

# **CITY-COUNTY COMMON MINUTES Monday, May 2, 2011**

**Present:** Doug Emery, Deb Schorr, Jon Camp, Jane Snyder, Adam Hornung, Mayor Chris Beutler, John Spatz, Jonathan Cook, Larry Hudkins, Jane Raybould, Brent Smoyer

**Absent:** Gene Carroll, and Bernie Heier

**Others Present:** Rick Carter, Executive Director, Human Services Federation; Jeff Chambers, Project Director, UNL - Center for Children Family and the Law; Kim Lobato, Aon Risk Solutions; Tracy Krause, Aon Risk Solutions; Mark Koller, Personnel Director; Bill Kostner, City Risk Manager; Marvin Krout, Planning Director, Nicole Fleck-Tooze, Manager

Chair Commissioner Deb Schorr opened the meeting at 12:45 p.m.

## **1. Approval of Common Meeting Minutes of Tuesday, April 5, 2011**

Commissioner Hudkins moved approval of the Common Meeting minutes of Tuesday, April 5, 2011, seconded by Councilman Emery. Motion passed 8 - 0. Please note Councilman Hornung, Councilman Cook and Mayor Beutler arrived after the vote was taken.

## **2. Human Service Federation Report**

Rick Carter, Human Services Federation Executive Director gave a brief background on the Federation, stating it is an association of approximately 130 non-profit agencies in Lincoln and Lancaster County. One of their task is to promote collaboration and networking among those agencies. Through a contract with the Joint Budget Committee and United Way, they administer a human services planning project for Lincoln and Lancaster County. Many agencies across the community are brought together around four collation areas:

- 1) Behavioral Health
- 2) Basic and Emergency Needs
- 3) Early care and Youth Development
- 4) Spouse abuse or Family Violence

The agencies are brought together to discuss trends and issues going on in the community. Plans for recommendations on how to move forward and address future issues in the community are relayed.

In the past twelve months the following reports have been produced:

- 1) Homelessness in the community
- 2) The food network, the distribution of food as it relates to those seeking assistance and food pantry assistance in the community
- 3) Alternative financial services or delayed deposit services
- 4) Rent and Utility Assistance Networks

The Federation found through surveys, that people were seeking delayed deposit services and bill and food assistance in order to take pressure off both the rent and utilities as they struggled to work. Lincoln and Lancaster County has a low unemployment rate and the non-profits continue working with the business sector to address the issue. The average income of an hourly wage renter is approximately \$10.14 an hour. The average rent of a two bedroom apartment is approximately \$625.00 per month. This means that working at \$10.14 an hour, a renter would have to work 49 hours a week to meet the obligations on an affordability scale of a two bedroom apartment.

As a direct result of one of the homelessness reports, Lincoln was able to seek funding from the Federal Government for Homeless Prevention and Rapid Rehousing Services. This provided a significant number of dollars to keep people housed in the community. However, approximately next summer, those dollars will end, which will leave Lincoln in a crisis situation and the Federation anticipates a spike in homelessness and has been meeting with local funding groups and foundations to begin conversation on this impending crisis and how to move forward.

Through the Community Services Initiative there is the opportunity to leverage resources, and gives the Federation the opportunity to partner with the UNL Center for Children Family and the Law. This allows them the ability to look at these issues through a service point system where unduplicated counts of people seeking services are tracked.

Jeff Chambers, Project Director, UNL - Center for Children Family and the Law, added during the past year, there were \$730,000 eligible request to non-profits for rent and utility assistance, however, they were only able to meet \$380,000 of these request. The majority of this money was proved through the Federal Homeless Prevention and Rapid Rehousing program (HPRP) for rent and utilities. Prior to receiving the HPRP assistance, providers in the community were only able to provide \$121,000 for rent and utilities assistance. Which is why when the HPRP Program dollars end in 2012, there will be an emerging need in the community.

One of the primary reasons identified why people are seeking food and distribution services in Lincoln is to help them pay for rent and utilities. As the rent and utility dollars in the community decrease and there are less dollars to meet these needs in the community, food distribution and pantry services will go up and some use of alternative financial services and payday lending will increase.

Carter stated he felt the Federation has data on payday lending that does play into public policy discussion of putting out into the community alternative forms of credit that people might be able to access. These individuals don't qualify for traditional means of credit. Through this report, it was learned that individuals in the community who are utilizing payday lending services or delayed deposit services, on average use 6 other community services. Those other 6 services they seek are tax payer funded services and are costing us. That does lead us to say how do we address this as an issue, and what are the alternatives to move forward as a community and what can be put into place.

Councilman Spatz stated this type of information needs to be shared with this

organization. While the City and County do not have a lot of resources to devote, they do have voices and the data collected is data that should be shared in a setting such as this where questions can be asked and individuals can provide feed back. He enquired if there were any predictions of what the next months will bring if gas and food prices continue to increase for residents who utilize these services?

Carter responded that demand for these services will increase. There is a concern regarding accessibility to public transportation for people working second and third shifts. A strain will be put on the system and there is concern that at some point the system will not be able to handle the additional strain.

Councilman Camp inquired if there was a percentage level of how many of our residents are underemployed? Carter stated he did not, however, he would be willing to try and find the information and respond back. Camp stated this might be helpful information to share with the Lincoln Chamber of Commerce in regards to economic development.

Carter stated that poverty has increased and continues to be on the increase in our community, especially for households with children. On the housing side the fair market value of a two bedroom apartment for rent has increased by 25% since 2000, however, real wages have not increased by 25% in the past ten year.

In conclusion, Carter asked the members to review the reports provided and contact him if there were any questions.

### **3. Health Care RFP**

Mark Koller introduced Kim Lobato, Aon Risk Solutions, and Tracy Krause, Aon Risk, and distributed the Health Insurance Review handout. Koller reminded the group at the last meeting comparisons between the different health plans that are in place at the City and the County were discussed. The City has Coventry Health Care and the County has Blue Cross Blue Shield.

Page one of the packet showed the comparison of the two health plans with both in and out of network. There is a slight difference in the middle grid which shows the LCEA & E Group, with a slightly higher deductible and out of pocket which was negotiated.

Page 2 showed the premium rates for single, 2/4 party and family. Due to negotiations through the CIR with the Correctional Officers, the percentage share amount for the County level increased about 5% on each of the lines. Councilman Camp inquired how this compared to the private sector. Kim Lobato from AON stated they were slightly under the deductible and a bit low on the out of pocket limits, however, the rest of the plan, the office visit co-pays and the prescription drug co-pays are right in line with what they see in the private sector.

Councilman Camp inquired if they have seen impact from President Obama's health care reform. Lobata responded the impact of health care reform will take place in 2014 when the exchanges come into existence. The state of Nebraska has not decided if they will sponsor a state exchange. The larger employer groups are expected to continue to offer employer sponsored health care.

Councilwomen Snyder stated compared to smaller business in the private sector, the City and County pay for more than just the employee. Most smaller employers in Lincoln pay for the employee who then has the option of adding coverage at their own cost for the family. She added this could be part of negotiations with the City and County unions. She inquired if we would be too large to investigate a health savings account. Lobato responded in the private sector they generally see employee contribution rates between 10 and 20% and with family rates between 20 and 30%. Koller interjected for the County and City this is an element of negotiations and comparability comes into play. In response to the question regarding a health savings account, Lobato stated it would be difficult to have a successful arrangement because the contribution would be so low. To be successful there has to be an incentive for people to enroll. It's possible if the City and the County would contribute a certain amount into a health saving account it would be more attractive for a person to select that over the current plan. But at this point in time he thought it would be very difficult. Koller stated this would have to be included in union negotiations.

Page 3 is a time line for the current RFP. Koller stated LES, with 435 employees, has joined the City and County in the process of looking into a pool that can be offered for services. LEX current provider is Auxiant. The RFP asked for responses separate for each of the entities and joined for the three.

On-Site medical center considerations were on page 4.

- Maximize value; not minimize costs
- More employee accountability and responsibility
  - Education fo improve healthcare purchase decisions
  - Incentives to modify unhealthy lifestyles
- Integration across benefits and vendors
  - Medical, disability and workers' compensation
  - Health plans, PBM, health management vendors, EAP, etc.
- Value-based competition
- Feasibility of on-site medical centers
  - Primary medical care, pharmacy, occupational health
  - High touch, personalized medical delivery ("concierge")
  - Focus on prevention and early intervention
  - May include pharmacy

Page 5 showed an on-site center as "Hub".

Koller next referred to page 6 "Potential opportunity for the City/County". Kim Lobato, who has some experience in starting on-site health care clinics, designed the projections to give the City and County an idea on what the return on investment could be. Lobato clarified the projections were done without actually using an RFP, however, they have done three RFP's for on-site clinics this year and it does appear to be a direction a number of companies want to go. Within those RFP's a similar size of operations was looked at. To arrive at the numbers for the years 1 - 5 AON looked at the following data:

- Actual cost for services in Lincoln
- How much volume might go through the on-site clinic
- The value of those services

- Estimated cost of those services provided by a company running the on-site Clinic

The 5 year net present value was estimated at \$2,417,996 and AON feels this is conservative. Councilman Hornung inquired what the information was based upon. Lobato responded:

- Clinic information was based on actual cost of services in Lincoln
- Utilization estimates came from AON standard utilization rates for that employee population
- Cost information was based on estimated volume times actual cost
- Cost of services provided by the on-site clinic were taken directly from a RFP for a previous clinic and modified to fit the City and County number of population

The wellness/disease management health management component is an assumption of increase in productivity the City and County would receive with an on-site clinic.

Mayor Beutler inquired if the on-site clinic would be similar to the clinic at IMSCORP and Lincoln Industries. Lobato responded it would be very similar.

Commissioner Smoyer inquired if there was reluctance for employees to use the on-site clinics versus primary care physician. Lobato responded that they have seen an initial reluctance on some of the employees, however usage increased over time.

Councilman Cook inquired when AON was doing the comparisons with other organizations were they also looking at their basic health care plans and the differences between those plans that could affect utilization. Lobato stated AON looks at the plan design and the incentives needed to be there to drive utilization of the clinic. For the City and County scenario, a zero co-pay for use of the on-site clinic was factored in.

Mayor Beutler inquired if there has been resistance from certain established groups to provide services with an on-site clinic. Lobato responded as health care reform is evolving, there has been more willingness on the part of the health care systems to do creative things directly with employer groups versus having a relationship with an insurance carrier.

Councilman Spatz asked if the on-site clinic would incorporate a well coordinated wellness plan by the City and or the County or is that something that would naturally flow from having an on-site clinic. Lobato responded they are working with the City and the County on wellness issues and developing a strategy. These numbers are strictly related to wellness services that would be provided at an on-site clinic. There is actually more potential through the wellness initiative in addition to what can be provided through an on-site clinic, and they should be coordinated. Spatz stated that is where the savings would come in and encouraged the City and County to look into this.

Councilman Emery stated that one of the advantages would be control over the health cost as you hire and control over much of the lost workday and injury

compensation.

Koller stated an on-site clinic has been looked at for awhile and they would like an indication from the group whether to move forward or not. The next step would be to put together a business plan that would then develop an RFP, however, they would need to have commitment of the funds for startup.

Commissioner Smoyer inquired as to what funds would be needed for start-up. Koller responded they could bring back a business plan to the committee after the budget is approved and the health plan change completed.

Commissioner Schorr stated her only concern about the on-site health care clinic was how to make sure utilization is strong with an industry that is 24/7 and in numerous locations across town.

#### **4. Briefing on Lplan 2040: (Included a PowerPoint Presentation)**

Marvin Krout, Planning Director stated the planning department began working on the plan early last year and are approximately 2/3 into the process with the deadline for completion being December of this year. The public participation of the process was started last June and the web page was launched in June of 2010. A 20 member advisory committee was appointed and have met at least two dozen times with the hope to turn the process over to the planning commission in June. A number of community workshops and on-line surveys have taken place. The plan is also on facebook.

Since the last meeting with the Commons in November, the community discussions on the alternative development scenarios have been completed. A consensus with the advisory committee and the community on what the general plans should look like regarding the growth scenario and the land use plan was reached.

Krout showed the growth scenario which is generally the stages of development over 15 to 30 years, where and how they think the community will grow. A plan that looks very similar to the plan developed 5 years ago has been identified. Looking long range for the County, they have identified some additional areas where development might be particularly suitable.

A transportation plan is integrated with the comprehensive plan. It is Federally mandated, needs to include all modes of transportation, defines projects for 20+ years and is fiscally constrained. It also needs to be done every five years.

There are two different scenarios regarding the possibility of how to use the approximately \$50 million resources on the transportation side:

##### Financially Constrained: Capital Emphasis

- Funding continues in a similar fashion as today with the emphasis placed on building new roads and trails

Includes:

- Top projects according to prioritization process (nearly all of the Needs Based projects)
- Little funding for road and trail maintenance

- No bicycle/pedestrian program
- Transit continues as it is today

Financially Constrained: Maintenance Emphasis

- Reduced capital funding to shift toward maintenance
- Includes:
  - Highest priority projects (about 1/3 of the Needs Based roads, 50% of trails)
  - Maintenance of roads and trails to "good" level (nearly as high as Needs Based package)
  - Partially funding of pedestrian/bicycle program
  - Transit continues as it is today

New Road Projects - Capital Emphasis

- Used prioritized list of projects (based on traffic modeling and project evaluation using transportation goals)
- In order to fit into available funding, lowest priority projects not included
- Includes:
  - Intersection Improvements
  - Intelligent Transportation system Improvements
  - Travel Demand Management
  - City share of Safety Projects

Additional Funding:

- It would take an additional \$15 million annually to fully fund the Needs Based Plan
- That would be about 12 dollars per household per month

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The County spends approximately \$17.5 million per year on roads. The one and six road and bridge program provides models for how the county is expecting that allocation to happen. The great majority will go towards operation and maintenance, with a little over one million dollars going into capital programs. The County has been using its small Federal allocations to deal with the high volume, high speed roads that are out of Lincoln. For example, Denton Road, 68<sup>th</sup> Street, and N. 14<sup>th</sup> Street. The focus of the one and six program is to try to upgrade those paved roads to a standard that is appropriate for the higher level of traffic that is being projected in the future. The remainder of the roads represent approximately 40 miles of gravel roads, that based on the one and six plan, are indicated as the most likely candidate to break down and need to be paved.

Krout concluded with the following time-line:

- Plan draft - July
- Planning hearings - August and September
- Commons Briefing - October
- City Council and the County Commissioners to hold a joint hearing on the plan in October
- Joint meeting for the final action
- Meeting of the Officials Committee of the Metropolitan Planning Organization (MPO) in December to approve the transportation component of the plan

The meeting was adjourned by Chair, Commissioner Schorr at 1:56 p.m.

Minette Genuchi  
Administrative Aide - Lancaster County Board of Commissioners

\* Please note the reports referred to in agenda item #2 and #3 along with a copy of the PowerPoint in agenda #4 are on file at the office of the Lancaster County Board of Commissioners.