in place because an imminent response was required. Settle said he since has asked the County Attorney's Office to prepare a contract.

MOTION: Schorr moved and Stevens seconded to handle the claim through the regular claims process. Hudkins, Workman, Heier, Stevens and Schorr voted aye. Motion carried.

- D. Thank You Letter to Lancaster Manor Request for Qualifications (RFQ) Committee (Exhibit D)

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

DISCUSSION OF BOARD MEMBER MEETINGS

- A. Lincoln Chamber of Commerce Reception - Stevens

Stevens said the reception was for Betsy Williams the new site manager at Pfizer and Mark Henning, the new manager at Square D.

- B. Drug Court Graduation - Heier, Stevens

Stevens said the event was well attended.

- C. Lincoln Chamber of Commerce's Federal Fly-Back - Stevens

Stevens said Congressional representatives addressed health care reform.

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

Schorr said the majority of the discussion was focused on Lancaster Manor.

- E. Lancaster County Correctional Facility Joint Public Agency (JPA) - Heier, Stevens

Stevens said they approved outstanding claims and the budget. He also indicated plans for an audit.

- F. Community Mental Health Center (CMHC) Advisory Committee - Stevens

Stevens said they discussed the Commission on Accreditation of Rehabilitation Facilities (CARF) survey and the Southeast Nebraska Behavioral Health Information Network (SNBHIN) whose primary focus is the development and implementation of a behavioral health integrated information and data management system.

NOTE: Schorr also reported on the Keno Human Services Prevention Fund Advisory Board meeting. She said they had \$49,000 to allocate and \$161,000 in requests.

- 10 POTENTIAL LITIGATION** - Tom Fox, Deputy County Attorney; Bill Kostner, City Risk Manager

MOTION: Workman moved and Hudkins seconded to enter Executive Session at 11:15 a.m. for the purposes of potential litigation and negotiations for the potential sale of Lancaster Manor. Hudkins, Workman, Stevens, Schorr and Heier voted aye. Motion carried.

MOTION: Stevens moved and Schorr seconded to exit Executive Session at 1:27 p.m. Schorr, Stevens, Workman, Hudkins and Heier voted aye. Motion carried.

- 11 NEGOTIATIONS FOR POTENTIAL SALE OF LANCASTER MANOR** - Vince Mejer, Purchasing Agent; Mike Thew, Chief Deputy County Attorney; Dennis Meyer, Budget and Fiscal Officer

See Item 10.

MOTION: Workman moved and Schorr seconded to continue discussions with Hunter Management, with the objective of signing a definitive sales contract on, or before, November 4, 2009, the date the State Auditor is to have his audit of Lancaster Manor completed.

Workman clarified that the Board will not sign any final sales documents until the Board has received the audit report.

Stevens noted that Hunter Management was the only company that offered to purchase the facility in response to the County's Request for Qualifications (RFQ). He also stated he has found nothing in the record to substantiate a reason to not continue discussions with Hunter Management.

Hudkins said he has been opposed to the sale of Lancaster Manor and said he believes if the Board pursues the sale of the facility to a firm whose Board of Directors and corporate offices are located outside Nebraska, it will have given up local control and will be disposing of a valuable asset. He said dire financial projections have proved to be false and said, in fact, the Manor ended with a yearly cash balance of \$411,000. Hudkins asked the Board to not move forward with the proposed sale.

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

EMERGENCY ITEMS AND OTHER BUSINESS

Mark Vasina, Treasurer for Nebraskans for Peace, appeared and said the Board is apparently engineering the financial crisis it is using as a reason for selling Lancaster Manor. He said the census began to decline when talk of selling the Manor began, which caused revenues to decline and said the Board did not capitalize on expenditures that would be amortized over a period of time. Vasina said he believes the Board has abandoned the missions of Lancaster Manor and its role in providing Medicaid and Medicare beds. He indicated others in attendance would also like to testify.

The Chair indicated it was not a public hearing.

12 ACTION ITEMS

- A. Microcomputer Request C#56070, \$655.80 from County Treasurer's Budget for One (1) HP Printer

Item was moved forward on the agenda.

13 CONSENT ITEMS

There were no consent items.

14 ADMINISTRATIVE OFFICER REPORT

- A. Elected Officials Salary Committee
- B. Consultant Review of Post Employment Health Plan (PEHP) with Nationwide Retirement Solutions (NRS)
- C. Claims for Review:
 - 1. PV232854 (\$320.00) & PV232853 (\$125.00) from Lancaster Manor (Claims Exceed 90 Day Time Period)
 - 2. PV233828 (\$3,932.50) from Community Mental Health Center (CMHC) (Claim Requires a Contract)
- D. Thank You Letter to Lancaster Manor Request for Qualifications (RFQ) Committee (Exhibit E)

Items A, B, C and D were moved forward on the agenda.

15 PENDING

There were no pending items.

16 DISCUSSION OF BOARD MEMBER MEETINGS

- A. Lincoln Chamber of Commerce Reception - Stevens
- B. Drug Court Graduation - Heier, Stevens
- C. Lincoln Chamber of Commerce's Federal Fly-Back - Stevens
- D. Lincoln Independent Business Association (LIBA) Monthly Meeting - Schorr
- E. Lancaster County Correctional Facility Joint Public Agency (JPA) - Heier, Stevens
- F. Community Mental Health Center (CMHC) Advisory Committee - Stevens

Items A-F were moved forward on the agenda.

17 EMERGENCY ITEMS AND OTHER BUSINESS

Item was moved forward on the agenda.

18 ADJOURNMENT

MOTION: Workman moved and Schorr seconded to adjourn the meeting at 1:37 p.m. Schorr, Stevens, Workman, Hudkins and Heier voted aye. Motion carried.

Dan Nolte
Lancaster County Clerk