

**STAFF MEETING MINUTES
LANCASTER COUNTY BOARD OF COMMISSIONERS
COUNTY-CITY BUILDING, ROOM 113
THURSDAY, SEPTEMBER 3, 2013
11:15 A.M.**

Commissioners Present: Larry Hudkins, Chair
Brent Smoyer, Vice Chair
Deb Schorr
Jane Raybould

Commissioners Absent: Roma Amundson

Others Present: Kerry Eagan, Chief Administrative Officer
Gwen Thorpe, Deputy Chief Administrative Officer
Dan Nolte, County Clerk
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 August 30, 2013

The Chair noted the location of the Open Meetings Act and opened the meeting at 11:15 a.m.

AGENDA ITEM

1 APPROVAL OF THE STAFF MEETING MINUTES OF AUGUST 29, 2013

The minutes were not available.

2 ADDITIONS TO THE AGENDA

None were stated.

3 INTRODUCTION OF SHELLY HAMMOND, AUDITOR (ALLEN, GIBBS & HOULIK (AGH), L.C.) - Dennis Meyer, Budget and Fiscal Officer

Dennis Meyer, Budget and Fiscal Officer, introduced Shelly Hammond, an Auditor with Allen, Gibbs & Houlik (AGH), L. C., Certified Public Accountants (CPA's) and Advisors, which is located in Wichita, Kansas.

Hammond oversees her firm's public sector practice, which she said comprises 40 percent of their practice.

Schorr asked whether AGH has provided auditing services to any other counties or municipalities in Nebraska. Hammond said no, Lancaster County is the first. She said Sedgwick, Wyandotte, Johnson Counties are the largest counties they have served in Kansas.

Hammond also presented a letter detailing the planned scope and timing of their audit of the financial statement of Lancaster County, Community Mental Health Center (CMHC), Lancaster County Correctional Facility Joint Public Agency (JPA), and Lincoln/Lancaster County Public Building Commission (collectively, the County) as of and for the year ending June 30, 2013 (Exhibit A).

Raybould noted that the County is looking at moving to a biennial budget and asked whether any of the counties AGH has worked with have biennial budgets. Hammond said no, that is not an option in Kansas.

4 MIDTOWN CENTER LEASE - Don Killeen, County Property Manager

Don Killeen, County Property Manager, said he has negotiated a one-year lease with CenterPointe, Inc. for the Midtown Center in the amount of \$7.50 per square foot. He noted that the appraiser's comparables were more of a traditional triple net in which the lessor pays insurance, shell expenses, etc. Killeen said the County will only be responsible for major structural issues under the terms that were negotiated. He said CenterPointe will have to notify the Board if it decides to install a sprinkler system to increase capacity, as it would increase the value of the property.

Schorr asked whether the County could sell the property before the lease expires. Killeen said yes, but the lease would remain in effect. Kerry Eagan, Chief Administrative Officer, noted the Request for Proposal (RFP) for transition of services stated the new providers would be allowed to remain in the facilities for two years. He said a sale would be subject to the provider's right to occupy the facility. Killeen said CenterPointe has indicated it might consider a purchase at a later date. The County would have to follow the surplus property process.

There was consensus to authorize the County Attorney's Office to draft a lease with CenterPointe, as outlined.

Schorr exited the meeting at 11:37 a.m.

DISCUSSION OF BOARD MEMBER MEETINGS

A. Lincoln Metropolitan Planning Organization (MPO) - Hudkins, Smoyer

Hudkins said the meeting was routine in nature.

B. Lancaster County Fairgrounds Joint Public Agency (JPA) - Hudkins, Smoyer

Smoyer said they approved the budget and tax request. He noted Ron Snover, Lancaster Event Center Managing Director, has announced he will retire at the end of the year and said the JPA discussed management options.

Hudkins reported that the Lancaster County SuperFair came close to breaking even this year.

Schorr returned to the meeting at 11:39 a.m.

5 PIONEERS PARK/PINEWOOD BOWL VISITORS IMPROVEMENT FUND REQUEST - Jeff Maul, Lincoln Convention and Visitors Bureau (CVB) Executive Director; Julie Lattimer, Visitors Promotion Committee (VPC) Chair; Lynn Johnson, Parks & Recreation Director; Jerry Shorney, Superintendent of Parks/Operations

Lynn Johnson, Lincoln Parks & Recreation Director, gave a presentation on the City's request to the Visitors Promotion Committee (VPC) for \$300,000 from the Visitors Improvement Fund to assist with improvements (additional parking areas, new roadways to access parking areas, and an automated irrigation system) to support events at Pioneers Park, particularly events held at the Pinewood Bowl outdoor amphitheater (Exhibit B). He said additional parking areas are needed to support larger events and an expanded season for Pinewood Bowl. Johnson said a significant number of individuals outside of Lincoln attend events at Pinewood Bowl and that number is anticipated to grow with additional marketing. He said they would like to construct asphalt roadways to open up additional grass parking areas, with use of those parking areas rotated to allow the grass to regenerate. Other options have been explored, such as shuttles from satellite parking locations, but it was felt the shuttles would get mixed in with the traffic circulation.

Hudkins, who is a member of the Parks and Recreation Advisory Board, said there are plans to charge for parking. Johnson said that will be an important piece of the revenue stream that SMG (entertainment company) will use to help support the events. The fee, \$5.00 per vehicle, will only be charged for SMG events. Schorr expressed concern that some individuals may park on the county roads and walk in to avoid paying the fee.

Johnson said the total projected cost is \$403,000 which will fund Roadway Segment 1, which will provide access to Parking Area C; Roadway Segment 2, which will provide access to Parking Areas D and E; and a mobile irrigation system for the grass parking areas (see Exhibit C). Other funding sources (Parks and Recreation Departments Capital Improvement Program (CIP), Lincoln Parks Foundation, SMG, Pinewood Bowl Inc., and the Women's Chamber of Commerce) total \$103,000.

Julie Lattimer, VPC Chair, said the VPC looked at a number of factors, including attendance at events, the percentage of attendees from outside of Lancaster and Douglas Counties; potential to attract additional events/visitors; marketing plan, and budget, and has recommended that the County match the amount generated by the other funding sources (\$103,000) to fund Roadway Segment 2 and the irrigation system.

Raybould expressed concern that Roadway Segment 1 would mar the pristine look of that portion of the park.

Schorr asked Johnson whether he has talked to Friends of Pioneers Park's Nature Center about the proposal. Johnson said he has not. Hudkins encouraged Johnson to also update the Southwest Business Association.

Schorr inquired about the Visitors Improvement Fund balance. Dennis Meyer, Budget and Fiscal Officer, said the balance was \$1,700,000 at the end of August. Allocations are as follows: \$500,000 a year, for three more years, for the Pinnacle Bank Arena; \$400,000 a year, for four more years, for the Lancaster Event Center; \$500,000 for Centennial Mall, \$300,000 for Helen Boosalis Trail; and \$68,500 for the Audubon Spring Creek Prairie. He noted there will also be allocations for Visitors Improvement Fund grants (up to \$10,000) and bid fee requests from the Lincoln Convention and Visitors Bureau (CVB). He projected that the County will collect \$1,000,000 to \$1,500,000 in Visitor Improvement Fund revenues on an annual basis.

Schorr expressed concern about what other projects might come forward. Jeff Maul, CVB Executive Director, said that was a concern for the VPC as well and said he provided the VPC with a five-year plan of what the various tourist attractions have projected. Eagan said he believes this is the City's priority project.

Raybould asked whether the City would proceed with Roadway Segment 1 if the Board follows the VPC's recommendation. Johnson felt the City would monitor Roadway Segment 2 and see whether Roadway Segment 1 is still needed. He added Roadway Segment 1 would be an advantage in terms of bringing road races to the park, noting there are few places in the County with that type of topography. Lattimer concurred and said she believes there is huge potential for road races, both bike and running.

MOTION: Raybould moved and Smoyer seconded to proceed with a contract with the City of Lincoln, on behalf of Lincoln Parks and Recreation, for one half of the project costs for Roadway Segment 2 and the irrigation system, not to exceed \$103,000. Raybould, Smoyer, Schorr and Hudkins voted aye. Amundson was absent from voting. Motion carried 4-0.

Smoyer exited the meeting at 12:30 p.m.

6 ACTION ITEMS

There were no action items.

7 CONSENT ITEMS

There were no consent items.

8 ADMINISTRATIVE OFFICER REPORT

A. Community Mental Health Center (CMHC) Transition Expenses

Discussion took place regarding the transition budget Lutheran Family Services (LFS) has submitted (see August 29, 2013 Staff Meeting minutes).

Gwen Thorpe, Deputy Chief Administrative Officer, reported that LFS will be able to use the telephone system, so that expense can be eliminated, and said she believes the amount shown for desktop computers may be inaccurate. She added that LFS has included marketing expenses which the County cannot pay.

Raybould felt the Board should indicate how much it is willing to provide LFS for transition expenses and leave it to LFS to prioritize their needs.

Smoyer returned to the meeting at 12:34 p.m.

MOTION: Schorr moved and Smoyer seconded to authorize up to \$250,000 for Lutheran Family Services (LFS) out of the amount that was allocated for the transition of community behavioral health services from the Community Mental Health Center (CMHC) to a new providers. Schorr, Smoyer, Raybould and Hudkins voted aye. Amundson was absent from voting. Motion carried 5-0.

9 PENDING

There were no pending items.

10 DISCUSSION OF BOARD MEMBER MEETINGS

- A. Lincoln Metropolitan Planning Organization (MPO) - Hudkins, Smoyer
- B. Lancaster County Fairgrounds Joint Public Agency (JPA) - Hudkins, Smoyer

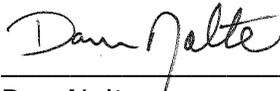
Items A and B were moved forward on the agenda.

11 EMERGENCY ITEMS AND OTHER BUSINESS

There were no emergency items or other business.

12 ADJOURNMENT

MOTION: Smoyer moved and Raybould seconded to adjourn the meeting at 12:39 p.m. Raybould, Smoyer, Schorr and Hudkins voted aye. Amundson was absent from voting. Motion carried 4-0.



Dan Nolte
Lancaster County Clerk



July 30, 2013

Board of Commissioners
Lancaster County
555 South 10th Street, Room 110
Lincoln Nebraska 68508

AGH
Allen, Gibbs & Houlik, L.C.
CPAs & Advisors

Dear Commissioners:

This letter is intended to communicate certain matters related to the planned scope and timing of our audit of the financial statement of Lancaster County, the Community Mental Health Center of Lancaster County, Lancaster County Correctional Facility Joint Public Agency, and the Lincoln/Lancaster County Public Building Commission (collectively, the County) as of and for the year ended June 30, 2013.

Communication

Effective two-way communication between our firm and the governing body of each organization listed in the first paragraph above is important to understanding matters related to the audit and in developing a constructive working relationship.

Your insights may assist us in understanding the County and its environment, in identifying appropriate sources of audit evidence, and in providing information about specific transactions or events. We will discuss with you your oversight of the effectiveness of internal control and any areas where you request additional procedures to be undertaken. We expect that you will timely communicate with us any matters you consider relevant to the audit. Such matters might include strategic decisions that may significantly affect the nature, timing, and extent of audit procedures, your suspicion or detection of fraud, or any concerns you may have about the integrity or competence of senior management.

We will timely communicate to you any fraud involving senior management and other fraud that causes a material misstatement of the financial statements, instances of noncompliance with laws and regulations that come to our attention (unless they are clearly inconsequential), and disagreements with management and other serious difficulties encountered in performing the audit. We will also communicate to you and to management any significant deficiencies or material weaknesses in internal control that become known to us during the course of the audit. Other matters arising from the audit that are, in our professional judgment, significant and relevant to you in your oversight of the financial reporting process will be communicated to you in writing after the audit.

Independence

Our independence policies and procedures are designed to provide reasonable assurance that our firm and its personnel comply with applicable professional independence standards. Our policies address financial interests, business and family relationships, and non-audit services that may be thought to bear on independence. For example, without our permission no partner or professional employee of Allen, Gibbs & Houlik, L.C. (AGH) is permitted to have any direct financial interest or a material indirect financial interest in a client or any affiliates of a client.

Also, if an immediate family member or close relative of a partner or professional employee is employed by a client in a key position, the incident must be reported and resolved in accordance with firm policy. In addition, our policies restrict certain non-audit services that may be provided by AGH and require audit clients to accept certain responsibilities in connection with the provision of permitted non-attest services.

The Audit Planning Process

Our audit approach places a strong emphasis on obtaining an understanding of how your business functions. This enables us to identify key audit components and tailor our procedures to the unique aspects of your business. The development of a specific audit plan will begin by meeting with you and with management to obtain an understanding of your business objectives, strategies, risks, and performance.

As part of obtaining an understanding of your business and its environment, we will obtain an understanding of internal control. We will use this understanding to identify risks of material misstatement, which will provide us with a basis for designing and implementing responses to the assessed risks of material misstatement. We will also obtain an understanding of the users of the financial statements in order to establish an overall materiality level for audit purposes. We will conduct formal discussions among engagement team members to consider how and where your financial statements might be susceptible to material misstatement due to fraud or error.

Similar assessment will also be made relative to compliance with laws, regulations, and provisions of contracts and grant agreements.

The Concept of Materiality in Planning and Executing the Audit

We apply the concept of materiality both in planning and performing the audit, evaluating the effect of identified misstatements on the audit, and the effect of uncorrected misstatements, if any, on the financial statements, and in forming the opinion in our report. Our determination of materiality is a matter of professional judgment and is affected by our perception of the financial information needs of users of the financial statements. We establish performance materiality at an amount less than materiality for the financial statements as a whole to allow for the risk of misstatements that may not be detected by the audit. We use performance materiality for purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures. Our assessment of materiality throughout the audit will be based on both quantitative and qualitative considerations. Because of the interaction of quantitative and qualitative considerations, misstatements of a relatively small amount could have a material effect on the current financial statements as well as financial statements of future periods. We will accumulate misstatements identified during the audit, other than those that are clearly trivial. At the end of the audit, we will inform you of all individual unrecorded misstatements aggregated by us in connection with our evaluation of our audit test results.

Our Approach to Internal Control Relevant to the Audit

Our audit of the financial statements will include obtaining an understanding of internal control sufficient to plan the audit and to determine the nature, timing and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Our review and understanding of the Company's internal control is not undertaken for the purpose of expressing an opinion on the effectiveness of internal control.

We will issue reports on internal control related to the financial statements and major programs. These reports describe the scope of testing of internal control and the results of our tests of internal controls. Our reports on internal control will include any significant deficiencies and material weaknesses in the system, of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with the requirements of the Government Auditing Standards issued by the Comptroller General of the United States, the Single Audit Act, and the U.S. Office of Management and Budget, (OMB) Circular No. A-133.

We will issue reports on compliance with laws, regulations, and the provisions of contracts or grant agreements. We will report on any noncompliance which could have a material effect on the financial statements and any noncompliance which could have a direct and material effect on each major program. Our reports on compliance will address material errors, fraud, abuse, violations of compliance requirements, and other responsibilities imposed by state and federal statutes and regulations and assumed contracts; and any state or federal grant, entitlement or loan program questioned costs of which we become aware, consistent with the requirements of the standards and circular identified above.

Timing of the Audit

We have scheduled the preliminary audit fieldwork for all entities the week of September 2, 2013. We have scheduled the Community Mental Health Center's final field work for the week of September 2, 2013, with final field work commencing the week of October 21, 2013 for all other entities. Management's adherence to its closing schedule and timely completion of information used by us in performance of the audit is essential to timely completion of the audit.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to be of service to Lancaster County.

This communication is intended solely for the information and use of the Board of Commissioners and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

ALLEN, GIBBS & HOULIK, L.C.



Shelly L. Hammond
Vice President, Assurance Services

SLH:skb

cc: Mr. Kerry Eagan, Chief Administrative Officer
Mr. Dennis Meyer, Budget & Fiscal Director
Board of the Lancaster County Correctional Facility Joint Public Agency
Board of the Public Building Commission
Mr. Don Killeen, Building Commission Administrator



Additional Parking for Lincoln's Pinewood Bowl

A proposal to the Visitor
Promotions Committee
August 19, 2013

Parking for Pinewood Bowl



Pinewood Bowl in Lincoln's historic Pioneers Park is an outdoor amphitheater with a capacity of more than 5,000 spectators. Parking for performances in Pinewood Bowl is on lawn areas within the park. The current capacity of parking areas is about 1,700 cars. New roadways for access to additional parking areas is needed to support larger events and an expanded season in Pinewood Bowl.

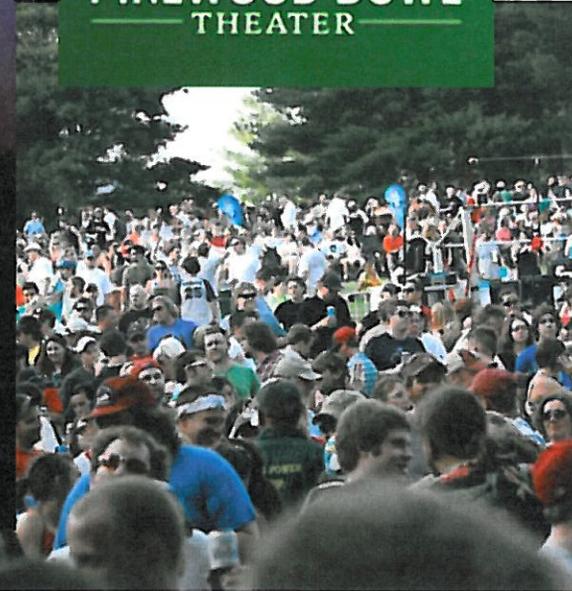
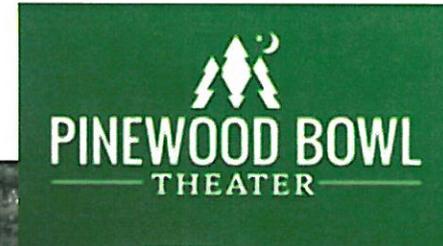
Parking for Pinewood Bowl




PINEWOOD BOWL
THEATER

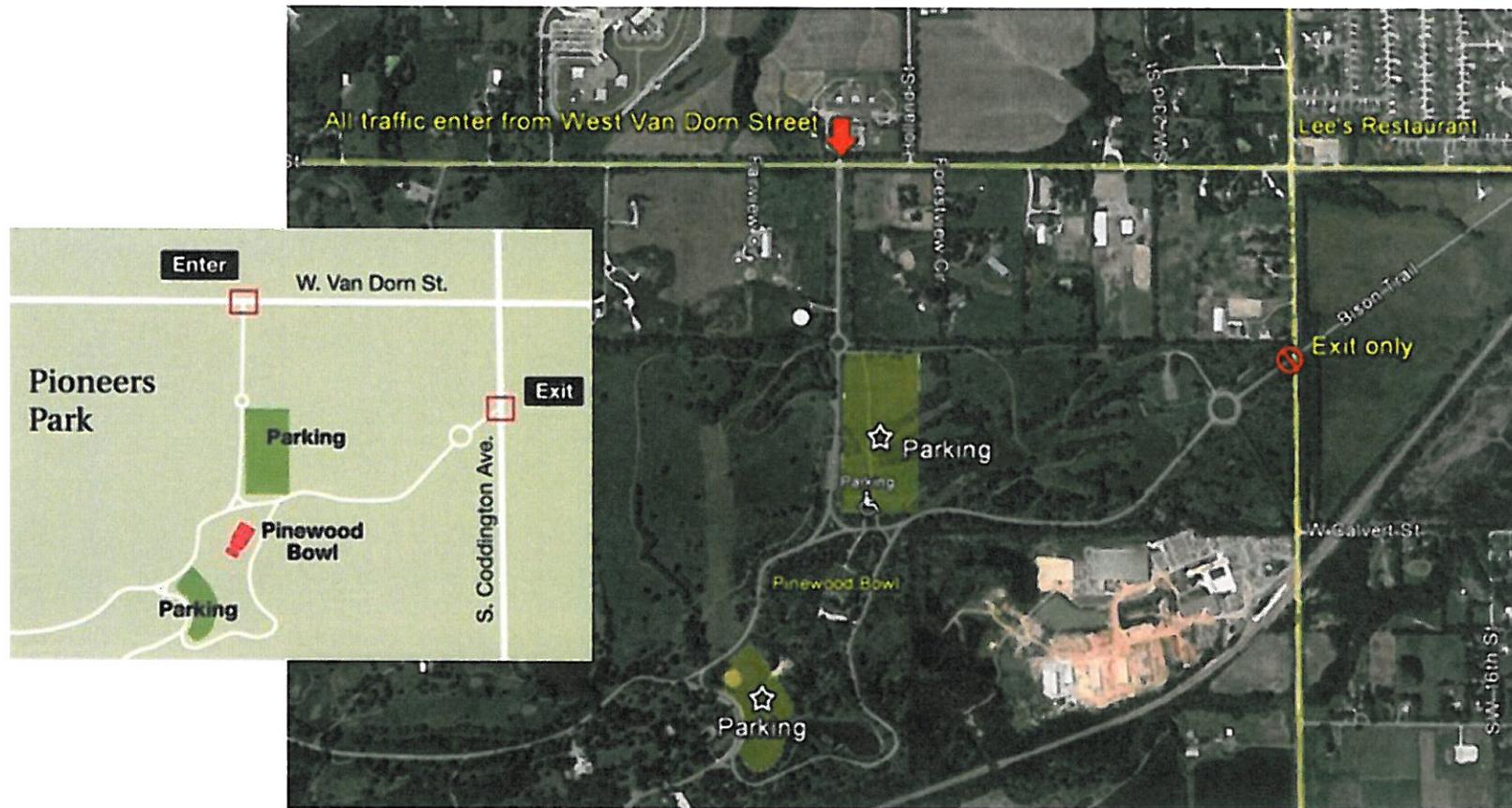
Through a partnership with SMG national touring groups are being brought to Pinewood Bowl. There were six shows in 2012 and four in 2013. Up to eight shows are planned for summer months in future years. Expanded parking is needed to support these events.

Parking for Pinewood Bowl



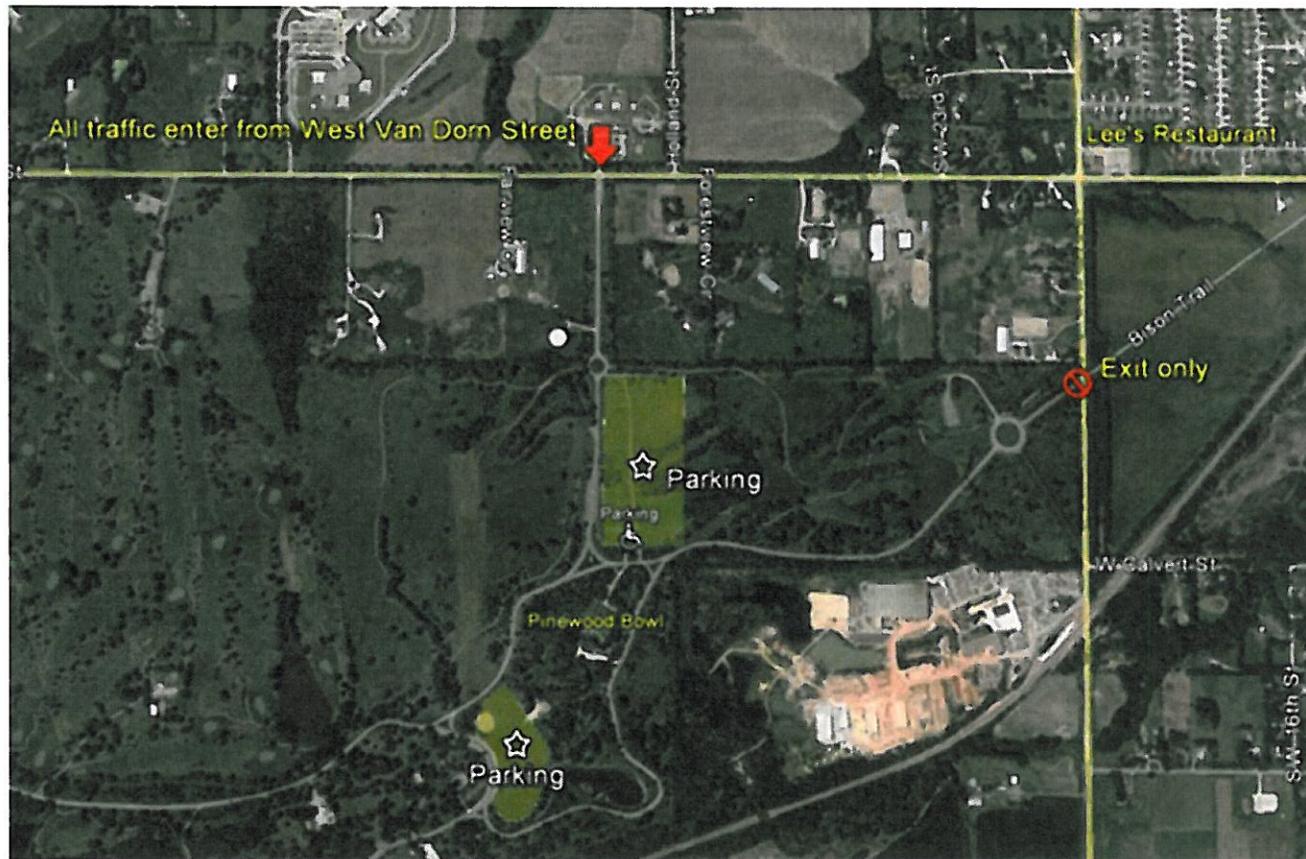
The summer concert series during the past two summers have been very popular. Many of the performances have been sold out. Zip code information indicates that patrons are coming to Pinewood Bowl from outside of Lancaster County. As the reputation of the Pinewood Bowl Theater summer concert series grows, it is anticipated that the percentage of patrons coming to Lincoln from other locations will also grow.

Parking for Pinewood Bowl



Currently parking for events at Pinewood bowl is provided in two areas in Pioneer's Park. A one-way traffic circulation pattern is used for efficiency and safety, with patrons arriving from the north via West Van Dorn Street and exiting to the east and north.

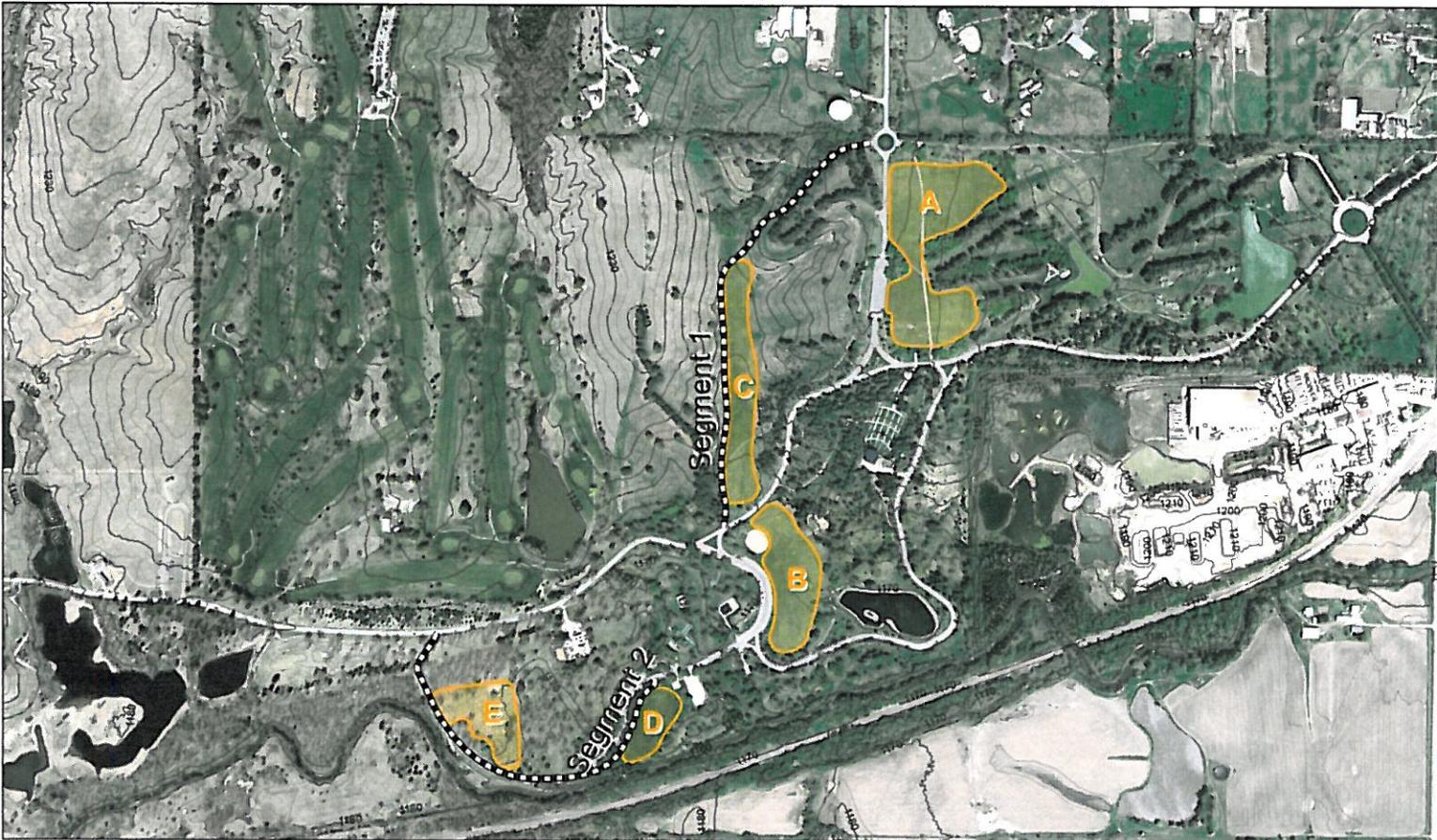
Parking for Pinewood Bowl



Options have been explored for additional patron parking including:

- Providing a shuttle from satellite parking locations
- Creating additional parking in the park area east of Pioneers Park

Parking for Pinewood Bowl



Pioneers Park

Potential Roadway Alignment and Future Parking

1 inch = 500 feet

8/19/13

Roadway Alignment

Segment 1 = 2,600 LF
Segment 2 = 2,200 LF

Potential Parking

Lot A = 9.23 acres Lot E = 3.21 acres
Lot B = 4.49 acres
Lot C = 4.65 acres
Lot D = 1.76 acres

The most viable option is designating additional lawn areas for parking within Pioneers Park, and developing new all-weather roadways to access these grass parking areas.

Project Budget and Proposed Funding

Projected Cost

Roadway Segment 1: Access to Parking Area C	\$197,000
Roadway Segment 2: Access to Parking Areas D and E	\$156,000
Mobile irrigation system for grass parking areas	<u>\$ 50,000</u>
TOTAL ESTIMATED COST	\$403,000

Proposed Funding Sources

Parks & Recreation Department CIP	\$ 88,000
Lincoln Parks Foundation	\$ 5,000
SMG	\$ 5,000
Pinewood Bowl Inc., Women's Chamber of Commerce	\$ 5,000
Request to VPC for Visitor Improvement Funds	<u>\$300,000</u>
TOTAL PROPOSED FUNDING	\$403,000

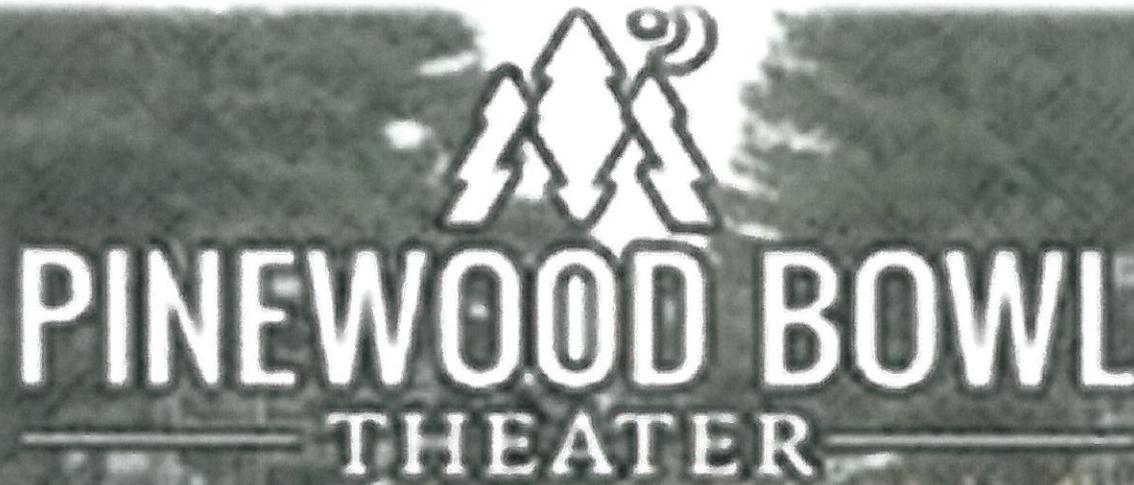
Project Timeline

- Survey completed, engineering of new roadways in progress.
- Bidding of project in early September.
- Roadway and irrigation water service construction in October and November.
- Temporary erosion control in late fall 2013.
- Seeding of disturbed areas in spring 2014.

Benefits

- Access to 1,100 parking spaces on grass at a cost of about \$366 per space as compared to \$2,000 per space for hard surface parking.
- Limited visual and environmental impact on historic Pioneers Park.
- The ability to rotate use of parking areas allows for better management of turf.
- The ability to rotate use of parking areas accommodates the possibility for wet weather conditions.
- Added access to parking benefits more than 40 large events occurring in Pioneers Park each year.

Parking for Pinewood Bowl



PINEWOOD BOWL
THEATER

Questions?

Thank you for your time and consideration!



Pioneer's Park
Potential Roadway Alignment and Future Parking
 1 inch = 500 feet
 5/6/13

Roadway Alignment
Segment 1 = 2,600 LF
Segment 2 = 2,200 LF
Segment 3 = 3,000 LF

Potential Parking	
Lot A = 9.23 acres	Lot E = 3.21 acres
Lot B = 4.49 acres	Lot F = 3.23 acres
Lot C = 4.65 acres	
Lot D = 1.76 acres	