

Board of County Commissioners of Lincoln County
Agenda for July 30, 2019

9:00 Call to order and Pledge of Allegiance

9:15 Tom Nestor, Lincoln County Sheriff, to discuss matters concerning the Sheriff's Office

10:00 Leslie Thompson with GRS, Kevin Meza with Compusys of Colorado, and Bill Noyce with SEI Private Trust Company, to discuss matters concerning the Lincoln County Retirement Plan

11:30 Kevin Stansbury, Lincoln Community Hospital CEO, to provide a LCH monthly report

1. Approve the minutes from the July 18, 2019 meeting
2. Review the June, 2019, Statement of Revenues and Expenditures for County General, Public Health, Capital Project, Conservation Trust, E911, Landfill, Library, Lodging/Tourism, Road and Bridge and Individual Road Districts
3. Review the monthly management report from the First National Bank of Omaha
4. Review and act upon proposed Resolution #989, a request for the renewal of the ambulance service license of the Hugo Fire Protection District
5. Old Business
6. New Business
7. Approve payroll and expense vouchers

The Board of Lincoln County Commissioners met at 9:00 a.m. on July 30, 2019. The following attended: Chairman Ed E. Schifferns, Commissioners Steve Burgess and Doug Stone, County Administrator Jacob Piper, and Clerk to the Board Corinne M. Lengel. Will Bublitz with The Limon Leader/Eastern Colorado Plainsman attended until 11:45 a.m.

Chairman Schifferns called the meeting to order and asked Mr. Bublitz to lead the Pledge of Allegiance.

Mr. Burgess made a motion to approve the minutes from the meeting held on July 18, 2019, as submitted. Mr. Stone seconded the motion, which carried unanimously.

The Board reviewed the May and June 2019 Budget Reports for the Public Health, Capital Projects, Conservation Trust, E911, Landfill, Library, Lodging/Tourism, and Road & Bridge funds, as well as for the individual road districts.

At 9:15 a.m., Sheriff Tom Nestor and Undersheriff Gordon Nall met with the Board to discuss several matters concerning the sheriff's department. First, Sheriff Nestor said the Hugo town board met the previous evening and agreed to raise the salary for the Chief Marshal and Deputy Marshal. They've had no applicants so far, but the sheriff said he'd given them suggestions for the best areas to place their ads, so hopefully, they would have some interest. He told the town board members that they would get whatever coverage the department could provide with whatever staff they had available. The sheriff also warned them that they wouldn't get the coverage they were accustomed to. Deputy Marshal Steve Ryan is staying on until August 12, so the sheriff's department will have to take over coverage after that. Sheriff Nestor said he planned to request another road deputy when he submitted the 2020 budget, but asked the Board to consider letting him bring the person on earlier if the town doesn't hire someone. He has a certified jail deputy that he could move to the road, so he would need to backfill the position in the jail at that time. They don't, however, currently have a vehicle available for the deputy to drive. Sheriff Nestor added that he wasn't sure how many calls-for-service the town has. Undersheriff Nall said that they'd hired a part-time person for ordinance enforcement, which should cut down considerably on those calls.

The sheriff next addressed the volunteers he has working for him, stating that the VA stipend ended last month. However, he felt it could be a liability as far as Workers' Comp if the county didn't pay its VA volunteers, as well as posse members, at least per call. He proposed compensating them \$50 for each call-out, which should cover the Workers' Comp issue. Undersheriff Nall said that the VA grant allowed for \$10,000 in stipends. Even if the volunteers didn't get called out, they still received compensation, which they didn't feel was right. He added that the county could be held accountable if a person got hurt and they weren't getting paid. The sheriff said he'd plan to add a little to his budget for the posse in 2020, but for now, he felt paying \$50 per call-out was the best option. Mrs. Lengel asked if they would have to add them to the payroll, but Sheriff Nestor said that none of them should make over \$600 in a year. The undersheriff said the VA volunteer might, but the one they currently have is already a county employee.

Sheriff Nestor updated the Board on his vehicle fleet and then told the commissioners he would have his deputies keep track of how many calls-for-service they responded to in the town of Hugo. He also said that Larry Gotschall told him they could park the command vehicle in his storage shed when he got it finished.

The law enforcement officers left, and the Board reviewed the Monthly Management Report from the First National Bank of Omaha.

At 10:00 a.m., Leslie Thompson and Thomas Lyle with GRS, Kevin Meza with Compusys of Colorado, and Bill Noyce with SEI Private Trust Company met with the Board to discuss the county's retirement plan. County Treasurer Jim Covington attended the discussion as well. Ms. Thompson provided a draft version of the GASB Statement No. 68 Employer Reporting and Accounting Schedules. She said they felt the document accurately represented the actuarial position of the Lincoln County Employee Pension Plan at the end of 2018. The net pension liability totaled a little over \$2.5 million, which the county would pay over a period of time, based on the 15-year payment schedule. Ms. Thompson said it was essential to keep enough in the plan to pay out the benefits, and the county was behind in contributions. Mr. Lyle added that it showed a loss at the end of the year, mainly because there was a dip in the market. Ms. Thompson put in that the accounting standards required that the report only reflected the employer's portion of the contributions, so the group should keep that in mind. Employee contributions would be around \$90,000. When asked if that amount was too low, Ms. Thompson commented that the employee contribution of 3.25% per month is low. Most businesses have personnel put in more than that, but since employees characteristically pay half, the county's structure aligned closely with a typical plan. Kevin Meza said that the majority of the liability is a mixture of the annuities and lump sums that the county could pay to retirees.

Mr. Burgess asked if the commissioners needed to increase the employee contribution amount. Ms. Thompson said they could but to ensure that it wasn't higher than the cost of the benefits. Mr. Burgess said they wanted to make certain the fund stayed solvent, so if the county needed to add a little at a time, it could increase the employee contribution percentages in quarters. Ms. Thompson said it was a good idea to phase it in; that way, it was a constant improvement and less of a burden on employees. Mr. Burgess asked if they could do it for all employees or just newly hired individuals. Ms. Thompson said to check with the plan attorney, but she thought they could do it for all employees.

Mr. Piper commented that the county subsidized an additional \$150,000, and Mr. Lyle said that was why it looked so much better than it had. Ms. Thompson agreed, stating the county improved their financial statement position because of the extra contribution. She said the commissioners needed to decide what they desired out of the plan for their employees; financial stability or lump sum payouts. Mr. Burgess said he liked taking care of the employees but added that they might also have to change the basis for the payout. Right now, he said calculations were based on the top two highest years of salary. Ms. Thompson felt that could be volatile to the plan and explained that most plans base their calculations on the highest pay

over three-to-five years of service. Moving to a five-year calculation base would make the plan much more stable. Mr. Piper said the county's plan bases the calculation on the highest one year of pay in the last two. If the goal were steady, monthly retirement compensation for employees, Ms. Thompson said the county should consider doing away with the option where retirees were allowed to take a lump sum. She recommended adding a 401A for some other supplemental retirement plan.

Mr. Covington told her that the county already has a voluntary 457 CCOERA plan. He added that there were extenuating circumstances in allowing employees to take a lump sum when they retired. Ms. Thompson said it depended on the county's policy, which was something the Board would have to decide. If the policy were income protection, they would want to offer annuities. If they cared less about the people coming and going, the county should have a defined contribution plan instead of a defined benefit plan. She also recommended doing away with the age 25 rule, since the more employees there were in the plan, the more money there would be. Ms. Thompson stated that the county could allow any employee into the plan if they chose, but suggested they check with the pension attorney on that as well.

Mr. Burgess asked if an employee had to start over with their pension if they left Lincoln County and returned later. Ms. Thompson said there was no mandatory distribution rule in the plan that she was aware of. Employees could also buy back what the county paid them when they left, plus interest, which would most likely be seven percent. She also found the county's vesting schedule unusual. Five years is customary for full vestment in the plan, but Lincoln County requires twelve years. An employee is always 100% vested in their own contribution. Ms. Thompson also said that an employee had to communicate their desire to take out their retirement if they worked part-time for a while and then came back full-time. The money would simply stay in the plan and earn interest until they returned; the employee would just stop contributing.

Mr. Burgess listed the items the commissioners needed to discuss: lowering the age limit from 25, changing the requirement of the top two highest-paid years of service to the top five years for new employees, and doing away with the lump sum option for new employees. Ms. Thompson said it wouldn't help the plan for forty years or so, but the county would see the benefit eventually. She added that it would be better to have enough money in the fund so that they could earn seven percent interest. It would also be beneficial to increase the monthly employee contribution by a quarter of a percent and the county's contribution by a quarter or a half of a percent, which would reduce the liability. Ms. Thompson said it would be cleanest to make any changes as of January 1, 2020. She added that the county has an excellent pension plan, particularly with the addition of the supplemental CCOERA benefit.

Mr. Burgess said the Board would need to decide what they wanted to do before contacting the pension attorney, Steve Rickels.

Mr. Schifferns asked Bill Noyce if he had anything to add, and Mr. Noyce provided a Comparative Holdings with Detail report for the Combined Account Portfolio. He explained the

“three buckets of investments” concept to the others present and said that they are currently averaging a rate of return of 12.75%.

Ms. Thompson said the county should do the evaluation every two years. Mr. Meza added that they would begin sending annual pension projections to the employees in March.

Mrs. Lengel said she thought the plan stated an employee had to work 1,500 hours per year to get the benefit, and Ms. Thompson said that the county could actually consider doing away with that stipulation as well. She felt that if a person contributed, no matter how large or small, they should get the benefit. Ms. Thompson suggested that the commissioners draft a memo to Mr. Rickels outlining that they wanted to update the plan and what they wanted to change, including adding an in-service distribution rule.

John Palmer arrived as the group was leaving. He said that they wouldn't be able to get the queen's barn or the clerks' building in time for the fair because the driver was too busy to bring them to the fairgrounds. However, for \$3,600, he and Carlos Leonard could pick up a building from Vonnie Darling that the county would own. He said they wouldn't have a queen's barn this year, but they would figure something out for next year. The Board told him to go ahead with the purchase.

Before leaving, Mr. Covington talked briefly to the commissioners about adopting a resolution that the county wouldn't participate in the Great Colorado Payback.

At 11:30 a.m., Lincoln Community Hospital CEO Kevin Stansbury met with the Board to give the monthly report for the hospital. They hired a new CFO that won't start work until August 19, but they have an interim CFO until then. The organization's cash is strong, the accounts receivable are much cleaner, and their net patient revenue is close to their projected budget. Mr. Stansbury said they had the interim CFO checking into why the contract services were so high. He felt they were far ahead of where they were at this time last year. Mr. Stansbury said they had a draft of the audit but were still waiting on the waiver letter from the bank. As for their strategic goals, Mr. Stansbury noted that the hospital staff continues to focus on improving the billing processes, and they had several plans in place. Hopefully, all billing would be back in-house by September 1. Mr. Stansbury also provided a Medicare Part A analysis, informed the Board that the mobile clinic averages about six patients per day, and touched on a few of the hospital's long-term goals.

After reviewing the Hugo Fire Protection District's request for the renewal of their ambulance license, Mr. Stone made a motion to adopt a resolution renewing the license. Mr. Burgess seconded the motion, which carried unanimously.

At a regular meeting of the Board of County Commissioners of Lincoln County, Colorado held in Hugo, Colorado on July 30, 2019, there were present:

Ed E. Schiffers, Chairman

Present

Steve Burgess, Vice Chairman	Present
Douglas D. Stone, Commissioner	Present
Stan Kimble, County Attorney	Absent & Excused
Corinne Lengel, Clerk of the Board	Present
Jacob Piper, County Administrator	Present

when the following proceedings, among others, were had and done, to-wit:

RESOLUTION #989 It was moved by Commissioner Stone and seconded by Commissioner Burgess to adopt the following resolution:

WHEREAS, pursuant to the Colorado Emergency Medical Services Act, Section 25-3.5.101, et seq., C.R.S., the Board of County Commissioners has the authority to establish requirements for the inspection, licensure, and operation of ambulance services, ambulance personnel, and ambulance vehicles operating in the county; and

WHEREAS, the Lincoln County Commissioners adopted Resolution #651 and thereby established rules and regulations governing the licensure of ambulance services operating within Lincoln County; and

WHEREAS, the Hugo Fire Protection District Ambulance Service has presented the Board of County Commissioners with an application to license the ambulance service and to permit their ambulances as basic life support vehicles; and

WHEREAS, upon review the Board of County Commissioners determined that the documentation presented met the rules and regulations established under Resolution #651;

NOW, THEREFORE BE IT RESOLVED by the Board of County Commissioners of Lincoln County that the Hugo Fire Protection District Ambulance Service is hereby authorized to provide ambulance service in Lincoln County with basic life support ambulances.

Upon roll call the vote was:

Commissioner Schiffers, Yes; Commissioner Burgess, Yes; Commissioner Stone, Yes.

The Chairman declared the motion carried and so ordered.

Board of County Commissioners
of Lincoln County

ATTEST:

Clerk of the Board

Mr. Schiffers called for other business, and Mr. Burgess said he'd received a letter requesting contributions for the annual Ports-to-Plains conference. The county has customarily split \$1,000 with the Town of Limon. Mr. Burgess said that if it were acceptable to the others, he'd contact the town and ask if they wanted to do it again.

Also, Mr. Burgess looked into getting some trailers and got a few prices from different companies.

The commissioners approved the July payroll and several expense vouchers, and then with no further business to come before the Board, Mr. Schiffers adjourned the meeting at 3:00 p.m.

Corinne M. Lengel, Clerk to the Board

Ed E. Schiffers, Chairman