

**STAFF MEETING MINUTES  
LANCASTER COUNTY BOARD OF COMMISSIONERS  
COUNTY-CITY BUILDING, ROOM 113  
TUESDAY, JANUARY 23, 2007  
8:00 A.M.**

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

Others Present: Kerry Eagan, Chief Administrative Officer  
Gwen Thorpe, Deputy Chief Administrative Officer  
Dan Nolte, County Clerk  
Ann Taylor, County Clerk's Office

The Chair opened the meeting at 8:01 a.m.

**AGENDA ITEM**

**1 APPROVAL OF MINUTES OF THE STAFF MEETING MINUTES OF THURSDAY, JANUARY 18, 2007**

**MOTION:** Stevens moved and Heier seconded approval of the Staff Meeting minutes dated January 18, 2007. Hudkins, Stevens, Workman, Heier and Schorr voted aye. Motion carried.

**2 ADDITIONS TO THE AGENDA**

None were stated.

**3 CONSIDERATION OF FACILITY AND FUNDING OPTIONS FOR NEW CORRECTIONAL FACILITY** - Mike Thurber, Corrections Director; Lauren Wismer, Gilmore & Bell PC; Scott Keene, Ameritas Investment Corporation; Dennis Meyer, Budget and Fiscal Officer; Vince Mejer, Purchasing Agent; Don Killeen, County Property Manager

Mike Thurber, Corrections Director, said the Consulting Study Team of The Clark Enersen Partners; Carlson West Povondra, Architects; and Chinn Planning Inc. has presented the 2006 Pre-Architectural Jail Study for the Lancaster County Department of Corrections (a copy is on file in the County Clerk's Office) and three concept alternatives (see October 24, 2006 Staff Meeting minutes):

- \* Option A - Single-Site Jail (Expansion at 10<sup>th</sup> & J Street)
- \* Option B - Two-Site Jail (10<sup>th</sup> & J Street, Plus Remote Site)
- \* Option C - Single-Site Jail (Remote Site Jail, Convert Existing Jail to Other Use)

**MOTION:** Heier moved and Hudkins seconded to adopt Option C.

It was noted that part of the existing facility may be used as a staging area to service the courts.

Schorr questioned whether the timetable for implementation is reasonable (see Page 7-3).

Thurber said he believes it is, provided there are no delays.

Vince Mejer, Purchasing Agent, stated that the project is already a month behind schedule.

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

The Board discussed whether to proceed with a Request for Proposals (RFP) for land acquisition or to ask Don Killeen, County Property Manager to find a site. A preference was indicated for utilizing Killeen's services. Board members also expressed interest in negotiating with the top bidders.

Stevens asked that consideration also be given to leasing land on a long-term basis, noting the Lincoln Airport Authority has several sites of adequate size available.

Killeen suggested that the Board ask Dennis Scheer, The Clark Enersen Partners, to analyze the sites.

Mejer recommended that the Board extend the contract with The Clark Enersen Partners and establish a fee for their involvement in the process.

**MOTION:** Hudkins moved and Schorr seconded to authorize Don Killeen, County Property Manager, to institute the process, in concert with Mike Thurber, Corrections Director, and Vince Mejer, Purchasing Agent, to negotiate a contract with The Clark Enersen Partners to analyze possible sites. Schorr, Heier, Workman, Stevens and Hudkins voted aye. Motion carried.

Lauren Wismer, Gilmore & Bell PC, and Scott Keene, Ameritas Investment Corporation, discussed funding options (see Pages 7-2 and 7-3):

- Option 1: Leasing Corporation.** Bonds could be issued on behalf of Lancaster County by the Lancaster County Leasing Corporation, a non-profit corporation created for such purposes. The County would then enter into a long-term lease agreement with the corporation to secure the bonds issued on its behalf. Depending on the County's financial situation and certain budget and levy limitations currently under review by Gilmore & Bell, this financing option may, or may not, permit financing the entire amount of the project. No vote of the electorate is required under this option.
- Option 2: Public Building Corporation (PBC).** Bonds could be issued through the Lincoln-Lancaster County Public Building Corporation (PBC) using the same type of documents and commitments among the City, the County and the PBC used for previous PBC transactions. Provisions such as the sharing of operating costs and debt service payments would have to be agreed to by the parties. As with the first option, the County's financial circumstances and budget and levy limitation may impact the ability to finance the entire project. No vote of the electorate is required under this option.
- Option 3: Interlocal Cooperation Act.** Bonds could be issued through an entity created under the Interlocal Cooperation Act by Lancaster County and another governmental entity, such as the City of Lincoln, as obligor. This method is similar to using the PBC, except that the County and City would have greater flexibility with levy limitations, making it more likely that the entire project could be financed through this method. No vote of the electorate is required under this option.
- Option 4: Bond Election.** The bonds could be submitted to a vote of the electorate. This would allow for the lowest possible borrowing rates because the resulting levy would not have any limitations. The entire project could be financed, over any maturity term, at interest rates that could be 5 to 25 basis points (5 to 25 one-hundredths of a percent) lower than the other options.

Keene explained that financing does not need to be up-front. The County could use the General Fund to pay for ongoing expenses, such as site analysis, consultants, site acquisition and architectural expenses. The Board could then approve a reimbursement resolution to pay the County back from bond proceeds or lease financing. Interim financing is also an option, although it is not recommended.

In response to a question from Hudkins, Wismer said a combination of funding options could be used.

Wismer noted that the County has a 5.2 cent levy that is limited to ten years. He said the levy would not be sufficient to fully fund the facility, so there would need to be another source of funds. One option would be to use the 5.2 cent levy to acquire the land and have the Leasing Corporation construct the facility.

Keene cautioned that there will need to be a "cushion" if the 5.2 cent levy is used, in case there is a decrease in valuation and said if the Leasing Corporation option is used, the Board will need to consider the budget impact in future years as operating costs and debt service are rolled in.

Heier asked whether bond proceeds could be used to redo the existing facility.

Wismer said they could.

Option 2 was discussed and Killeen asked how the Leasing Corporation and PBC rates would match up.

Keene said it would depend on the dollar amount and how close it is to the lid limitations. It would probably improve the PBC's borrowing rate, but the City would be sharing some of the operating costs, as well as some repayment of the debt.

Wismer added that it would change how the City and County deal with City prisoners.

Hudkins asked whether Option 3 would count against the City's levy authority, if the City is the interlocal agreement partner.

Wismer said it would not, except to the extent that the City might want to use part of its levy authority to make its share of the payments under the interlocal cooperation agreement.

Option 4 was also discussed. It was suggested that the ballot language be crafted to explain the need for the project and to give voters a vote on the financing method, rather than the project.

Schorr asked whether the County could proceed with the project schedule if there is a decision to proceed with a bond election.

Wismer said yes, stating the reimbursement resolution can be prepared so that funds the County advances can be recovered through whatever method the County ultimately selects to build the facility.

Stevens noted that the cost estimate for Option C was broken-down into four different categories (see Page 6-18) and said the Board could look at financing each separately. He suggested that the Board ask for a recommendation on the most effective way to finance each cost area.

Keene said any one of the costs could be paid for, in all or part, by any of the four financing methodologies. He said the major issues on the first three options will be lid limitations. Keene said he and Wismer will continue to research that issue and look at the options and will bring a report back to the Board.

**MOTION:** Heier moved and Hudkins seconded to proceed with the bond election process.

Eagan noted that the Nebraska Political Accountability and Disclosure Act limits Board participation in an election.

**FRIENDLY AMENDMENT:** Schorr moved and Hudkins seconded to offer a friendly amendment to pursue offering financing method options for voters as opposed to a vote on the project.

The maker of the motion and the seconder accepted the friendly amendment.

Stevens requested a layout of general parameters (amounts, rates and lengths of terms).

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

Hudkins stated that the Board needs to consult the architects and make sure that the bonds are sized properly.

**MOTION:** Heier moved and Schorr seconded to direct Vince Mejer, Purchasing Agent, to prepare a Request for Proposals (RFP) for architectural and engineering design. Hudkins, Stevens, Workman, Heier and Schorr voted aye. Motion carried.

Board consensus was to schedule discussion of when to hold the bond election and the costs with Dave Shively, Election Commissioner, on the January 25, 2007 Staff Meeting agenda.

#### **4 ACTION ITEMS**

- A. Approval of Wells Fargo Corporate Card Application

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

## **5 ADMINISTRATIVE OFFICER REPORT**

- A. Invitation to Vince Mejer, Purchasing Agent, to Facilitate Cooperative Purchasing Discussion at the Nebraska Association of County Officials (NACO) County Board Workshop (February 8, 2007)

Eagan indicated that NACO will pay Mejer's expenses.

## **6 ADJOURNMENT**

**MOTION:** Stevens moved and Hudkins seconded to adjourn the meeting at 9:25 a.m. Hudkins, Stevens, Workman, Heier and Schorr voted aye. Motion carried.

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Dan Nolte  
Lancaster County Clerk