

**STAFF MEETING MINUTES  
LANCASTER COUNTY BOARD OF COMMISSIONERS  
COUNTY-CITY BUILDING, ROOM 113  
THURSDAY, MAY 29, 2008  
8:30 A.M.**

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

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

The Chair opened the meeting at 8:33 a.m.

**AGENDA ITEM**

**1 APPROVAL OF THE STAFF MEETING MINUTES OF THURSDAY,  
MAY 22, 2008**

Item was held.

**2 ADDITIONS TO AGENDA**

- A. Girls State
- B. Recording of Board of Equalization (BOE) Meetings
- C. Report on Lincoln Chamber of Commerce Public Policy Meeting
- D. Letter from Nebraska Minority Justice Committee (Exhibit A)

**MOTION:** Schorr moved and Stevens seconded approval of the additions to the agenda. Hudkins, Schorr, Stevens, Workman and Heier voted aye. Motion carried.

**3 JAIL FINANCING OPTIONS - Scott Keene, Ameritas Investment Corporation; Dennis Meyer, Budget and Fiscal Officer; Lauren Wismer, Gilmore & Bell PC (Bond Counsel)**

Scott Keene, Ameritas Investment Corporation, presented a revised analysis of financing options (Exhibit B):

- 1) Limited Tax Bonds Under Nebraska Revised Statute §23-120 (using only 5.2 cents for 10 years)
  - \* Using 90% of 5.2 cents levy to fund existing obligations plus the jail project would fund only \$63 million of construction (with a 4.12 cent levy)
  - \* Would require additional cash contribution or additional Public Building Commission (PBC) financing to complete a \$65 million project
  - \* Would prevent the County from using §23-120 for other projects
  - \* Would require the highest relative interest rates or insurance premiums due to additional risk associated with 5.2 cent levy limit
- 2) Limited Tax Bonds under §23-120 (using both levies under the statute)
  - \* Would maintain additional flexibility for County to use §23-120 for other projects
  - \* Would not require any participation by PBC
  - \* Would likely allow for slightly lower relative interest rates due to additional room under 5.2 cents (depending on maturity selected)

25-Year Final Maturity

- \* Requires \$6.14 million levy for 10 years (3.37 cents) and \$2.0 million levy for additional 15 years (1.10 cents)
- \* Average life of bond issue is 10.0 years

Principal and interest payments would total \$91 million over the life of the bond (4.22% interest rate).

20-Year Final Maturity

- \* Requires \$6.52 million levy for 10 years (3.58 cents) and \$2.0 million levy for additional 10 years (1.10 cents)
- \* Average life of bond issue is 8.2 years

Principal and interest payments would total \$85 million over the life of the bond (4.02% interest rate).

15-Year Final Maturity

- \* Requires \$7.03 million levy for 10 years (3.86 cents) and \$2.0 million levy for additional 5 years (1.10 cents)
- \* Average life of bond issue is 6.7 years

Principal and interest payments would total \$80 million over the life of the bond (3.78% interest rate).

Keene said the present value of all three options is \$65 million.

In response to a question from Heier, Keene said bonding insurance becomes more important when the term is in the 20 year range because the County would be getting close to the 5.2 cent levy limit. He said the Board could bifurcate the bond issue and insure a portion.

**4 CALL OF LANCASTER MANOR LEASING CORPORATION BONDS FOR LANCASTER MANOR** - Lauren Wismer, Gilmore & Bell PC (Bond Counsel); Scott Keene, Ameritas Investment Corporation; Dennis Meyer, Budget and Fiscal Officer

Lauren Wismer, Gilmore & Bell PC (Bond Counsel), presented a draft of a resolution calling for redemption of all outstanding Lancaster County Leasing Corporation tax supported lease-rental refunding bonds (Lancaster Manor Project) (Exhibit C).

Board consensus was to convene the Lancaster County Leasing Corporation on June 3, 2008 for the purpose of adopting the resolution.

**RETURNING TO ITEM 3**

Keene reviewed options for Public Building Commission (PBC) financing:

25-Year Final Maturity

Principal and interest payments would total \$107 million (4.48 % interest rate). A 2.35 cent levy would be required.

20-Year Final Maturity

Principal and interest payments would total \$97 million (4.3 % interest rate). A 2.66 cent levy would be required.

15-Year Final Maturity

Principal and interest payments would total \$88 million (4.15% interest rate). A 3.2 cent levy would be required.

Stevens noted the County would be capitalizing on what the City is currently paying for operating costs.

Keene said that is correct and said once the City's lease with the PBC expires the City's payments would revert back to operating payments.

Don Herz, City Finance Director, appeared and said the lease payments would essentially become a capitalized lease and would be reflected as a debt obligation on the City's books. He said the City would want to offset the lease with an asset while the lease operations are outstanding.

Heier asked whether that would apply if the lease went through the PBC.

Herz said it would.

Keene said the PBC would issue the bonds. Leases would run between the PBC and the County and City obligating both parties to be making the lease payments to the PBC in an amount sufficient to make the debt service payments on the bonds.

Schorr asked Herz whether capitalizing the expenses would have implications for the City's bond rating.

Herz said he does not foresee that happening as it would basically be a "wash" for the City.

It was noted the City, Mayor, County and Public Building Commission must agree to the lease arrangement.

Board consensus was to present the information to the City-County Common and PBC at their next meetings.

**5 PURCHASING INFORMAL BID THRESHOLD** - Vince Mejer, Purchasing Agent; Bob Walla, Assistant Purchasing Agent

Discussion took place on whether to increase the informal bid threshold.

Ron Fetters, Lancaster Manor Administrator, appeared and said the current threshold of \$1,500 is constraining and suggested it be raised to \$5,000.

Hudkins said a number of departments have indicated the threshold is too low.

Vince Mejer, Purchasing Agent, said there are currently 200 to 300 contracts set up for departments to purchase products. He said the threshold is for items not under contract and said those occurrences are rare. Mejer recommended against raising the limit.

Bob Walla, Assistant Purchasing Agent, distributed a handout detailing recent direct purchases by departments (Exhibit D).

Mejer said it is less expensive to purchase items such as linens for Lancaster Manor through an annual bid and explained the purchases do not have to be on a regular basis. He said splitting up regular purchases to stay under the threshold is a violation of the County Purchasing Act.

Fetters said it had not been the practice at the Manor to use contracts for purchases and said he is trying to educate staff.

Schorr suggested there may be a need to analyze the Manor's expenses to see where there are problems.

**MOTION:** Stevens moved to maintain the current informal bid threshold.

There was no second and the maker of the motion withdrew his motion.

Additional discussion followed with general consensus to maintain the current informal bid threshold.

**6 MULTI-COUNTY TABLETOP EXERCISE** - Doug Ahlberg, Emergency Management Director

Doug Ahlberg, Emergency Management Director, invited Board members to participate in a multi-county tabletop exercise in Hallam, Nebraska on June 28th.

Hudkins and Heier said they will participate in the exercise.

**ADDITIONS TO AGENDA**

A. Girls State

The Vice Chair agreed to meet with participants.

B. Recording of Board of Equalization (BOE) Meetings

Stevens reported 5-City TV is broadcasting the County Board of Equalization Meetings. He said a 5-City Tv intern did not understand the process and stopped the video tape before conclusion of last Tuesday's meeting. The intern also inadvertently overrode part of the audio tape.

Dan Nolte, County Clerk, said his office also keeps written notes and was able to prepare minutes of the meeting.

Stevens said 5-City TV does not tape the greenbelt or property valuation protest hearings but would be willing to do in a digital format for a charge. He said the County Assessor's Office has informed him that would not satisfy legal requirements.

Nolte said his office tapes those proceedings.

C. Report on Lincoln Chamber of Commerce Public Policy Meeting

Stevens said Richard Baier, Nebraska Department of Economic Development (DED) Director, was the speaker and said he indicated the economic outlook for Nebraska is stable.

D. Letter from Nebraska Minority Justice Committee (Exhibit A)

Board consensus was to notify the Nebraska Minority Justice Committee the County has an Equal Employment Opportunity (EEO) Policy in place.

**7 ACTION ITEMS**

A. Public Employer Retirement Plan Annual Report

**MOTION:** Schorr moved and Hudkins seconded to authorize signature by the Chair. Heier, Workman, Stevens, Schorr and Hudkins voted aye. Motion carried.

B. Extension of Violence Against Women Act (VAWA) Grant from August 31, 2008 to December 31, 2008

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

C. Grant Application for \$60,000 Planning Grant to Governor's Strategic Prevention Framework Program (Exhibit E)

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

**8 ADMINISTRATIVE OFFICER REPORT**

A. Southwest 40<sup>th</sup> Street Farming by Tenant

Heier said he will contact the tenant to gauge whether he is interested in farming the parcel this year. The terms would be no rent and no reimbursement for crop damages if work commences on the jail site.

## 9 DISCUSSION OF BOARD MEMBER MEETINGS

### A. Lancaster Manor Advisory Committee - Hudkins

Hudkins said contracting for Medicaid billing was discussed.

### B. Visitors Promotion Committee (VPC) - Stevens

Stevens said he was unable to attend the meeting.

### C. Department Budget Hearings

No report.

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

Stevens and Schorr reported there was discussion of the budget and the implications of the vote on the jail bond issue.

### E. Monthly Meeting of County Board Chair, Vice Chair and Mayor - Workman, Heier

Heier said financing options for the new jail were discussed.

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

Stevens said discussion focused on Emergency Protective Custody (EPC) and said the Lincoln Regional Center (LRC) has agreed to honor the "gentlemen's agreement" it has to meet acute care bed needs for Region V.

## 10 ADJOURNMENT

**MOTION:** Schorr moved and Stevens seconded to adjourn the meeting at 10:32 a.m. Heier, Workman, Stevens, Schorr and Hudkins voted aye. Motion carried.

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Dan Nolte  
Lancaster County Clerk