

**STAFF MEETING MINUTES
LANCASTER COUNTY BOARD OF COMMISSIONERS
COUNTY-CITY BUILDING
ROOM 113 - BILL LUXFORD STUDIO
THURSDAY, MAY 3, 2018
8:30 A.M.**

Commissioners Present: Todd Wiltgen, Chair; Jennifer Brinkman, Vice Chair; Deb Schorr; Roma Amundson; and Bill Avery

Others Present: Kerry Eagan, Chief Administrative Officer; Ann Ames, Deputy Chief Administrative Officer; Dan Nolte, County Clerk; and Ann Taylor, County Clerk's Office

Advance public notice of the Board of Commissioners Staff Meeting was posted on the County-City Building bulletin board and the Lancaster County, Nebraska web site and provided to the media on May 2, 2018.

The Chair noted the location of the Open Meetings Act and opened the meeting at 8:30 a.m.

1. APPROVAL OF STAFF MEETING MINUTES AND VILLAGE MEETING MINUTES FOR APRIL 26, 2018

MOTION: Amundson moved and Brinkman seconded approval of the April 26, 2018 Staff Meeting minutes. Amundson, Brinkman, Schorr, Avery and Wiltgen voted yes. Motion carried 5-0.

2. COMPREHENSIVE PLAN AMENDMENT NO. 18002, OAK CREEK, LYNN CREEK, AND NORTH SALT CREEK WATERSHED MASTER PLANS – Tim Zach, Engineer, Watershed Management Division, City Public Works & Utilities; Andrew Thierolf, Long-Range Planner, Lincoln-Lancaster County Planning Department

Andrew Thierolf, Long-Range Planner, Lincoln-Lancaster County Planning Department, said the Lincoln-Lancaster County 2040 Comprehensive Plan references the all the subarea plans in the City and County. He said Comprehensive Plan Amendment No. 18002 will add the Oak Creek, Lynn Creek and North Salt Creek Watershed Master Plans to the Comprehensive Plan. There are no changes to the Future Land Use Map or environmental policy.

Tim Zach, Engineer, Watershed Management Division, City Public Works & Utilities, said the planning process was done in coordination with the Lower Platte South Natural Resources District (NRD). He gave a PowerPoint presentation on the Salt Creek North Tributaries Watershed Master Plan (Exhibit A), citing the following:

- Watershed Master Planning History
- Goals & Objectives

The Chair exited the meeting at 8:35 a.m. and the Vice Chair assumed direction of the meeting.

- Study Areas and Field Investigations
- Capital Improvement Projects (CIPs)

The Chair returned to the meeting at 8:38 a.m. and resumed direction of the meeting.

- Minimum Corridor Existing Criteria & Recommendations
- Policy

Executive summaries of the Oak Creek, Lynn Creek, and North Salt Creek Watershed Master Plans were also provided (Exhibits B-D).

Wiltgen asked whether the Board needs to take formal action on Comprehensive Plan Amendment No. 18002. David Cary, Lincoln/Lancaster County Planning Department Director, who was present for the discussion, explained that since it is primarily within the City's jurisdiction, the practice has been to just provide information to the County Board.

Brinkman asked whether the minimum corridor recommendation (see Exhibit A) would apply to the rest of the watershed plans. Zach indicated it would, noting Public Works is updating its drainage criteria manual and design standards.

Brinkman to whether they notify private landowners of issues with private structures (dams, etc.) on their properties or incent them to make improvements. Zach said they notified private landowners if engineers would be making field investigations and provided information at open houses.

3. PENSION RECOMMENDATIONS AND REPORTS – Pension Review Committee (PRC)

A. Fund Recommendations

- 1) High Yield Bond**
- 2) Passive Bond Index**
- 3) Extended Market Index**
- 4) Passive International Equity**

Kerry Eagan said the Pension Review Committee (PRC), with the assistance of Segal Marcos (Pension Plan Consultant) and Prudential Retirement, looked at the assets to see if there are under-represented classes or if the number of offerings should be reduced. He, Doug Cyr and Joe Nigro, members of the PRC discussed the following PRC recommendations (Exhibit E):

- *New funds should not be added to the 401(a) Lancaster County Employees Retirement Plan and 457(b) Deferred Compensation Program Investment Lineups in the following categories:*
 - A) High Yield Bond;*
 - B) Passive Bond Index; and*
 - C) Extended Market Equity Index.*

- *The Vanguard Developed Markets Index Admiral Fund should be added to the 401(a) Lancaster County Employees Retirement Plan and 457(b) Deferred Compensation Program investment lineups under the category of Passive International Equity.*

Brinkman asked how many of the funds in the array are above or below 50 basis points in terms of fees. Eagan said the average is approximately 0.7, which he said is very competitive for plans of this size. He said Prudential has an income requirement of 10 basis points and many of the funds that are being added have no revenue sharing.

There was consensus to schedule a discussion about fees in the future.

Schorr asked how the information will be shared with plan participants. Eagan noted it is suggested that the Retirement Expense Account be used to pay the cost of notifying default investors of a change in the default investment alternative to GoalMaker Moderate (see Item 8A) and said it could be expanded for an educational campaign on these changes as well.

The Board scheduled action on the recommendations on the May 8, 2018 County Board of Commissioners Meeting agenda.

B. Replace Gibraltar Guaranteed Fund with Core Intermediate Bond Fund

Eagan, Cyr and Nigro also discussed the following recommendation from the PRC:

- *The Gibraltar Guaranteed Fund should be replaced with the Core Intermediate Bond Fund and all assets transferred accordingly as soon as possible.*

Eagan said the Gibraltar Guaranteed Fund has been a stellar performer because its underlying assets have longer durations. He explained that longer durations begin to "hurt" returns in a rising interest rate environment and the Fund's value is decreasing. For that reason, Prudential has recommended the County move to the Core Intermediate Bond Fund which is also a guaranteed fund. Eagan said this fund has shorter durations and its value is increasing. Their returns have also increased by 100 basis points in the last year. He noted economists are predicting that interest rates will continue to rise. Eagan said the disadvantage is that the market rate adjustment will move over, which will be reflected in lower returns over an amortization period.

The Board scheduled action on the recommendation on the May 8, 2018 County Board of Commissioners Meeting agenda.

There was consensus to notify all plan participants of all the proposed changes to the plan with the utilizing the Retirement Expense Account to cover costs. Avery asked that the notice include the names of PRC members and their respective departments.

C. Retirement Program Frequently Asked Questions

There was consensus to review the document that addresses questions related to the structure of the County's retirement program, whether County employees are adequately prepared for retirement, the cost to the County of an increase in the combined employer-employee contribution to the Lancaster County Employees Retirement Plan from 13% to 16%, and how the increase will be implemented with the various classification of County Employees and schedule further discussion on the May 24, 2018 County Board Staff Meeting agenda.

The following members of the PRC were also present for the discussion: Scott Gaines, Tim Genuchi, and Dennis Meyer.

4. **SALE OF TRABERT HALL** – Kerin Peterson, Kerin Peterson, Facilities & Properties Director

NOTE: The County has received offers from Concorde Management & Development, Inc. and CenterPointe, Inc., a local nonprofit agency specializing in co-occurring mental health and addiction treatment for low income and homeless people. Concorde Management & Development, Inc. plans residential development using Section 42 tax credits which would require them to accept families and individuals with Lincoln Housing Authority (LHA) vouchers or certificates. Concorde's best and final offer is \$925,000. CenterPointe would convert the first two floors into office and clinical spaces to expand physical and behavioral health services to current clients and patients. The third floor would be used for community transition housing with 16 beds providing training for independent living. Clients living there would participate in other CenterPointe services during the day. The fourth floor would be converted into U.S. Department of Housing and Urban Development (HUD) housing (16 single-bedroom or studio apartments for the homeless receiving services). CenterPointe has made an offer of \$400,000.

Wiltgen noted that the Board had originally intended to use the proceeds from the sale of Trabert Hall to pay for deferred maintenance of properties. When the Board was notified that it would have to relocate Emergency Operations Center (EOC), offsetting the costs of that project through the Building Fund became their priority.

Dennis Meyer, Budget and Fiscal Officer, appeared and said the Building Fund has a balance \$200,000 and there is approximately \$800,000 in costs remaining for the EOC. He said that funding gap will become an issue in the coming fiscal year. Meyer added he anticipates there will be other Building Fund issues, such as ongoing maintenance items. Kerin Peterson, Facilities & Properties Director, said she is preparing a list of those items, including those that are critical for next year.

Avery asked what it is costing the County to maintain Trabert Hall. Peterson said \$10,500 a month.

Avery said he recognizes that the Board has a fiduciary responsibility to taxpayers but said the County also has an obligation to serve certain populations, such as the disadvantaged and those with mental health issues. He did not feel the County is adequately meeting those needs and said many of those individuals end up in correctional facilities, at a greater cost to taxpayers. Avery said if CenterPointe can deliver on their proposal, an underserved population would be served and the

County might capture savings because fewer individuals would be going to jail. He said Concorde's proposal does not have a public purpose component.

Meyer asked Avery whether he had read the email the Board received from Brad Johnson, Corrections Director, regarding CenterPointe's proposal (see Exhibit F). Avery said he did not. Johnson's email noted that Topher Hansen, CenterPointe's President and Chief Executive Officer (CEO), had indicated in his presentation to the Board at the April 19, 2018 County Board Staff that expansion of CenterPointe into Trabert Hall will reduce correctional costs by \$2,000,000 a year. Johnson thought that was unlikely. The Board also received an email from Kim Etherton, Community Corrections Director, regarding CenterPointe's proposal (see Exhibit F). Etherton said CenterPointe may be a valuable resource for some in the community but felt their management philosophy was not a good fit for the criminal justice/corrections population.

Wiltgen pointed out that Concorde's would provide workforce housing for low to middle income individuals at a below-market rate in a neighborhood that needs that type of housing.

Amundson noted the Board had made a commitment to the Stepping Up Initiative, a national initiative to reduce the number of people with mental illnesses in jail, and said CenterPointe's proposal would help meet that need even though it may be difficult to quantify the number of individuals that would be kept out of jail.

Brinkman said the Board has made investments in the justice system and should counterbalance that by investing in systems that help individuals with mental health and substance abuse issues. She there are other positives to CenterPointe's Proposal:

- Trabert Hall is in a medically underserved area and the implementation of integrated mental and physical health is an important step for the community.
- It is a program that has been implemented by the private and philanthropic sector related to Prosper Lincoln and their support of redevelopment south of downtown Lincoln.
- There is a commitment that CenterPointe's facility at 13th and E Street will also be redeveloped.

Schorr said for her it was never about the importance of the services CenterPointe provides to the community, rather a decision in the best interest of the taxpayers. She felt that accepting the proposal from CenterPointe would result in a \$500,000 subsidy to that agency to expand its services. Schorr noted that CenterPointe receives \$350,000 through the Joint Budget Committee (JBC) process, which is more than any other agency in the community. In addition, the County has never utilized community funds to assist a non-profit agency in a capital construction project. She said there is also an assumption that CenterPointe is the only agency offering programming to those with substance abuse and mental health issues and said that isn't accurate, citing St. Monica's Behavioral Health Services, Lutheran Family Services, Matt Talbott Kitchen & Outreach, Houses of Hope, and Fresh Start, Inc. as examples. Other agencies providing priority services in the community include the Food Bank of Lincoln, Center for People in Need, Friendship Home, People's City Mission and

CEDARS Home for Children. She said she understands CenterPointe's need for a new facility but felt they could find another location that would work for them.

MOTION: Schorr moved and Wiltgen seconded to accept the offer from Concorde Management and Development, Inc. in the amount of \$925,000.

Wiltgen stated there are two issues before the Board: 1) Preventative services that are needed in the community; and 2) Need for services for the population that are coming out of the jail and prison environment. He said the question is how to pay for those services, noting State funding of those services is decreasing.

Brinkman said she wants it to be clear that accepting the CenterPointe proposal would not cause a levy increase for the Building Fund. She said there was an additional \$500,000 in the Contingency Fund this year and said those funds could be transferred to the Building Fund. Meyer said those funds are no longer in the Contingency Fund as the result of decisions the Board made such as the revised contract with Legal Aid of Nebraska. Brinkman indicated there would be funds available if the County levies at the same rate as last year.

ROLL CALL: Schorr and Wiltgen voted yes. Brinkman, Avery and Amundson voted no. Motion failed 2-3.

MOTION: Brinkman moved and Amundson seconded to move forward with negotiations with CenterPointe, Inc. on their proposal.

Wiltgen asked whether the negotiations would include addressing the concerns that were raised by Johnson and Etherton. Brinkman said she doesn't believe the concerns they raised in their emails had anything to do with the proposal. Wiltgen responded that there are unmet needs that have been identified and this is an opportunity try to address them. Avery said as a point of order, the Board has already taken a vote on the motion and it is not open for continued discussion. Wiltgen said his remarks are germane as they relate to the motion on the table. Schorr said Avery raised the issue of public purpose and said she believes if the Board is going to provide a \$500,000 subsidy to CenterPointe, it should quantify what those services and public purpose are. She cited a guaranteed number of beds as an example. Amundson didn't think the Board should mix that in with a real estate transaction. Brinkman said the work that CenterPointe is doing is helping the County, primarily on the indigent side. She said Hansen has seen the emails and the Board can have conversations with him about future systems changes outside of this real estate transaction.

Eagan said CenterPointe could sell the property for more money if conditions aren't imposed. Brinkman said there are conditions in the proposal, such as types of uses within the building. Avery said it is his understanding that one condition was to pay an additional \$100,000 to the County, post closing. Schorr clarified that Ben Harris, Hormel Harris Foundation Chief Executive Officer, indicated at the April 19, 2018 County Board Staff Meeting that he planned to make a recommendation to the CenterPointe Board of Directors, to increase the amount by an additional \$100,000 at some point in the future. She said that recommendation has not been made or voted on. Hansen, who was present for the discussion, said the CenterPointe Board of Directors is scheduled to act on this matter on May 15th.

ROLL CALL: Avery, Amundson and Brinkman voted yes. Schorr and Wiltgen voted no. Motion carried 3-2.

- 5. PENDING LITIGATION** – Doug Cyr, Chief Deputy County Attorney; Sue Eckley, County Risk Manager; Kari Wiegert, Risk Management Specialist

MOTION: Schorr moved and Avery seconded to enter Executive Session at 9:58 a.m. for the purpose of protecting the public interest with regards to potential litigation.

The Chair said it has been moved and seconded that the Board enter Executive Session.

Avery exited the meeting.

ROLL CALL: Avery, Amundson, Brinkman, Schorr and Wiltgen voted yes. Motion carried 5-0.

The Chair restated the purpose for the Board entering Executive Session.

MOTION: Amundson moved and Schorr seconded to exit Executive Session at 10:26 a.m. Amundson, Brinkman, Schorr and Wiltgen voted yes. Avery was absent. Motion carried 4-0.

- 6. BREAK**

The break occurred during the Executive Session.

- 7. DEPARTMENT BUDGET HEARINGS** – Dennis Meyer, Budget & Fiscal Officer

County Extension – Karen Wobig, County Extension Educator, Unit Leader; Jenny DeBuhr, Administrative Assistant, County Extension Office

Dennis Meyer, Budget & Fiscal Officer, said the County Extension budget is decreasing by 3.4%.

Karen Wobig, County Extension Educator, Unit Leader, gave an overview of the County Extension budget, noting the Biosolids Program moved to the City which impacted salaries and revenues.

Avery returned to the meeting at 10:30 a.m.

Meyer asked Wobig whether County Extension will need an additional appropriation for the current fiscal year. Wobig said it will not.

Schorr inquired about space needs. Wobig said space remains an issue with projected growth and expansion of program.

Wobig addressed the need to upgrade public restrooms in the County Extension Office Building to improve handicap accessibility. She said they have sought bids from the unit price contractors and

would like to use funds remaining in the Fiscal Year (FY) 2017-2018 budget for the project. Meyer said he could also move those funds into the Building Fund for the project.

Meyer inquired about technology needs. Wobig said they replace computers on a cyclical process.

Meyer asked whether there were changes to services in the service based budget. Wobig said there were slight nuances within the program areas but no changes to overall services.

Copies of Nebraska Extension's January 2018 NEBLINE Newsletter were also disseminated (Exhibit F).

**Youth Services Center (YSC) – Sheli Schindler, Youth Services Center (YSC)
Director; Melissa Hood, YSC Administrator**

Sheli Schindler, Youth Services Center (YSC) Director, presented two budget options based on average daily population (ADP): 1) 30 youth; and 2) 40 youth. The projection of 40 ADP is based on continuing to accept youth from contract counties and Juvenile Probation youth from other counties. If the Board decides not to accept those youth any longer, the ADP would be reduced to 30 and there would be a budget reduction of 5.3%.

In response to a question from Schorr, Schindler said she had intended to split the deputy director position into two administrative positions. She said she did promote Melissa Hood but has not filled the other administrative position.

Brinkman asked whether the contract counties would be able to access the additional services/beds that have opened in the community. Schindler said all counties share shelter beds throughout the State. Other counties could also try to use community aid dollars to build shelters. She felt much of what is driving the population numbers are the shelter beds for pre-adjudicated youth in other counties. Brinkman felt it would be less expensive to invest in shelter beds in the community.

Schorr asked about the potential impact of Legislative Bill (LB)1112 (Change provisions relating to placement and detention of juveniles and permit an additional use of funds under the Community-based Juvenile Services Aid Program) on YSC's population. Schindler said that question was raised at their Steering Committee and there were differing opinions. **NOTE:** The law will take effect in 2019.

Amundson asked the reason for the 47.0% increase in Internet/Data Processing Services (Object No. 64820). Hood said it is due to systems development and higher usage.

Schindler addressed revenues and said the projections are based on the current per diem of \$276 (see Page 3).

Meyer asked if there are any changes to services. Schindler said they are trying to improve them but the funding allocation remains the same.

Meyer also inquired about future projects and updates. Schindler said issues with Criminal Justice Information Services (CJIS) still need to be resolved. She said infrastructure was put in place to support Wi-Fi (wireless technology).

Hood disseminated copies of the computer inventory (Exhibit H), noting 30 of their 35 computers are less than five years old. She said some of their systems need updating, noting all but one computer is running Microsoft Windows 7. They also have one software license for Microsoft Office 365. Hood said the base need is for the CJIS module. She said YSC's email system will no longer be supported so they will be moving to Microsoft Outlook 2013 at no cost.

8. CHIEF ADMINISTRATIVE OFFICER REPORT

- C. Claim for Review: Payment Voucher (PV) No. 608596 to Sheli Schindler, Youth Services Center (YSC) Director, in the Total Amount of \$45.86. This Claim is for Reimbursement of Meals Paid for Other County Employees While Attending an Out-of-Town Conference. County Resolution No. R-14-0032 States "Traveling Employees Will Be Required to Personally Pay for Meals and Request the Per Diem from the County."

Sheli Schindler, Youth Services Center (YSC) Director, gave an overview of the claim.

MOTION: Brinkman moved and Amundson seconded to handle the claim as a regular claim. Avery, Amundson, Brinkman, Schorr and Wiltgen voted yes. Motion carried 5-0.

- A. Use of Retirement Expense Account to Pay Cost of Notifying Default Investors of Change in the Default Investment Alternative to GoalMaker Moderate

Eagan estimated the cost at \$1.50 per person and said it could be paid out of the Retirement Expense Account. The Board will approve the wording of the notice.

- B. Opioid Lawsuit

There was consensus to seek direction from the County Attorney's Office on whether to initiate legal action. It was noted Nebraska Attorney General Doug Peterson sent a letter to city and county officials indicating his office is trying to reach a resolution with opioid manufacturers and distributors on behalf of Nebraska citizens and lawsuits by individuals counties and cities could hamper those efforts.

- C. Claim for Review: Payment Voucher (PV) No. 608596 to Sheli Schindler, Youth Services Center (YSC) Director, in the Total Amount of \$45.86. This Claim is for Reimbursement of Meals Paid for Other County Employees While Attending an Out-of-Town Conference. County Resolution No. R-14-0032 States "Traveling Employees Will Be Required to Personally Pay for Meals and Request the Per Diem from the County."

Item was moved forward on the agenda.

9. DISCUSSION OF BOARD MEMBER MEETINGS

A. Lincoln Chamber of Commerce Coffee – Wiltgen/Schorr

Wiltgen said discussion focused on whether the City and Lincoln Public Schools (LPS) should fund additional school resource officers (SROs) in the schools by creating a Joint Public Agency (JPA) or through an interlocal agreement.

10. SCHEDULE OF BOARD MEMBER MEETINGS

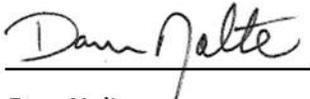
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11. EMERGENCY ITEMS

There were no emergency items.

12. ADJOURNMENT

MOTION: Schorr moved and Brinkman seconded to adjourn the meeting at 11:47 a.m. Amundson, Brinkman, Schorr, Avery and Wiltgen voted yes. Motion carried 5-0.



Dan Nolte
Lancaster County Clerk

