

**STAFF MEETING MINUTES
LANCASTER COUNTY BOARD OF COMMISSIONERS
COUNTY-CITY BUILDING, ROOM 113
THURSDAY, JANUARY 23, 2014
8:30 A.M.**

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

Others Present: Kerry Eagan, Chief Administrative Officer
Gwen Thorpe, Deputy Chief Administrative Officer
Dan Nolte, County Clerk
Cori Beattie, Deputy 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 January 22, 2014.

The Chair noted the location of the Open Meetings Act and opened the meeting at 8:31 a.m.

AGENDA ITEM

1 APPROVAL OF THE STAFF MEETING MINUTES OF JANUARY 16, 2014

MOTION: Schorr moved and Raybould seconded approval of the minutes of the Staff Meeting of January 16, 2014. Raybould, Schorr and Hudkins voted aye. Amundson and Smoyer abstained from voting. Motion carried 3-0, with 2 abstentions.

2 ADDITIONS TO THE AGENDA

- A. Community Mental Health Center (CMHC) Advisory Committee Meeting
- B. Lincoln Vital Signs Kick-Off Breakfast

MOTION: Smoyer moved and Amundson seconded approval of the additions to the agenda. Smoyer, Raybould, Schorr, Amundson and Hudkins voted aye. Motion carried 5-0.

3 LEGISLATIVE UPDATE - Gordon Kissel and Joe Kohout, Kissel/E&S Associates (Legislative Consultants)

Joe Kohout, Kissel/E&S Associates, gave a legislative update (Exhibit A). He noted introduction of Legislative Bill (LB) 960 (Change inheritance tax rates) which would reduce the tax by almost half in two of the categories which provide much of the revenue.

MOTION: Schorr moved and Smoyer seconded to oppose Legislative Bill (LB) 960. Amundson, Smoyer, Schorr, Raybould and Hudkins voted aye. Motion carried 5-0.

Discussion took place regarding LB 561 (Change provisions and transfer responsibilities regarding the juvenile justice system). Kohout said Senator Krist has indicated he is drafting an amendment to LB 464 (Change court jurisdiction over juveniles and indictment procedures) for changes to LB 561. He said there will be a hearing on the amendment which is not atypical of a bill that completely rewrites legislation. Sheli Schindler, Youth Services Center (YSC) Director, appeared and said the County is currently operating without a contract with State Probation Administration. She said there are a lot of issues to be worked out and said she does not believe the bill will get to the specifics. The Chair asked Schindler to relay specific concerns to Kissel and Kohout. He also questioned whether Lancaster County senators have a clear understanding of the magnitude of problems with LB 561. Kohout said the County needs to coordinate its efforts with Senator Krist, stressing the need to present a clear, concise message.

Kohout noted other legislation of interest to the County (see Exhibit A) and said Norm Agena, County Assessor/Register of Deeds, has provided him with a copy of an email he sent to Senator Harr regarding LB 885 (Require the use of the income approach to value certain real property for tax purposes).

Smoyer said Senator Larson is seeking support of LB 597 (Change provisions relating to county agricultural societies), noting the Legislature's Agriculture Committee amended the bill to clarify the language. He said the bill, as amended, will allow the Lancaster County Agricultural Society to sell its commercial zoned property at 84th Street and Havelock Avenue and reinvest the proceeds in the Lancaster Event Center.

MOTION: Smoyer moved to authorize the Chair to sign a letter in support of Legislative Bill (LB) 597.

The motion died for the lack of a second.

Kohout said he will ask Alan Wood, Lancaster County Agricultural Society Counsel, to submit a summary, noting the Board could take a position on the bill at the January 28th County Board of Commissioners Meeting. **NOTE:** The bill has advanced to the floor of the Legislature.

Raybould asked whether Dave Shively, Election Commissioner, has commented on LB 661 (Provide for voter registration on the Secretary of State's website and use of Department of Motor Vehicle records) and LB 662 (Provide and change requirements for voter identification). Kerry Eagan, Chief Administrative Officer, said he will contact Shively to see whether he has any concerns regarding the bills.

Eagan said the Lincoln Journal Star Newspaper is planning to do an article on LB 907 (Provide for supervised release, re-entry probation officers, create the Nebraska Center for Justice Research, and change pre-sentence investigations and good time provisions) and contacted him regarding the County's perspective. Raybould asked whether the bill identifies the number of additional probation officers that will be required. Gene Cotter, Chief Probation Officer, Adult Probation, appeared and said it does not.

**4 NORTH AMERICAN INVASIVE SPECIES ASSOCIATION
CONFERENCE REPORT - Brent Meyer, Noxious Weed Control
Superintendent**

Brent Meyer, Noxious Weed Control Superintendent, reported on his recent attendance at the 2013 North American Invasive Species Management Association (NAISMA) Conference in Jackson, Wyoming, including an overview of sessions he attended (see Exhibit B). He also circulated a brochure on knotweed, an invasive weed (Exhibit C).

**5 DIVERSION SERVICES TRANSITION UPDATE - Kim Etherton,
Community Corrections Director**

Kim Etherton, Community Corrections Director, said the transition of some of the components of the County's Diversion Services Program from Diversion Services, Inc. to Community Corrections has gone smoothly, however additional space is needed to operate the Safety Training Option Program (STOP). She said she contacted the Lincoln Police Department (LPD) to see if the STOP classes could be held in their training rooms and was told that is not an option because LPD's training staff is not available during the time periods classes would be held. Raybould suggested Etherton revisit the issue with them. Etherton said she also explored use of the community room at the Lancaster County Adult Detention Facility (LCADF) and was told that space is being used for training.

Etherton noted Community Corrections is contracting with the Nebraska Safety Council to teach some of the STOP classes and notified them in July, 2013 of her intention to move from a 70/30 to a 50/50 split to support the entire diversion program. She said they still have not reached an agreement on a contract.

Etherton also stated the Diversion Services Program can be expanded to offer more options to the City and County Attorneys and said she has a meeting scheduled with the Public Defender's Office to discuss their thoughts on what can be done.

6 A) NEW FELONY ATTORNEY; AND B) CONTRACT WITH MONICA MILES-STEFFENS FOR PUBLIC DEFENDER'S OFFICE - Dennis Keefe, Public Defender

Contract with Monica Miles-Steffens for Public Defender's Office

Dennis Keefe, Public Defender, presented the Long-Range Planning Proposal, Lancaster County Public Defender's Office from Miles Ahead Consulting, LLC (Monica Miles-Steffens) (Exhibit D). He said the cost of the services will be \$2,500 and said that amount can be absorbed by the department.

There was consensus to proceed with development of a contract with Miles Ahead Consulting, LLC.

New Felony Attorney

Keefe outlined a request for an additional felony attorney in the Public Defender's Office, noting the growth in felony cases from 2009-2013 (see Exhibit E). He said possession of methamphetamine and tampering with an ignition interlock device cases are two of the drivers for the increase. Keefe said the increase in new felony cases has caused an increase in conflict situations and standard overload cases, which in turn increases assignment of private counsel. This has resulted in additional expenditures for legal services for the County and District Courts.

Brief discussion took place regarding the impact from legislation that creates new crimes or enhances penalties.

Smoyer exited the meeting at 9:37 a.m.

Keefe compared the cost of assigned counsel to the cost of a staff attorney and said he has calculated the County would save at least \$60,008 per year by adding a staff new attorney (see Exhibit E).

Smoyer returned to the meeting at 9:40 a.m.

Keefe said the Lancaster County Indigent Defense Advisory Committee has reviewed the data and recommends that an additional attorney be added at this time.

MOTION: Smoyer moved and Raybould seconded to authorize the Public Defender to hire an additional felony attorney.

Hudkins asked Keefe whether he could cover the cost in his budget for the remainder of the year. Keefe said he could not. He estimated it would take two months to get an attorney hired so the cost would be limited to a quarter of the year. There will also be costs to equip the attorney (furniture, computer, etc.).

Raybould asked how costs for legal services are trending. Dennis Meyer, Budget and Fiscal Officer, appeared and said the costs continue to increase and said the County District and Juvenile Courts are all requesting additional appropriations.

Raybould asked Keefe if would make more sense to hire a couple of paralegals to assist attorneys with case preparation. Keefe said the felony cases require an attorney and said his staff attorneys cannot absorb the additional caseload. He added that two paralegals would cost more than an attorney.

The maker of the motion and the seconder withdrew their motion. There was consensus to schedule further discussion of this matter on the Mid-Year Budget Retreat agenda.

Joe Kelly, County Attorney, and Joe Nigro, Deputy Public Defender, appeared and discussed jail reform efforts. Nigro said he believes there will be additional funding for problem solving courts, such as drug courts and mental health courts. Kelly stressed the need to monitor LB 907 (Provide for supervised release, re-entry probation officers, create the Nebraska Center for Justice Research, and change pre-sentence investigations and good time provisions). He said the bill is an inducement and enticement for district court judges to shorten the sentence on the bottom number and get offenders back into the community on supervised release. Kelly said that means offenders could be sentenced to the county jail, instead of the state penitentiary, which will increase the County's costs. Nigro added the County Attorney's and Public Defender's Offices could have increased caseloads if supervising officers impose sanctions and there are court hearings.

It was noted that Nigro recently participated in a panel discussion with State Senator Brad Ashford, who chairs the Legislature's Judiciary Committee, and Nebraska Attorney General Jon Bruning on proposed incarceration alternatives (See the following link: <http://www.netnebraska.org/node/894040>).

ADDITIONS TO THE AGENDA

MOTION: Raybould moved and Amundson seconded to add two items to the agenda: 1) Presentation on the Master Plan for the 605 Building (Former Jail Complex); and 2) Discussion of the Sexual Trauma/Offense Prevention (STOP) Program. Schorr, Amundson, Raybould, Smoyer and Hudkins voted aye. Motion carried 5-0.

Amundson and Raybould exited the meeting at 10:02 a.m.

DISCUSSION OF BOARD MEMBERS MEETINGS

C. Lincoln Independent Business Association (LIBA) Budget Monitoring Committee - Smoyer

Smoyer said they discussed the following items: 1) Lincoln Public Schools (LPS) bond issue; 2) Lancaster County's Mid-Year Budget Retreat; and 3) Sustainability Plan for the Lincoln City Golf Program.

Amundson and Raybould returned to the meeting at 10:05 a.m.

B. Parks and Recreation Strategic Sustainability Plan for the Lincoln City Golf Program - Hudkins

Hudkins reported on a community conversation regarding a sustainability plan for the city golf program held January 16th at Lincoln East High School and said many in attendance expressed concerns regarding conditions at the municipal golf courses.

ADDITIONS TO THE AGENDA

C. Presentation on the Master Plan for the 605 Building (Former Jail Complex)

John Kay, Sinclair Hille & Associates Inc., and Dan Spiry, BVH Architects, appeared and presented a revised concept plan for reuse of the former jail complex, now referred to as the 605 Building, and a draft of phasing, schedule and construction costs (see Exhibits F and G). Spiry said one of the significant changes is that Adult Probation and Community Corrections will be co-located on the first floor of the 605 Building and the Mental Health Crisis Center will be located in the Alfred Benesh & Company Building (825 J Street). Adult Drug Court will move from the 9th and J Street Building to the space previously shown for Adult Probation on the ground level of the 605 Building and the 9th and J Street Building will be converted into meeting rooms. The County Attorney's Child Support Division, which is currently located in Trabert Hall, and the

County Attorney's Office, which is currently located in the Justice and Law Enforcement Center, will be co-located on the second floor of the 605 Building. Juvenile Probation, a County Court courtroom, judge's chamber, jury room, jury lounge and a prisoner holding area for County Court will also be located on the second floor. The Clerk of the District Court will now be located on the fourth floor of the Justice and Law Enforcement Center in the space previously shown for Juvenile Probation. There is also room for Juvenile Court expansion. **NOTE:** No changes are planned for the third floor which is shown as mechanical space, light storage and the prisoner holding area for District Court.

Schorr and Raybould expressed concerns regarding the impact LB 907 (Provide for supervised release, re-entry probation officers, create the Nebraska Center for Justice Research, and change pre-sentence investigations and good time provisions) may have on space requirements. Gene Cotter, Chief Probation Officer, Adult Probation, appeared and said he is contemplating having satellite offices so there is more neighborhood-based supervision.

It was noted Juvenile Probation has also had significant growth and Spiry said satellite locations may be a solution for that department, as well.

Raybould questioned whether it would make more sense to locate Juvenile Probation on the fourth floor of the Justice and Law Enforcement Center, where space is designated for expansion of Juvenile Court. Kay said the District Court has indicated it would be better for their functions to have the Clerk of the District Court located in that space. Spiry said that decision can be deferred for now.

7 OLD JAIL SALLY PORT - Don Killeen, County Property Manager

Raybould noted construction estimates for the new sally port (secured, controlled entryway) have increased significantly. Dan Spiry, BVH Architects, said the sally port was tucked under the existing building in previous schemes. It is now a new building, with a roof and finished walls. John Kay, Sinclair Hille & Associates Inc., explained that maneuverability and ambulance access were the reasons the sally port was moved.

Spiry added that the costs shown in Exhibit F are conservative.

Hudkins asked Terry Wagner, Lancaster County Sheriff; and Mike Thurber, Corrections Director, who were in attendance, whether they believe the plans for the sally port, elevator, and prisoner holding areas are workable. Wagner and Thurber indicated they do.

Hudkins asked whether work could take place this construction season. Kay said they would have to move ahead quickly.

Schorr expressed concern about financing. Don Killeen, County Property Manager, said the Public Building Commission (PBC) will fund the initial phase.

MOTION: Amundson moved and Schorr seconded to recommend the Public Building Commission (PBC) move forward with the design of the sally port. Amundson, Raybould, Schorr, Smoyer and Hudkins voted aye. Motion carried 5-0.

Schorr asked that discussion of financing mechanisms be scheduled with Scott Keene, Ameritas Investment Corporation.

8 JUVENILE PROBATION OFFICE SPACE - Lori Griggs, Chief Juvenile Probation Officer; Don Killeen, County Property Manager

Lori Griggs, Chief Juvenile Probation Officer, said additional space has come available in the Heritage Square Office Building (421 South 9th Street) where Juvenile Probation is located and said she would like to move the Juvenile Drug Court Coordinator and Probation Officer from the County-City Building into that space to assist with supervision and training of new probation officers. The space could also house the department's data analyst, clerical staff and an AmeriCorps worker. She said the company that had occupied the space left desks and chairs behind that could also be utilized.

In response to a question from Schorr, Don Killeen, County Property Manager, said the rent is comparable and they would be gaining more space than they would be giving up in the County-City Building.

There was consensus to discuss the matter further at the Mid-Year Budget Retreat and to schedule a tour of the space.

9 COUNTY AUDIT - Shelly Hammond, Allen, Gibbs & Houlik (AGH), LLC; Dennis Meyer, Budget and Fiscal Officer

Shelly Hammond, Allen, Gibbs & Houlik (AGH), LLC, presented a report related to her firm's audit of the County's basic financial statements for the fiscal year that ended June 30, 2013, noting accounting policies and practices; audit adjustments; internal control findings; best practice recommendations related to a fund balance policy and schedule of expenditures of federal awards; and financial statements findings (significant deficiencies) and management's response (corrective action) (see Exhibit H). She said AGH will provide a "clean opinion" on the financial statements, which she deemed the highest level of opinion that can be achieved during the audit process. Hammond said that means AGH can provide reasonable assurance that the financial statements prepared and audited are free of any material misstatements.

10 ACTION ITEMS

- A. Special Permit Application on Behalf of Lutheran Family Services (LFS) to Provide Mental Health Services at the Community Mental Health Center (CMHC) (2201 South 17th Street)

MOTION: Schorr moved and Raybould seconded to authorize signature by the Chair. Raybould, Smoyer, Amundson, Schorr and Hudkins voted aye. Motion carried 5-0.

- B. Authorize Gwen Thorpe, Community Mental Health Center (CMHC) Interim Administrator, to Terminate Community Mental Health Center (CMHC) Contracts by Signing Written Notices of Termination

MOTION: Smoyer moved and Amundson seconded approval. Smoyer, Schorr, Amundson, Raybould and Hudkins voted aye. Motion carried 5-0.

Eagan noted the notices of termination will be received and placed on file at a regular County Board of Commissioners Meeting.

ADDITIONS TO THE AGENDA

- D. Discussion of the Sexual Trauma/Offense Prevention (STOP) Program

Gwen Thorpe, Community Mental Health Center (CMHC) Interim Administrator, noted Lutheran Family Services (LFS) will be able to take over core services (outpatient counseling, day treatment, community support and medication management) by February 1, 2014 and said several issues have been identified that need to be addressed. One involves the Sexual Trauma/Offense Prevention (STOP) Program, which was not included in the request for proposal (RFP) for transition of community behavioral health services from the Community Mental Health Center (CMHC) to a new providers. **NOTE:** The County contracts with Counseling Affiliates of Nebraska, LLC for specialized psychological services for the STOP program at a rate of \$65 per hour for services provided by Licensed Psychologists and \$40 per hour for Licensed Mental Health Practitioners, for up to 64 hours a week of services for the program, and up to 80 hours of specialized psychological services a year to the Crisis Center. The County also pays \$100 per weekend for on-call services. The contract expires June 30, 2014.

Thorpe said there are currently 50-60 clients in the STOP program, coming from a variety of sources, noting the County bills Region V for clients who have no payor source. Approximately half of the clients enrolled in the program came from the Lincoln Regional Center (LRC). Some clients are referred to the program by Parole, Probation, State Community Corrections or have commitment orders, some from other counties. Others enroll voluntarily. Some populations overlap. It was noted everyone enrolled in the program resides in Lancaster County.

Gene Cotter, Chief Probation Officer, Adult Probation, appeared and said he was contacted by a probation officer who was of the understanding the STOP program would terminate as of January 31, 2014 and high-risk sex offenders that rely on the program would be without treatment and support. He said he has major concerns from a public safety standpoint.

Joe Kelly, County Attorney, appeared and said there cannot be a pause in services.

Joe Nigro, Deputy Public Defender, who provides representation in mental health commitments, also appeared in support of continuing the program.

Hudkins asked Dr. Mary Paine, Ph.D., Counseling Affiliates of Nebraska, LLC, who serves as the supervising psychologist for the program, whether her practice is willing to continue to provide these services. Dr. Paine said it is but said there are serious issues that have severely compromised her practice for the last 5 to 10 years. She said she repeatedly tried to have these issues addressed by the former director of CMHC and was unsuccessful.

Dr. Paine also reported the program currently has 38 clients who are on commitment from LRC and said these are high-risk sex offenders. She said as of 48 hours ago, funding from the State is no longer certain. Thorpe clarified that the County has a contract with the Nebraska Department of Health and Human Services (HHS), Division of Behavioral Health, Lincoln Regional Center, to provide community-based sex offender management as part of CMHC's STOP program. The department pays the County \$500 per person, per month, for the services provided. The contract is in effect until June 30, 2014.

Thorpe asked Dr. Paine whether her practice would be able to administratively take over the program in July, when her contract with the County ends. Dr. Paine said the current contract with the County would need to be renegotiated to provide greater compensation, which she said is currently far below the market rates.

Smoyer exited the meeting at 11:47 a.m.

Dr. Paine said her practice has the space to house the program but transportation is an issue that will need to be worked out. **NOTE:** Counseling Affiliates of Nebraska is located at 1550 South 70th Street, Suite 101.

Smoyer returned to the meeting at 11:50 a.m.

Thorpe said the County could renegotiate the contract with Counseling Affiliates of Nebraska for the remainder of the term to help them "ramp up" to take over the program.

There was consensus to work on the contract issues with Counseling Affiliates of Nebraska, LLC.

NOTE: Jason Christensen, M.A., Licensed Mental Health Practitioner (LMHP), Counseling Affiliates of Nebraska, LLC, was also present for the discussion.

Raybould exited the meeting at 12:05 p.m.

DISCUSSION OF BOARD MEMBER MEETINGS

D. District Energy Corporation (DEC) - Hudkins, Schorr

Hudkins said they discussed the development of projects.

Raybould returned to the meeting at 12:07 p.m.

13 PENDING

There were no pending items.

DISCUSSION OF BOARD MEMBERS MEETINGS

A. Information Services Policy Committee (ISPC) - Raybould

Raybould said they received an update on the mainframe conversion and discussed Geographic Information System (GIS) opportunities, the budget, billing and proposed revisions to the interlocal agreement between the City and County for a joint data processing division (Exhibit I).

ADDITIONS TO THE AGENDA

A. Community Mental Health Center (CMHC) Advisory Committee Meeting

Raybould said consumers have expressed concerns that transportation for consumers has not been adequately addressed. She said Lutheran Family Services (LFS) representatives were present and indicated they will do everything they can to assist clients in finding transportation. Consumers also expressed concerns that there is a reduction in the number of available housing units. LFS representatives discussed outreach efforts and expressed interested in staying in touch with Committee members.

B. Lincoln Vital Signs Kick-Off Breakfast

Schorr said Lincoln Vital Signs 2014, a compilation of data about the community focusing on seven key areas (community profile, economy and workforce, basic needs, education, health, safety, and community involvement and culture) was presented to community and business leaders in attendance. The study was sponsored by public and private charitable organizations.

11 CONSENT ITEMS

There were no consent items.

12 ADMINISTRATIVE OFFICER REPORT

A. Mid-Year Budget Retreat Agenda Items

The following agenda items were noted:

- Biennial Budget
- Strategic Planning
- Youth Services Center (YSC) Per Diem
- Legislative Bill (LB) 561 (Change provisions and transfer responsibilities regarding the juvenile justice system)
- Community Mental Health Center (CMHC) Transition Costs
- Space for Probation Officers
- New Public Defender Felony Attorney

B. Thank You Letter to Lincoln-Lancaster County Consolidation Task Force

A letter draft was disseminated (Exhibit J).

MOTION: Smoyer moved and Amundson seconded to authorize signature by the Chair. Smoyer, Amundson, Schorr, Raybould and Hudkins voted aye. Motion carried 5-0.

C. Committee Assignments

The only changes to the list of 2013 Committee Assignments (Exhibit K) were the addition of the Air Pollution Control Advisory Board to Hudkins' list of assignments and deletion of the Community Mental Health Center (CMHC) Advisory Board from Raybould's list of assignments.

D. County Engineer's Pickup Truck

Pam Dingman, the new County Engineer, appeared and clarified a statement she made at a previous meeting that a pickup truck ordered by the previous County Engineer had been turned back to the motor pool. She explained the department's budget request included five trucks and will be reduced by one.

Eagan noted the previous officeholder had titled the pickup truck in the name of the department although the policy is to title all vehicles in the County's name.

13 PENDING

There were no pending items.

14 DISCUSSION OF BOARD MEMBERS MEETINGS

- A. Information Services Policy Committee (ISPC) - Raybould
- B. Parks and Recreation Strategic Sustainability Plan for the Lincoln City Golf Program - Hudkins
- C. Lincoln Independent Business Association (LIBA) Budget Monitoring Committee - Smoyer
- D. District Energy Corporation (DEC) - Hudkins, Schorr

Items A-D were moved forward on the agenda.

15 EMERGENCY ITEMS AND OTHER BUSINESS

There were no emergency items or other business.

16 ADJOURNMENT

MOTION: Schorr moved and Amundson seconded to adjourn the meeting at 12:32 p.m. Schorr, Amundson, Smoyer, Raybould and Hudkins voted aye. Motion carried 5-0.



Dan Nolte
Lancaster County Clerk





KISSEL / E&S
ASSOCIATES

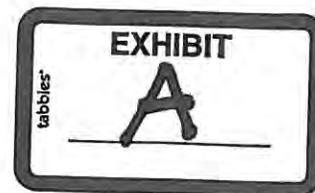
A Limited Liability Company Associated with Erickson and Sederstrom, P.C.

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MEMORANDUM

TO: Lancaster County Board of Commissioners

FROM: Gordon Kissel
Joseph D. Kohout

DATE: January 23, 2014

RE: Weekly Update on the 2014 Legislature

Please accept this as the third of your weekly reports for the 2014 Legislative Session. Today is day 11 – meaning that only 49 days remain of the 60-day session. Most significantly, the last day for bill introduction was yesterday – and 460 bills were introduced total in the short session.

2014 Lancaster County Legislative Priorities:

1. **Oppose Elimination of the Inheritance Tax:** As mentioned in last week's report, Senator Tom Hansen introduced LB812, which would terminate the inheritance tax for those dying after December 31, 2015. In addition, Senator Tom Carlson introduced LB960 which would make two changes to rates of inheritance tax – cutting, approximately, in half those in categories two and three (from 13% to 7% category 2 and from 18% to 9% those in category 3). We recommend opposition to both of these measures.
2. **Support Medicaid Expansion under the Affordable Care Act:** As mentioned in last week's report, Senator Kathy Campbell introduced LB887 which would adopt the Wellness in Nebraska Act. We are attaching an analysis prepared by our office of the legislation. The hearing has been set for January 29, 2014 before the Health and Human Services Committee at 130pm.
3. **Monitor the Implementation of 2013 Neb. Laws LB561:** We have continued to be in contact with NACO and Douglas County regarding this. As of Tuesday, the preferred course of action by Senator Bob Krist is to prepare an amendment containing provisions re-writing LB561 and offer said amendment to LB464. A hearing on this amendment will be scheduled by the Judiciary Committee. We continue to be told that a draft amendment will be circulated in the coming days.
4. **Eliminate the Responsibility of Counties to Pay HHS Rent – LB632:** The bill is in the Government Committee. We have visited and will continue to meet with members of that committee in the next week. We have been advised that the Committee will be conducting an executive session next week.

5. **Monitor Adult Corrections Reform.** Senator Brad Ashford has introduced LB907 which will likely become the vehicle for changes to the adult system. The bill begins with a new sentencing policy for Nebraska. It also allows for supervised release, which begins after the term of imprisonment is complete, and runs concurrently with probation or parole, in order to provide assistance to offenders in their transition from prison to community life and to ensure public safety. The court shall create rules for the supervised release, which shall be overseen by the Office of Probation Administration. The terms of the supervised release must be reasonably related to the nature and circumstances of the offense and the offender's history, character, and rehabilitation, and must act as a deterrent to the offense. A condition of supervised release for an offender found guilty of a violent crime is global positioning system monitoring for the first ninety days of supervised release.

The bill creates the position of reentry probation officer within the Office of Probation Administration, who is tasked with making recommendations to the sentencing judge concerning the amenability of community supervision for a certain offender, provide supervision for individuals transitioning back into society, and other similar responsibilities.

The bill would make a presentence investigation mandatory, for every conviction other than first degree murder where the death penalty is sought. Such an investigation cannot be waived by the offender or there attorney. The presentence investigations must use evidence based practices. In addition, the Office of Probation Administration must prepare an annual report on these matters, beginning in December 2016)

The bill would require the creation of state funded reporting centers in each district court judicial district, which will provide, contract for, or utilize a voucher service program for mental health services access for those on probation or under supervised release. The bill provides that if an offender commits an act while incarcerated which results in a conviction of the offender for an act other than the committing act, the offender will not be eligible to earn good time on the subsequent conviction. Also, if an offender commits an act that results in administrative confinement or segregation, the offender will not be eligible to earn good time for the time the offender is in segregation but may be entitled access to programming while in administrative confinement or segregation.

While the committed offender is still incarcerated and within ninety days before the first parole eligibility date of the offender, there will be a risk and needs assessment of the committed offender, the results of which will be shared with the reentry probation officer within thirty days after completion. The Corrections Department shall work with the Office of Probation Administration and the reentry probation officer to ensure that a successful transition plan is in place for the committed offender. The office and the reentry probation officer shall have appropriate access to the committed offender to create the transition plan, and the department shall provide the office with a copy of the most recent risk and needs assessment prior to the committed offender's release from the department.



This bill also creates the Nebraska Center for Justice Research, which will conduct research to reducing recidivism, increase public safety, and increase efficiency in the administration of justice. The Center will be operated in conjunction with the University of Nebraska, and located at UNO and UNMC. The Nebraska Center for Justice Research shall have a board of directors consisting of the chairpersons of the Judiciary Committee of the Legislature, the Health and Human Services Committee of the Legislature, and the Executive Board of the Legislative Council, two members of the Legislature elected at large by the members of the Legislature, and two members appointed by the President of the University of Nebraska. One million dollars per year is appropriated to this end.

2014 Other Legislation:

LB925 (Coash) Provide for transfer of motor vehicle registration duties to county treasurers. This is Treasurer Stebbings bill that would authorize counties to opt out of the DMV's motor vehicle registration program. The hearing on this bill has not yet been scheduled.

LB885 (Harr) Require the use of the income approach to value certain real property for tax purposes. Introduced by Senator Burke Harr of Omaha, he indicated that this came out of some concerns he heard about practices in Lancaster County.

The following have had hearings scheduled and they are of potential interest to Lancaster County:

January 23, 2014 before the Government, Military & Veterans Affairs Committee:

LB661 (Krist) Provide for voter registration on the Secretary of State's website and use of Department of Motor Vehicle records. Modifies the Election Act (Ch. 32) to required that the Secretary of State, along with the Department of Motor Vehicles develop and implement a registration application process which may be used statewide to register to vote and update voter registration records electronically using the Secretary of State's web site, by July 2015. An applicant who has a valid Nebraska motor vehicle operator's license or state identification card may use the application process to register to vote or to update his or her voter registration record with changes in his or her personal information or other information related to his or her eligibility to vote.

LB662 (Krist) Provide and change requirements for voter identification. This bill would modify the Election Act (Ch. 32) to alter the permissible methods of voter registration and voting, by substituting 'government document' for any other methods of identification. Government document is never defined within the legislation.

LB663 (Krist) Change provisions for elections conducted by mail. This bill would modify the Election Act (Ch. 32) to allow the Election Commissioner or the county clerk to request to the Secretary of State that an election be conducted entirely by mail ballots. Presently, only county clerks may make such a request.



Removes any population requirements for such a procedure, which is presently allowed only in counties with less than 10,000 inhabitants.

LB697 (Larson) Require publication of a statewide list of tax-delinquent properties. This bill would amend NRS 77-1804 to require that county treasurers forward an electronic copy of the property subject to sale and the amount of delinquent taxes against each item to the Property Tax Administrator, who would be required to create a master statewide list and publish such a list on the Department of Revenue website.

LB733 (Schumacher) Adopt the Mass Assessment Act for valuation of real property for ad valorem tax purposes. Offers regulations and creates a regulatory body for mass assessment specialists. Mass assessment means the valuation of a particular property as of a given date for ad valorem tax purposes. Creates Mass Assessment Board, which shall enforce the Act, including future licensing efforts.

January 24, 2014 before the Revenue Committee:

LB675 (Chambers) Eliminate the property tax exemption for religious organizations. This bill would amend NRS 77-202, to remove any property tax exemptions for land owned by religious organizations.

January 27, 2014 before the General Affairs Committee:

LB855 (Wallman) Change provisions for formation and operation of cemetery associations. Creates a mechanism to create cemetery associations.

January 29, 2014 before the Revenue Committee:

LB814 (Avery) Change the distribution of sales tax revenue to provide funding to the Game and Parks Commission. This bill would amend NRS 37-201 to create a Game and Parks Commission Capital Maintenance Fund, which would consist of money credited to the fund through NRS 77-27,132 and any other money as determined by the Legislature. The Commission will use the fund to repair, renovate, rehabilitate, restore, modify, or improve any infrastructure within the statutory authority and administration of the commission. This bill would also amend NRS 77-27,132 to credit to the Game and Parks Commission Capital Maintenance Fund all of the proceeds of the sales and use taxes generated from the sale or lease of motorboats.

LB841 (Hadley) Change sales and use tax provisions relating to all-terrain vehicles, utility-type vehicles, and distribution of revenue.

Please do not hesitate to contact us with any questions you might have.

Kissel/E&S Associates
2013 Legislature
Committee Hearing Reports

Date: 2/26/13

Committee: Agriculture

Senators: Schilz, Bloomfield, Chambers, Hansen, Harr, Johnson, Lathrop, and Wallman

Bill: 597

Reported: Adrian Corral for Kissel/E&S Associates

LB# 354 (Larson) – Change provisions relating to county agricultural societies

LB 354 Exchanges statutes of Counties' Ag Societies. Will allow them to make equipment purchases with money provided from the county. Revenue will be generated through taxes. If any land is sold, all proceeds must go to the county.

Proponent Testimony

- Allen Wood – Legal counsel of County Fair Managers. Testified in support.
- Tom Schellpepper – President of Stanton Ag Society. Testified in support.

Bill Number: LB 887

Introduced By: Campbell

Co-Sponsors: Wallman, McGill, Haar, Cook, Conrad (1-15-14)

Procedural Status: Introduced

Clients Implicated:

Client Position:

One Line Summary: Adopt the Wellness in Nebraska Act

Complete Summary:

There are two broad components to the legislation: the WIN Marketplace Coverage and the WIN Medicaid Coverage. Through the WIN Marketplace, NE HHS would offer premium assistance to individuals who earn between 100%-133% of the federal poverty level. Through the WIN Medicaid Coverage, persons who earn less than 100% (or less than 133% for those that are frail or have exceptional conditions as statutorily defined) are made eligible for Medicaid. See below for more details.

You will notice that this summary is replete with references to the Wellness in Nebraska Oversight (WINO) Committee, which this legislation would create. The WINO Committee has significant oversight responsibilities, and will assist the Nebraska Department of Health and Human Services in the implementation of this legislation. As provided by this bill, the WINO Committee would be a special legislative committee consisting of nine members of the legislature, as appointed by the Executive Board of the Legislative Council, including:

- Chairperson of the HHS Committee (who will act as Chair of WIN Committee)
- Two members of the HHS Committee
- Two members of the Appropriations Committee
- Two members of the Banking, Commerce, and Insurance Committee
- Two members of the Legislature who are not members of such committees

This committee would be appointed within 30 days of passage of the underlying legislation.

The bill begins a long section of legislative findings pertaining to health care access, a series of goals for the legislation, and a definitional section.

Within 30 days of the effective date of the act, NE HHS must apply to the federal Centers for Medicare and Medicaid Services (CMS) for a state plan amendment (SPA) to include newly eligible persons who are over age 19, not pregnant, not participating in Medicare Part A or Part B, not otherwise exempted, and have incomes between 0-133% of the federal poverty level. This SPA would be in effect until CMS grants a waiver for the WIN Program. The law this will allow all such persons earning between 0%-133% to participate in regular Medicaid during 2014, while the waiver application is under. The SPA would include all mandatory and optional benefits defined in NERS 68-911, and additional wrap-around benefits defined by the Affordable Care Act and not included in this Nebraska statute. The legislation would require NE HHS to begin the waiver application with CMS immediately upon the effective date of the act, in advance of a stated implementation date of January 1, 2015 for the entire WIN program. The SPA would be effective until January 1, 2015, or when a waiver is granted by CMS, whichever is earlier.

The WIN Marketplace Program is for those earning between 100% and 133% of the federal poverty level, who (1) do not have access to cost-effective employer-sponsored insurance, and (2) are determined to be not medically frail and not have exceptional medical conditions (as determined by NE HHS and the language offered in this legislation). These persons are allowed to enroll in a qualified health plan offered on the health benefit exchange. In addition, all newly eligible persons who have employer-sponsored coverage are also eligible to participate, if NE HHS finds that such participation is cost-effective to the state. The WIN Marketplace program will begin by January 1, 2015 or as soon as a waiver is granted by CMS. WIN Marketplace participants will be eligible for a 'silver' level plan on the exchange. For those who do have an employer-sponsored plan, if they should be allowed to participate, the WIN Marketplace will pay for the employee's share of an employer-sponsored insurance premium plus any required cost-sharing, copayments, co-insurance, deductible and wrap-around benefits.

The WIN Medicaid Program allows those who less than 100% of the federal poverty level (or less than 133% of the federal poverty level and are frail) to receive Medicaid. WIN Medicaid coverage includes all mandatory and optional benefits per NERS 68-911 and wrap-around benefits defined by the ACA.

The waiver application to CMS shall include health care innovations/integrated care models, which are essentially preventive emphasis.

By January 1, 2016, all newly eligible individuals shall have the chance to choose a primary care doctor and a patient centered medical home, if appropriate. These terms are defined within the statute. If there are not enough such facilities, NE HHS and the Oversight Committee will create a plan for creating such facilities. Patient centered status will be achieved through certification or a plan to attain such certification through the National Committee for Quality Assurance, the Joint Committee on Accreditation of Health Care, Utilization Review Accreditation Commission or a successor certifying body by January 1, 2016. Accountable care organizations, as defined in the legislation, shall incorporate patient-centered medical homes as foundational.

The waiver application shall include a plan developed by the department, with oversight by the WINO Committee, to contract with each managed care organization to develop at least three health homes for newly eligible individuals who are medically frail or have exceptional medical conditions. This will be a pilot program, using a whole-person approach. NE DHHS will work with the managed care organizations to create value-based reimbursements.

By January 1, 2016, NE HHS, in conjunction with the WINO Committee, shall recommend a reimbursement methodology and incentives for participation in the patient-centered medical home and health home systems to ensure that providers enter into and continue participating in the system, which must consider wellness, performance standards, and other concerns.

The department, in conjunction with the WINO Committee, shall also recommend payment models for accountable care organizations by January 1, 2016, that include, but are not limited to, risk sharing, including both shared savings and shared costs, between the state and the participating accountable care organization and bonus payments for improved quality.

The waiver application to CMS must also include provisions for incentives to develop cost-conscious consumer behaviors and use of preventative services.

Beginning January 1, 2016, participants in either the WIN Marketplace or WIN Medicaid who earn between 50% and 100% of the federal poverty level shall contribute 2% of their monthly income to the program. However, if the individual completes the specified preventative services in their first year of enrollment, their monthly contributions are waived, until any time they fail to complete the specified preventive wellness services. The necessary preventive services are statutorily defined, and includes (but is not limited to) an annual physical and a health risk assessment. There will be no co-pays, except for a charge for inappropriate use of an emergency room (in an amount to be determined by NE HHS and the WINO Committee). Total costs will not exceed 5% of annual income for any individual.

Upon enrollment, an individual is entitled to 12 months of coverage, subject to program termination and other limitations specified by NE HHS. NE HHS shall review eligibility annually, for each member.

If federal funding for the ACA falls below 90%, the Legislature will review the legislation to determine how to mitigate the impact and review health coverage options for persons covered through the legislation. NE HHS will have rulemaking authority to carry out the legislation, which will be effective immediately given the existence of an emergency.



Fact Sheet

North American Invasive Species Management Association Since 1993

Our mission is to promote and empower invasive species management in North America.

1. We are focused on providing empowerment, professional improvement, and networking to invasive species managers of North America while improving the public perception of the profession as credible and valuable.
2. NAISMA represents professionals responsible for local level on the ground invasive species management in North America. We are the professionals responsible for protecting our federal, state, provincial, county, agricultural, and open spaces from the impacts of invasive species.
3. NAISMA members currently represent 4 country's, 30 states, and 4 provinces throughout the US, Canada, and Mexico.
4. NAISMA provides for a North American wide invasive species management organization offering the professional development, networking, and public awareness needs of local level on the ground invasive species management professionals.
5. NAISMA Action
 - ✓ Inclusion of all invasive species management professionals. NAISMA is an association for all managers, supporters, educators, and interested individuals of the invasive species management profession.
 - ✓ North American Weed Free Forage Inspection and Certification Standards. Forage certified to these standards is required by many federal and state agencies. These certification standards have been adopted by 22 states, 1 province, and 2 counties.
 - ✓ North American Weed Free Gravel Pit Inspection and Certification Standards. Gravel pits are a source for weed spread. These standards provide a foundation for preventing weed spread via this medium.
 - ✓ North American Invasive Plant Mapping Standards. These standards were developed for consistent data collection and information sharing.
 - ✓ Certified Manager of Invasive Plants. This is a professional certification of competency in invasive plant management.
 - ✓ International Issues. Provide international, national, and local support for invasive species management issues and legislation. NAISMA is the collective voice of North American Invasive Species managers.
6. More information at www.NAISMA.org

Lancaster County Board of Commissioners

RE: North American Invasive Species Management Association (NAISMA)

I want to thank you for allowing me to attend the NAISMA conference in Jackson, WY. It was one of the largest attended conferences ever held by NAISMA. *I still have a hard time calling it NAISMA. When I was on the board it was always NAWMA, (North American **W**eed Management Association.)* But the current board felt they needed to be politically correct and include more groups working on other types of invasives; hope is the name change would better reflect their mission. I agree with them, I just have a hard time not calling it by the name I helped build and promote.

The good news is I was able to make this very affordable conference by riding along with two others traveling from Nebraska. We met in Grand Island and the Nebraska Weed Control Association paid for the mileage from GI to Jackson.

There were 234 attendees representing 25 different states, 2 Canadian Provinces and 2 individuals from Switzerland. I was able to gain some new ideas during the presentations as well as networking with folks during the off hours. Since weeds don't respect political boundaries it is important to find out what those around us are doing and what species they battle.

There were 3 concurrent sessions and we split up so we were able to cover all the information presented to bring back to Nebraska.

These are the sessions I attended.

Weed Free Forage: Train the Trainer; this is a North American certification program where we can certify hay / mulch to be used on State roads or for landowners to sell as weed-free forage. Any hay taken onto federal lands must be certified. We have about ½ dozen folks in the county that certify hay for various reasons.

Certified Manager of Invasive Plants, This was a round table discussion on how to make this program better and how to promote it to our members.

Tour – Unfortunately for the folks hosting this tour we had 5 inches of snow the night before the tour. However, 200 folks still boarded 5 buses to go on the tour. It was really interesting to learn how they manage and partner with the federal agencies on fighting invasives. One of their biggest problems is the invasion of cheatgrass. Teton County consists of 95% federal land, so partnerships are a big part of their program. We toured the National Elk Refuge where they manage a 7,500 head elk and 800 head buffalo population while trying to manage the invasives. That looked to me like an almost impossible challenge, but at least they have a plan of attack and through their partnerships make good progress each year. Even though we were on the Elk Refuge we didn't see any elk, *(they are still up in the high country)*, but did get to see moose and buffalo.

NAISMA Update - by Rob Schultz

Range & Pasture(Smart Technology) –

Ralph Whitesides a USU Extension Agronomist and Weed Science Professor discussed his new smart technology that he is developing and hoping to get released by 2015. This new technology goes on the hand sprayer of a back pack, hose sprayer, or anything you spray by hand. This new device will do just about everything for you, except the spraying. It will record all the information on a card and then when you get back to the office, one can download the spraying information in the computer. It will also give GPS coordinates of the locations sprayed, how much was sprayed at the location, and give weather conditions at that point.

Biocontrol Exploration, Impact, and Agents on the Horizon –

Harriet Hinz is the head of biological weed control at CABI in Switzerland. She is leading or actively involved in 5 biocontrol projects. A hoary cress project is currently taking place in Wyoming. Classical biocontrol of weeds started in 1902 in Hawaii. Insects must be tested on many other plants and studies done to see that they do not have any T&E species. Phase 1 can take up to 2 years, data is collected & field surveys are done then the selections take place. Phase 2 can take 5-10 years, studies on biology are done, the host range, & efficacy interactions. Then a petition needs to be prepared for field release and that can take 2-3 years. Total cost of bringing a biocontrol agent to release over \$1 million and takes 12-15 years.

Tim Collier – Associate Professor of Biocontrol Entomology at the University of Wyoming. He said biocontrol is not fast and its success is difficult to predict. The USDA-APHIS agency regulates the imports of insects. It is a process to get biocontrol agents through the government process. But this is intended to prevent impacts of biocontrol agent on non-target species.

Lars Baker – Fremont County Weed Supervisor in Wyoming, he discussed how he worked with CABI on the release of *Apthona Nigriscutis* in Wyoming. They were screened by CABI from 1978-1982 and then released in Wyoming in 1990 and 1992.

URS Schaffner – Head of Ecosystems Management at CABI in Switzerland. He has been a research scientist at CABI since 1994 and currently involved in 3 biocontrol projects. He discussed the Classical biocontrol of invasive weeds. Biocontrol agents are host specific and takes years to develop. He discussed the cost/benefit ratios of a few weed species. The goal of Classical biocontrol is habitat restoration, but it must be integrated with other weed management options.

Harriet Hinz from CABI in Switzerland discussed some of the agents that are being studied right now.

- Russian Knapweed-midge release in Montana & Wyoming in 2009, gall wasp in Montana and a mite will be released in 2016 or after.
- Russian Olive-eriophyid mite – reduces seed production
- Yellowstar thistle-rosette weevil and 3 other projects going on as well.

3rd Annual Nebraska Weed Management Area Summit

Ramada Inn – Kearney, NE

January 14th and 15th, 2014

‘Stopping Tomorrow’s Problems Today’

January 14th

1:00 - Welcome, Introductions, Housekeeping

1:15 - History and status of ‘NEWMAC’

1:30 – Belle Fourche Watershed Partnership – Tom Quinn

2:15 – Collaborative Control of Invasive Plants in Southern Illinois – Karla Gage

3:00 – Break

3:20 – Impact of Climate Extremes on Invasive Plants – Steve Young

4:00 – Remote Sensing of Invasive Vegetation – Richard Perk

4:45 – Potential of Unmanned Aircrafts for Vegetation Monitoring??

6:30 – Supper and presentation ‘Platte River Basin Time-lapse Project’ – Mike Farrell

January 15th

8:30 – Nebraska Invasive Species Council – Allison Zach

9:00 – CWMA Initiatives in Applied Ecological Research in Southern Illinois – Karla Gage

10:00 – Break

10:20 – NEWMAC business meeting – WMA updates, future, and open discussion

12:00 - adjourn

Knot Anymore

The most effective way to win the knotweed battle is to use specially-selected herbicide. A product that can attack knotweed's extensive root system is required.

Call a company with certified applicators. They can help you choose the appropriate treatment method for your property and get the job done safely.

There is no silver bullet with knotweed. Knotweed can take a few years of treatments to achieve control. Be patient and committed to your treatment program and you can defeat this stubborn alien and **protect your home.**



www.iscmv.ca/komp/treatment





What Knot to Do



Do Knot - cut, weed whack or mow knotweed. Knotweed is spread largely by small plant fragments so these activities turn one plant into thousands.



Do Knot - dig out large infestations. Knotweed roots can go as much as 3m deep and are extensive. Any tiny root fragment left behind can result in further growth.



Do Knot - put any knotweed parts in your home composter. Knotweed cannot be reliably "cooked" by your home composter. If you must cut it, put it in your green waste for pick up so it can be commercially composted by professionals.



www.iscmv.ca/komp/doknot

Property Values and Legal Issues

Knotweed does not respect fences. The root systems are capable of traveling 20m horizontally -- so if you have it, your neighbour probably does too.

Knotweed is serious stuff. In the UK some homeowners have been denied property insurance or mortgages on properties with knotweed. Here in BC, this hasn't happened yet. The **BC Weed Control Act** does require any land owner or occupier to control knotweed on their property



www.iscmv.ca/komp/legal





Alien Profile

Location: Just about anywhere including driveways, gardens, roads, ditches, creeks

Status: At Large in British Columbia

Description:

- Hollow, bamboo-like stems
- Distinct red coloured segments along the stems
- Small white flowers
- Large green leaves
- Grows to 3m tall

Wanted for: Extensive damage to private and public property and wreaking havoc on the environment

Notes: Spreads by roots, seeds and plant fragments.



www.iscmv.ca/komp/id





Long Range Planning Proposal

Lancaster County Public Defender's Office

12/31/2013
Miles Ahead Consulting
Monica Miles-Steffens
8121 Whitney Ct.
Lincoln, NE 68507
(402) 440-0373
Monica@milesaheadconsult.com

Scope of Work

Upon meeting with the Lancaster County Public Defender's Office to discuss options for developing a Long Range Plan for the office, Miles Ahead Consulting, LLC proposes the following to assist the office in accomplishing their goal.

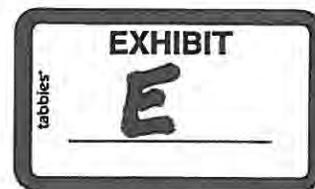
Electronic Survey: An electronic survey will be conducted of the staff within the office asking them to provide information concerning various aspects of office policies, training, workload, etc. The survey has already been developed by the Public Defender's office. Miles Ahead Consulting will review the survey and make any additional suggestions if necessary prior to release of the survey. An invitation to participate in the electronic survey along with the survey link will be sent by Miles Ahead Consulting, LLC and provide staff 20 days in which to respond. Results of the survey will then be analyzed to assist with the facilitation of staff focus groups and management team discussion.

Facilitation: Miles Ahead Consulting, LLC will facilitate several two hour focus groups with staff groups identified by the management team. The purpose of the focus groups will be to expand on the information from the survey and allow staff to clarify and provide additional input into the priority development of the Long Range Plan.

Preliminary Report: Based on the information from the survey and focus sessions, Miles Ahead Consulting, LLC will prepare a preliminary report, outlining the priorities and action steps. The draft report will be provided to the management team for review. Miles Ahead Consulting will facilitate a working session of this team to allow for clarification, changes, and development of final priorities and strategies.

Final Report: Upon completion of the management team's work, a Final Report will be prepared and submitted to the Public Defender and his management team. The Long Range Planning Process and Final Report will be completed by fall 2014.

Cost for Services: The cost for the services provided by Miles Ahead Consulting, LLC will be \$2,500.



LAW OFFICES OF THE
LANCASTER COUNTY PUBLIC DEFENDER
COURTHOUSE PLAZA
633 SOUTH 9TH STREET
LINCOLN, NE 68508
(402) 441-7631

MEMORANDUM

TO: Lancaster County Board of Commissioners
FROM: Dennis R. Keefe, Lancaster County Public Defender
DATE: January 23, 2014
SUBJECT: Need For An Additional Felony Attorney

In the 4 years since 2009, the number of felonies assigned to the Public Defender has increased by 521 cases or 36% (9% per year on average). The increase between 2012 and 2013 alone was 15% (1715 felonies to 1977 felonies). While there are a number of charge types affecting this increase, we have identified Possession of Methamphetamine (Poss Meth) as one of the major drivers. Poss Meth cases have gone from 139 cases in 2009 to 685 cases in 2013 or a 191% increase (48% average increase per year). In just the one year period from 2012 to 2013 Poss Meth cases increased from 220 cases to 405 cases (an 84% increase). Another charge type that didn't exist in 2009 is Tampering With An Ignition Interlock Device (Ignition Interlock). The Legislature just recently expanded the scope of that law. The result is that in 2012 we received 4 cases and in 2013, we received 70 cases. All of these figures are summarized in the following chart:

Growth in Felony Cases 2009-2013

Charges	2009	2010	2011	2012	2013
All Felony Cases	1456	1529	1601	1715	1977
Poss Meth Cases	139	167	168	220	405
Ignition Interlock	0	1	1	4	70

The increase in new felony cases results in an increase in conflict cases and standard overload cases, which result in additional expenditures for county and district courts for legal services. Adding staff to the Public Defender's Office cannot affect the conflict cases because our office could not represent those clients even if we had the additional staff. However, adding a staff attorney to the Public Defender's Office can definitely help hold down costs in the standard

overload cases.

There were 133 felony cases that were assigned to the private bar in the first 6 months of FY14 because of case overload in the Public Defender's Office. This is an average of 22 cases per month. At this rate, FY14 will end with 266 felony cases sent to the private bar because of case overload. As a point of comparison, FY 13 had a total of 74 overload felony cases or a little more than 6 cases per month. The average cost of a felony case (including attorney fees and expenses) assigned to private attorneys in 2012 was \$1292/case.¹ Based upon the average cost per assigned counsel case (\$1292), 266 felony cases would mean expenditures of \$ 343,672 for fees and expenses.

The average yearly cost of an entry level attorney in the Public Defender's Office for the first three years of employment is \$88,572 (including all salary, assumed salary increases and benefits at the maximum). The break even point for the County in adding a staff attorney to the Public Defender's Office is 69 overload cases. (69 cases x \$1292/case = \$89,148).

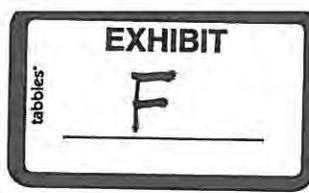
The average felony attorney in the office can handle approximately 115 felony cases per year under our standards. This would result in a savings of \$60,008 per year (115 assigned counsel cases x \$1292 per case = \$148,580 - \$88,572 average cost of new attorney per year). These figures are summarized in the chart below:

Cost of 115 felony cases

Assigned Counsel	Public Defender Staff Attorney
\$148,580	\$88,572

It should be noted that with the number of new cases we are seeing at the present time, these figures support the addition of 2 new attorneys. However, we believe the prudent thing to do is to add one attorney at this time and then evaluate the situation at budget time.

¹ This is based upon 361 cases closed by assigned counsel since they were opened in 2012 where invoices had been submitted for fees and expenses.



23 January 2014

Lancaster County - 605 Building Reuse Study

Draft Phasing, Schedule and Construction Cost

The following describes the recommended phasing sequence, schedule timeframes and relative construction cost associated with each phase of the 605 Building, 825 "J" Street Building and Drug Court building reuse. The Probable Construction Costs are based on average projected square footage costs (\$/sf) applied to the corresponding areas of the conceptual plan diagrams. The intent of this estimate is to provide "order of magnitude" costs that will guide the County as it implements a plan to adapt and reuse of these buildings.

Phase 1A (2014) – Sallyport, Prisoner Holding & Elevator /

Scope:

- Construct new prisoner transfer Sally Port on the Ground Level
- Remodel the existing northwest cellblock on 2nd and 3rd floors for the holding of prisoners awaiting court appearance.
- Install new 3-stop elevator.
- Does not include new electronic communication and security control system to new Lancaster County Adult Detention Facility.

Timeframe:

- Design and construction documentation – 3 months.
- Bidding & construction contract – 1 month.
- Construction – 4 months.
- Total timeframe = 8 months.

Probable construction cost:

- New Sally Port.	4,350sf @ \$150/sf =	\$ 652,500.
- Prisoner Holding.	5,350sf @ \$25/sf =	133,800.
- <u>New 3-stop elevator.</u>	<u>Allowance =</u>	<u>250,000.</u>
		1,036,300.
<u>Contingency (10%)</u>		<u>103,600.</u>
Total Prisoner Transfer & Holding		\$1,139,900.

Phase 1B (2014) – General Interior Demolition /

Scope:

- Total demolition of interior to core structural, mechanical and electrical systems to create open usable shell space.

Timeframe:

- Design and demolition documentation – 2 months.
- Bidding & demolition contract – 1 month.
- Demolition – 3 months.
- Total timeframe = 6 months.

Probable demolition cost:

- Demolition 97,840sf @ \$8/sf = \$ 782,700.

Phase 2 (2014-15) – Community Mental Health Crisis Center Relocation /

Scope:

- Relocate the Community Mental Health Crisis Center from 2200 St. Marys Avenue to the 825 "J" Street building.

Timeframe:

- Design & construction documentation – 5 months.
- Bidding & construction contract – 1 month.
- Construction – 6 months.
- Total timeframe = 12 months.

Probable Construction Cost:

- Demolition (office)	21,300sf @ \$5/sf =	\$ 106,500.
- Demolition (metal building)	2,500sf @ \$10/sf =	25,000.
- Tenant finish	16,400sf @ \$85/sf =	1,394,000.
- Hardened patient care area	8,200sf @ \$10/sf =	82,000.
- <u>Site development allowance</u>		<u>75,000.</u>
		1,682,500.
<u>Contingency (10%)</u>		<u>168,300.</u>
Total Community Mental Health Crisis Center		\$1,850,800.

Phase 3a (2014-15) – Building Preparation /

Scope:

- Construct new west exit stairway.
- Reconfigure & install windows on the First and Second Levels.
- Upgrade mechanical, electrical and plumbing systems infrastructure including additional HVAC capacity.

Timeframe: See below.

Probable Construction Cost:

- New exit stairway	1,056sf @ \$200/sf =	\$211,200.
- New windows (1 st Floor)	7,000sf @ \$60/sf =	420,000.
- New windows (2 nd Floors)	84 @ \$2000ea =	168,000.
- Existing elevator modifications	3 @ \$10,000ea =	30,000.
- Mechanical/Electrical infrastructure	116,164sf @ \$25/sf =	2,904,100.
- <u>New mechanical room</u>	<u>4,480sf @ \$50/sf =</u>	<u>224,000.</u>
		3,957,300.
<u>Contingency (10%)</u>		<u>395,700.</u>
Total Building Preparation		\$4,353,000.

Phase 3b (2014-15) – Initial Tenant Fit Out /

Scope:

- Construct tenant spaces for Adult Probation, Community Corrections, Child Support and Juvenile Probation on the Ground, First and Second Levels.
- Construct new Secure Skywalk Link, Jury Lounge and connecting corridors on 2nd Level.
- Convert existing sallyport to Temporary Police Evidence Holding.
- Construct Police Evidence Storage on 3rd Level.
- Defer Sheriff's Morgue.

Probable Construction Cost:

- Lower Level (Drug Testing & Mtg.)	4,460sf @ \$75/sf =	\$ 354,750.
- Lower Level (Police Evidence)	2,000sf @ \$20/sf =	40,000.
- 1 st Level	28,330sf @ \$75/sf =	2,125,000.
- 2 nd Level	18,200sf @ \$75/sf =	1,365,000.
- 3 rd Level	19,000sf @ \$20/sf =	380,000.
- 2 nd Level JLEC Hallway	960sf @ \$75/sf =	72,000.
- <u>2nd Level Skywall Link</u>	<u>Allowance =</u>	<u>500,000.</u>
		4,836,750
<u>Contingency (10%)</u>		<u>483,700.</u>
Total Tenant Fit Out		\$5,320,450.

Phases 3a & 3b Timeframe:

- Design & construction documentation – 6 months
- Bidding & construction contract – 1 month
- Construction – 12 months
- Total timeframe = 17 months

Phase 4 (2015) – Existing Drug Court Building Remodel /

Scope:

- Convert the existing Drug Court Building to meeting rooms to be used by Adult Probation and Community Corrections.

Timeframe:

- Design & construction documentation – 3 months.
- Bidding & construction contract – 1 month.
- Construction – 4 months.
- Total timeframe = 8 months.

Probable Construction Cost:

- Demolition	4,000sf @ \$5/sf =	\$20,000.
- <u>Tenant finish</u>	<u>4,000sf @ \$75/sf =</u>	<u>300,000.</u>
		320,000.
<u>Contingency (10%)</u>		<u>32,000.</u>
Total Remodel		\$352,000.

Total Phases 1 – 4 Probable Construction Cost

\$13,800,000.

Note: Total affected facility gross area of 137,000sf @ \$100.73/sf = \$13,800,000. "Total affected facility" includes 605 Building, 825 "J" Street Building (not including basement) and Drug Court building. Total cost at complete fit out of 605 Building with County Attorney and 8th County Courtroom, Judge's Chamber Set and Jury Room = \$15,562,500 or \$113.60/sf average.

Future Phases /

Phase 5a (2016) – Relocation of County Attorney to 2nd Level of 605 Building triggered by appointment of the next Juvenile Court judge.

Phase 5b (2017) – Additional Juvenile Courtroom and Judge's Chamber Set on the 4th Level JLEC.

Phase 6a (2021) – Relocation of Clerk of the District Court to 4th Level of JLEC triggered by appointment of next District Court judge.

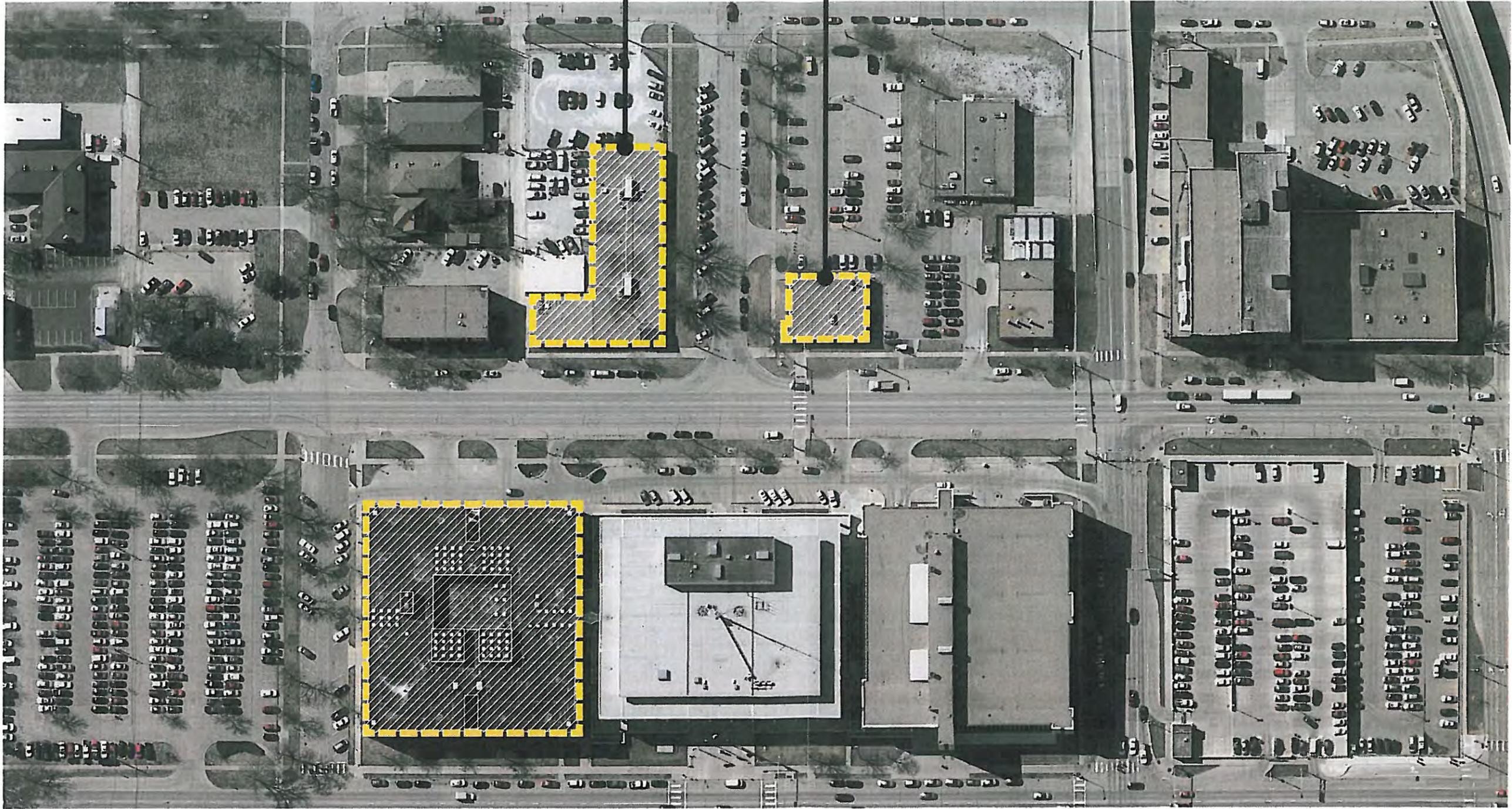
Phase 6b (2022) – Additional District Courtroom, Judge's Chamber Set & Jury Room on the 3rd Level JLEC.

Phase 7 (2022) – Additional County Courtroom, Judge's Chamber Set & Jury Room on the 2nd Level 605 Building.

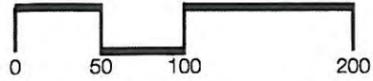
Phase 8 (2027) – Additional Juvenile Courtroom and Judge's Chamber Set.

JLEC and 605 Building fully occupied.

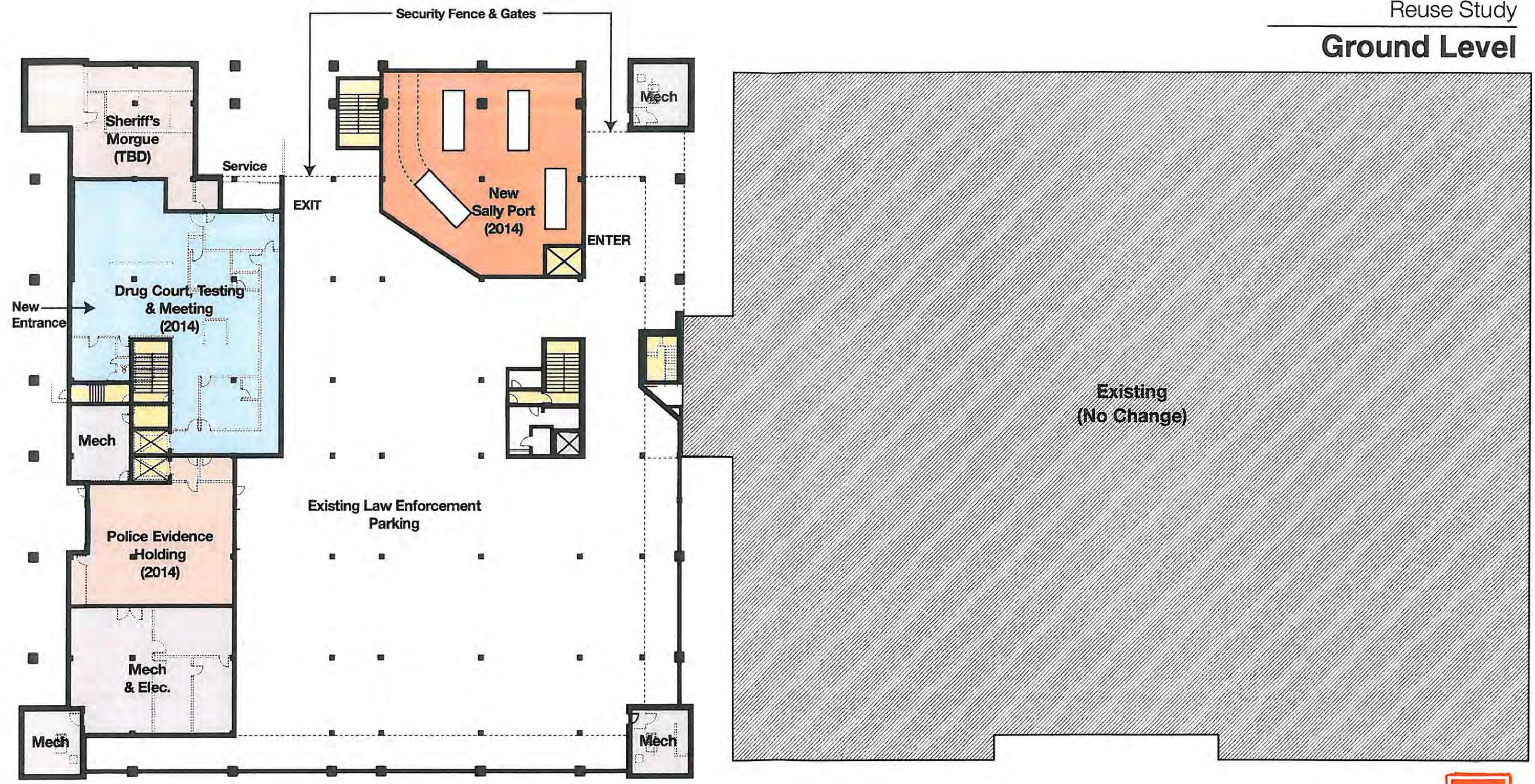
Adult Probation / Community Corrections Meeting Rooms
Community Mental Health Crisis Center



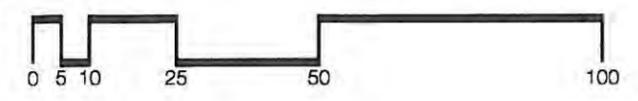
2014 JANUARY 23



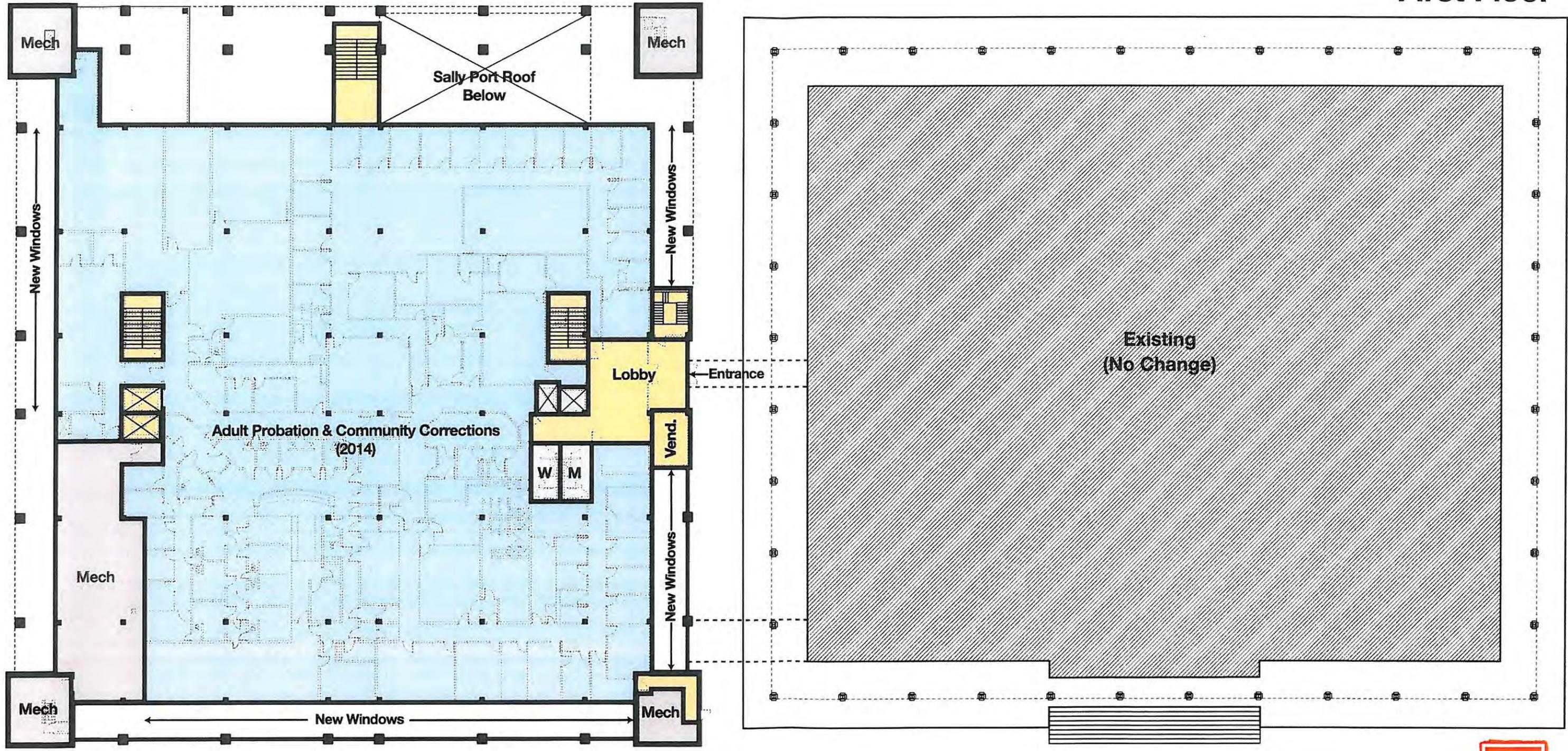
Ground Level



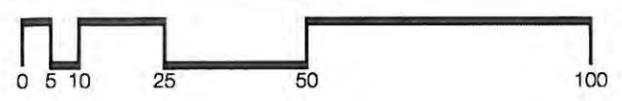
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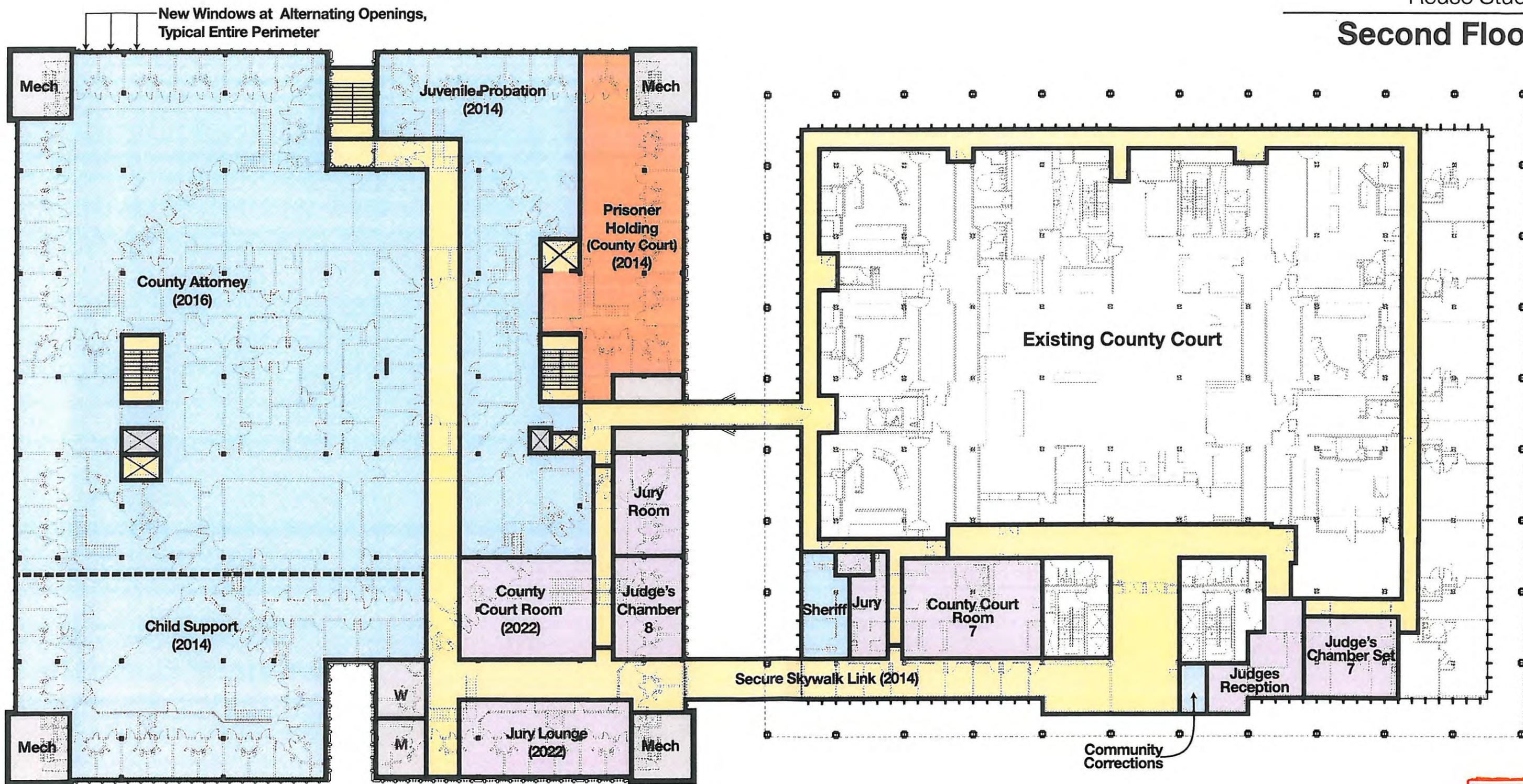
First Floor



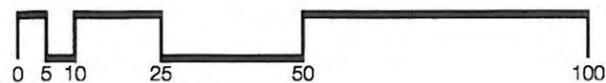
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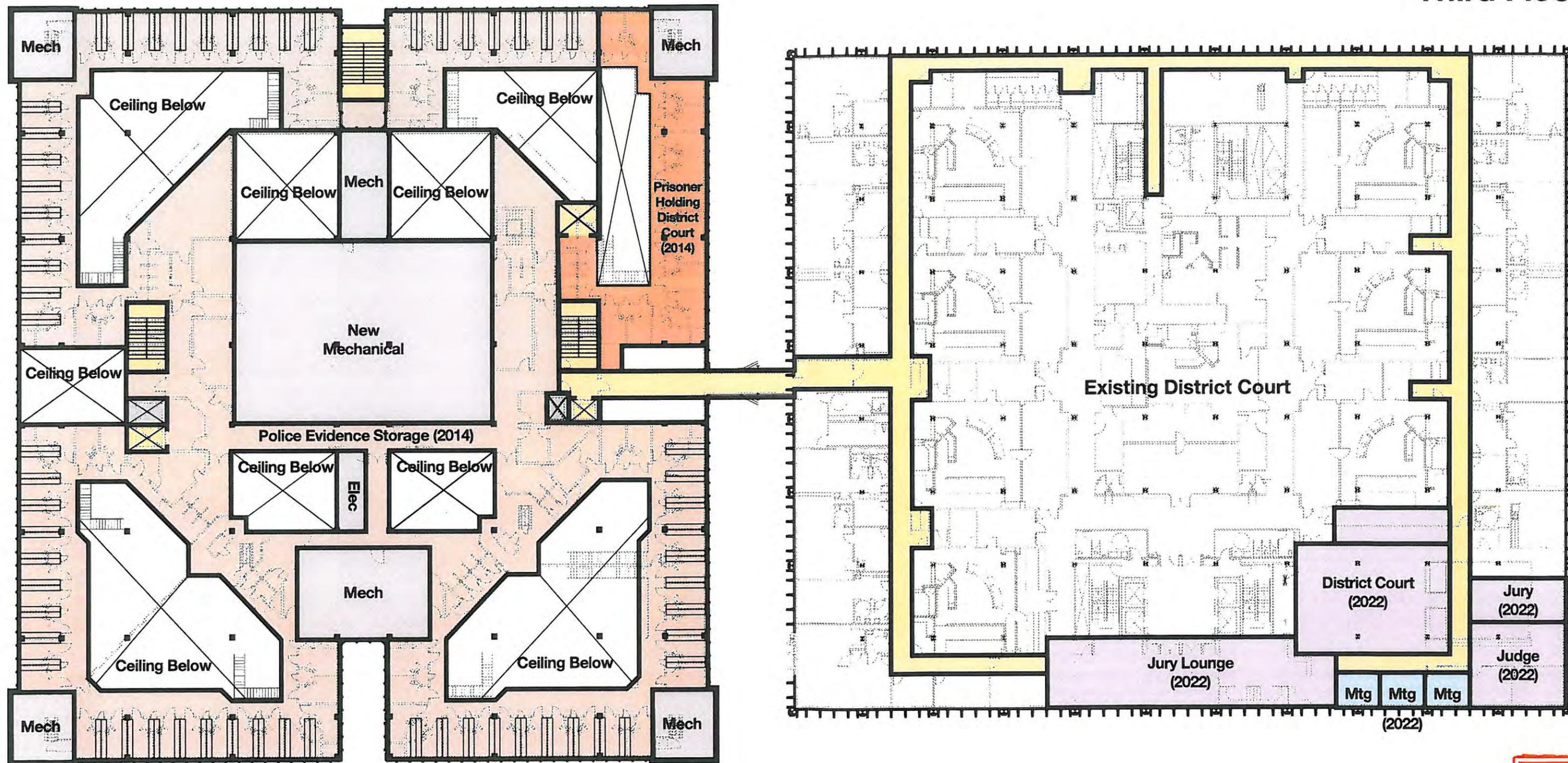
Second Floor



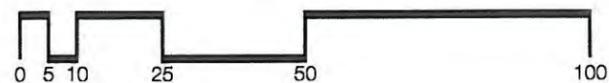
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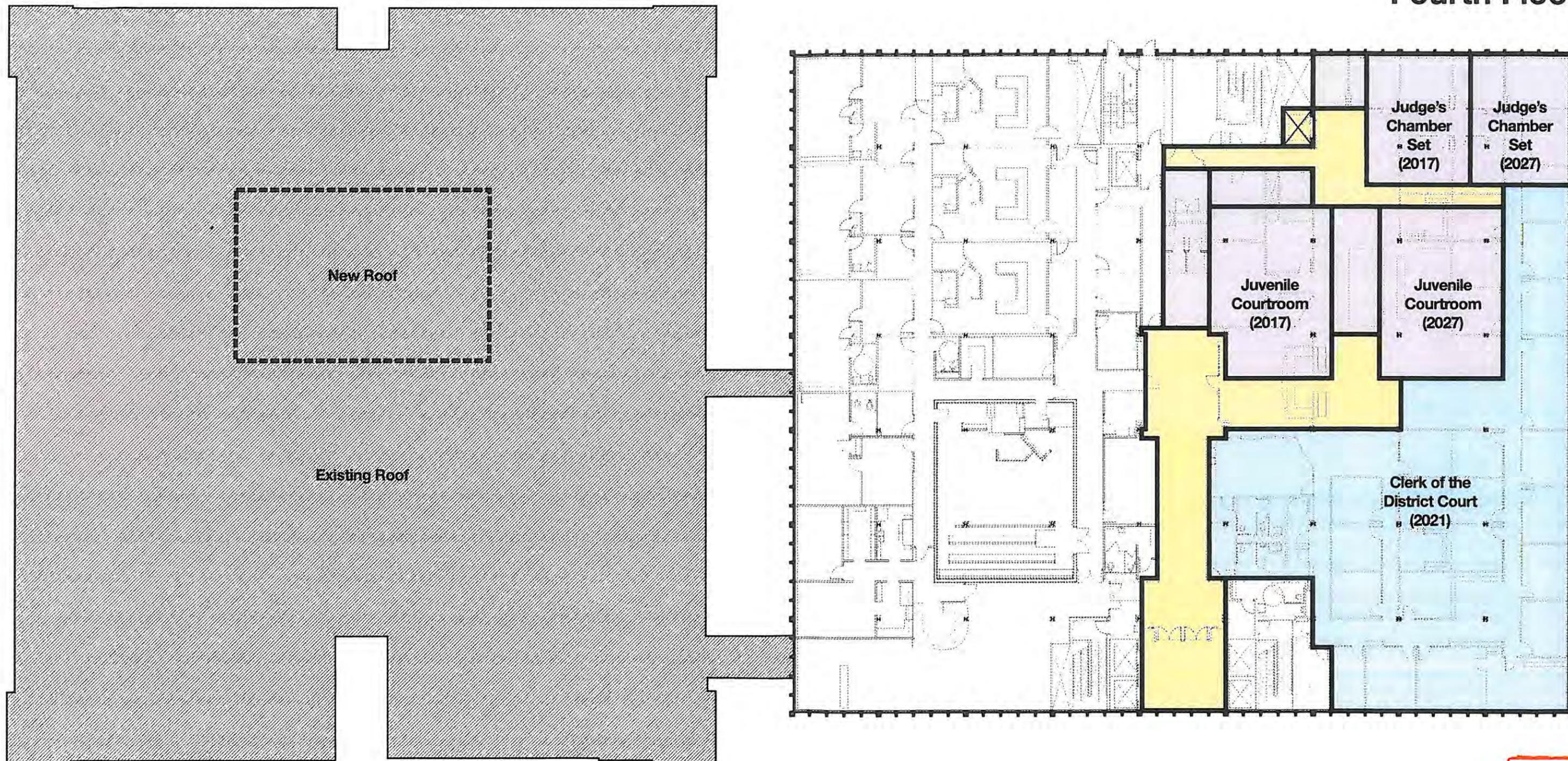
Third Floor



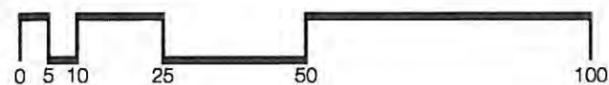
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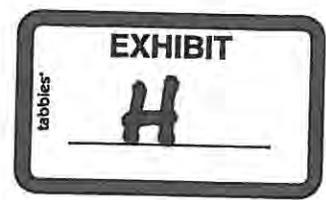


Fourth Floor



2014 JANUARY 23





Board of Commissioners
Lancaster County, Nebraska

We are pleased to present this report related to our audit of the basic financial statements of Lancaster County, Nebraska for the year ended June 30, 2013. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for County's financial reporting process.

Generally accepted auditing standards require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

The independent auditor's report included in the audited financial statements has been reformatted to conform to the new audit clarity standards that are effective in the current year. The intent of the new clarity standards is to make U.S. auditing standards easier to read, understand and apply.

Required Communications

Our Responsibilities With Regard to the Financial Statement Audit

Our responsibilities under auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States have been described to you in our arrangement letter dated July 9, 2013. We have issued a separate communication regarding the planned scope and timing of our audit; we made no significant changes to the planned scope or timing of our procedures.

Accounting Policies and Practices

Accounting Policies – Management has the ultimate responsibility for the appropriateness of the accounting policies used by the County. The County's significant accounting policies are discussed in Note 1 to the financial statements.

New Accounting Policy - During the year ended June 30, 2013, the County implemented GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* and GASB Statement No. 65 *Items Previously Reported As Assets and Liabilities*. GASB 63 provides guidance for reporting deferred outflows and deferred inflows of resources and GASB 65 provides additional guidance on reclassifying, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. A *deferred outflow of resources* is the consumption of net position that is applicable to future reporting period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. A *deferred inflow of resources* is an acquisition of net position applicable to future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

These new definitions were evaluated along with other provisions of the new Statements, resulting in the following changes to the County's financial statements: a) the County reclassified certain financial statement balances that met the definition of a deferred inflow of resources, b) costs of issuance associated with bond issues were written off as such costs must now be expensed when incurred, rather than being capitalized and amortized over the term of the bond issue, and c) the term "net assets" was replaced with the term "net position".

Change in Accounting Policy - Prior to 2013, the County reported leases with the Lincoln-Lancaster County Public Building Commission (PBC) as operating leases. During 2013, management of the County evaluated the recording of these leases, and determined that a change in methodology was necessary to improve financial reporting. Due to the terms in the lease agreements, it was determined that the leases should be recorded as capital leases. The result is that a capital lease payable is recorded. The change in methodology resulted in a reclassification of rent payments to debt service principal and interest, with a net effect of \$0 on fund balance. For governmental activities, this change resulted in an increase to long-term liabilities of \$19,635,000 as of July 1, 2012, resulting in a decrease in net position of \$19,635,000. See Note 4 to the financial statements for a more detailed discussion.

Change in Reporting Entity - Prior to fiscal 2013, the County reported its relationship with the Lancaster County Correctional Facility Joint Public Agency (JPA) as a joint venture arrangement. During 2013, management of the County evaluated the reporting of this relationship, and determined that a change in methodology was necessary to improve financial reporting. Due to the fact that the correctional facility being constructed is for the primary benefit of the County, it was determined that the JPA should be reported as a blended component unit. This change resulted in the JPA's financial information being included in the total governmental activities on the Statement of Net Position and Statement of Activities. See Note 1 to the financial statements for a more detailed discussion.

Significant or Unusual Transactions - We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Management's Judgments and Accounting Estimates - Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. Management may wish to monitor throughout the year the process used to compute and record these accounting estimates. Significant accounting estimates include the following:

- *Allowance for doubtful accounts (primarily as it relates to the Community Mental Health Center):* The CMHC uses the allowance method to account for estimated uncollectible accounts receivable, and the allowance is determined by management, and includes all balances more than 60 days past due, plus a percentage of current balances based on past collection experience. As a basis for our conclusions, we reviewed the aging of accounts receivable, collections subsequent to year-end, and management's process for determining the allowance.
- *Claims liability recorded for claims incurred but not reported (IBNR):* To estimate IBNR, for workers' compensation and general liability claims, management relies on an actuary's report. The actuary performs calculations to estimate liabilities on claims and future year costs based on inputs provided by the County's risk manager. As a basis for our conclusions, we tested the inputs used by the actuary to ensure that they agreed to the underlying support provided by the County's risk manager.

Audit Adjustments

We made the following adjustments to the original trial balance presented to us to begin the audit:

- 1) to correct an error in accounts receivable identified during testing,
- 2) to record a capital lease payable to the City of Lincoln related to an interlocal agreement to fund a new VOIP system,
- 3) to record claims incurred but not reported for health insurance claims,
- 4) to record the capital lease payable between the PBC and the County (as discussed previously),
- 5) to record a correction to accumulated depreciation for a certain class of infrastructure assets identified during testing that were not being depreciated, and
- 6) to write-off a payable to the PBC recorded in a prior year that had been paid.

Other adjustments necessary to prepare the year-end financial statements were provided by management.

Uncorrected Misstatements

We did not identify any uncorrected misstatements.

Management Representations

In connection with our audit procedures, we have obtained a written management representation letter. This representation letter constitutes written acknowledgments by management that it has the primary responsibility for the fair presentation of the financial statements in conformity with generally accepted accounting principles. The representation letter also includes the more significant oral representations made by officers and employees during the course of the audit and includes specific representations, is intended to reduce the possibility of misunderstandings between us and County and reminds the signing officers to consider seriously whether all material liabilities, commitments and contingencies or other important financial information have been brought to our attention.

Other Disclosures

- We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements.
- We are not aware of any consultations management had with other accountants about accounting or auditing matters.
- No significant issues arising from the audit were discussed or were the subject of correspondence with management.
- We did not encounter any difficulties in dealing with management during the audit.

Letter Communicating Significant Deficiencies in Internal Control over Financial Reporting for the Community Mental Health Center

We have separately communicated a significant deficiency in internal control over financial reporting identified during our audit of the financial statements of the Community Mental Health Center. See our prior communications dated September 26, 2013.

Internal Controls

In planning and performing our audit of the financial statements of Lancaster County, Nebraska as of and for the year ended June 30, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that were not identified. However, we identified certain deficiencies in internal control that we consider to be significant deficiencies, as discussed below.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following control deficiencies to be significant deficiencies

Accounting and Financial Reporting: The County's management is responsible for the accuracy, completeness, and fairness of data presented in the financial statements, including all disclosures. During fiscal 2013, the County supplemented its resources by adding a position within the Budget and Fiscal Office to assist with the year-end closing process and preparation of the financial statements. This resulted in the County being able to prepare most of the year-end adjusting entries needed to prepare the financial statements, and for the County to have a greater ability to review the financial statements in more detail, and provide feedback on the statements and related disclosures. We noted the following areas for continued focus in future years:

Financial statement preparation: For the year ended June 30, 2013, the auditors continued to assist in preparing the financial statements, including note disclosures, supplemented by assistance provided by County management as described above. While the majority of the year-end adjusting entries were prepared by management, a few were prepared by us during the course of the audit, as described in the "Audit Adjustments" section previously. Additionally, when the auditor assists in preparing the financial statements and required note disclosures, there is a risk that disclosures or entries may be missed since management has a more comprehensive understanding of the County's operations.

Capital Assets: During the procedures we performed over capital assets, we noted that amounts added to infrastructure during the current year were capitalized at the time that a contract was signed, rather than the time the project was completed. Additionally, the amount recorded was the contract amount, rather than the actual completed cost. The engineering department is responsible for informing the County Clerk's office of capital assets pending capitalization. However, there appears to be a breakdown of communication between the engineering department and the County's finance personnel in regards to the amount and timing of capitalization. This was corrected in the current year, with the finance department performing a

detailed review of the costs for all construction projects to determine the appropriate amounts to be capitalized.

Additionally, we noted during our testing of depreciation expense that one class of infrastructure assets was not being depreciated. A prior period adjustment was posted to correct the beginning balance in accumulated depreciation and the useful lives were updated in the capital assets accounting software to correct the issue going forward.

Other Recommendations

Fund Balance Policy

The County does not currently have a formal policy regarding fund balance reporting. With the implementation of GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal 2011, it is generally recommended that governments adopt a formal policy. Such policy would describe when fund balances are considered "committed" or "assigned" under the GASB 54 definitions. It would also describe what the County's policy is for use of fund balance when both restricted and unrestricted sources may be available.

Schedule of Expenditures of Federal Awards

During procedures performed for the OMB Circular A-133 part of our audit, we noted that the County may use a single general ledger cost center for multiple federal and non-federal funding sources that may support a particular activity. This makes the process of identifying federally funded activity challenging, and increases the risk that the County may inadvertently charge expenditures to an incorrect funding source. We recommend that the County create separate cost centers for each federal funding source. The County's financial accounting general ledger system allows for the creation of "business units" to track activities by cost center, and in some cases, activities for federal grants were tracked within a single business unit. We recommend that the County evaluate whether "business units" could be setup for all federal funding sources.

Closing

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

It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to be of service to Lancaster County.

CERTIFIED PUBLIC ACCOUNTANTS

January __, 2014
Wichita, KS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2013

(CONTINUED)

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2013-001 (Significant Deficiency): Segregation of Duties, Community Mental Health Center

Criteria/Condition: There is a lack of adequate segregation of duties at the Community Mental Health Center (CMHC) related to the collection and recording of patient receipts. Client account representatives and the billing supervisor can accept receipts over the counter and post the payments and other adjustments to the customer's account in the billing system. The billing supervisor also opens the mail, posts payments received to the customer's accounts, and reconciles posted payments to the deposits.

Internal controls should ensure proper segregation of duties – i.e., assigning different people the responsibilities of authorizing transactions, recording transactions, and maintaining custody of assets. In small environments where there are a limited number of personnel, compensating controls can be incorporated to mitigate the risk of misappropriation of assets.

Cause: Due to its size, the CMHC has a limited number of personnel.

Effect: A lack of segregation of duties could lead to the potential for misappropriation of assets.

Recommendations: We recommend the following:

- 1) Consider having 2 individuals open the mail, and create a log of amounts received, which could later be reconciled to the amount posted to the system and the deposit by someone other than the billing supervisor.
- 2) A daily report is generated that shows payments, adjustments and other activity on customer accounts. This report is used in the daily balancing process, by the employee who prepares the daily reconciliation and deposit. Consider having someone in a supervisory position (who does not also have access to post payments or adjustments to the system) review this report to ensure the adjustments are proper.

Management's Response (Unaudited):

Lancaster County understands the segregation of duties concern and will review procedures and possible changes throughout the transition of the Mental Health Center.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2013

(CONTINUED)

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2013-002 (Significant Deficiency): Accounting and Financial Reporting

Criteria/Condition: The County's management is responsible for the accuracy, completeness, and fairness of data presented in the financial statements, including all disclosures. During fiscal 2013, the County supplemented its resources by adding a position within the Budget and Fiscal Office to assist with the year-end closing process and preparation of the financial statements. This resulted in the County being able to prepare most of the year-end adjusting entries needed to prepare the financial statements, and for the County to have a greater ability to review the financial statements in more detail, and provide feedback on the statements and related disclosures. We noted the following areas for continued focus in future years:

- 1) *Financial statement preparation:* For the year ended June 30, 2013, the auditors continued to assist in preparing the financial statements, including note disclosures, supplemented by assistance provided by County management as described above. While the majority of the year-end adjusting entries were prepared by management, a few were prepared by us during the course of the audit.
- 2) *Capital Assets:* During the procedures we performed over capital assets, we noted that amounts added to infrastructure during the current year were capitalized at the time that a contract was signed, rather than the time the project was completed. Additionally, the amount recorded was the contract amount, rather than the actual completed cost. The engineering department is responsible for informing the County Clerk's office of capital assets pending capitalization. However, there appears to be a breakdown of communication between the engineering department and the County's finance personnel in regards to the amount and timing of capitalization. This was corrected in the current year, with the finance department performing a detailed review of the costs for all construction projects to determine the appropriate amounts to be capitalized.

Additionally, we noted during our testing of depreciation expense that one class of infrastructure assets was not being depreciated. A prior period adjustment was posted to correct the beginning balance in accumulated depreciation and the useful lives were updated in the capital assets accounting software to correct the issue going forward.

Cause: Additional resources added to the Budget and Fiscal Office in 2013 are new to their positions, and are still in the process of obtaining training and experience with the year-end closing process and procedures for preparation of the financial statements.

Effect: When the auditor assists in preparing the financial statements and required note disclosures, there is a risk that disclosures or entries may be missed since management has a more comprehensive understanding of the County's operations.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2013

(CONTINUED)

SECTION II – FINANCIAL STATEMENT FINDINGS

Recommendations: We recommend management:

- 1) Continue to evaluate and strengthen controls and procedures to capture the information needed to identify, authorize, record and process recurring and nonrecurring journal entries, year-end adjustments, and as needed for the preparation of the financial statements.
- 2) Further evaluate communication and the flow of information between the engineering department, County Clerk's office, and finance personnel pertaining to the identification and recording of capital assets, to ensure capital costs are properly being captured for financial reporting purposes.
- 3) Consider additional training for staff in the preparation of financial statements, and ensure that key personnel in the accounting area are trained in the requirements of governmental accounting and financial reporting.

Management's Response (Unaudited): Lancaster County will continue to move in the direction of preparing financial statements, note disclosures, and year end adjusting entries.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2013

(CONTINUED)

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2013-003 (Significant Deficiency):

CFDA #93.243: Substance Abuse and Mental Health Services Projects of Regional and National Significance (Enhancing Adult Drug Court Services), Award #5H79TI012429-03, U.S. Department of Health and Human Services

Condition: Requests for reimbursement of expenses and required quarterly and annual reports are prepared, signed, and submitted by the same person. There is not supervisory review of reports performed to ensure accuracy and completeness of date and information included in the reports.

Criteria: Internal controls should be designed to provide adequate control over the preparation of reliable reports and reimbursement requests.

Questioned Costs: None were noted

Context: The reports are completed by the County's Grants Coordinator, who is familiar with the programs, and sources of information needed to prepare the reports.

Cause: For other programs, the program personnel prepare the reports, which are then reviewed by the Grants Coordinator, respective department head or the director of the Budget and Fiscal Office. For this program, the Grants Coordinator prepares the reports, with no secondary review.

Effect: Failure to conduct a review by a second employee could result in inaccurate reports and reimbursement requests being submitted to grantor agency.

Recommendation: We recommend the County implement a control in which a second employee reviews reports and reimbursement requests for accuracy and completeness of information.

Views of Responsible Officials / Planned Corrective Actions (Unaudited): The Budget and fiscal Officer will review reports and reimbursement requests for accuracy and completeness.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2013

(CONTINUED)

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2013-004 (Significant Deficiency):**CFDA #93.563: Child Support Enforcement, Award #0G1404NE4005, U.S. Department of Health and Human Services, passed through the Nebraska Department of Social Services****CFDA #93.243: Substance Abuse and Mental Health Services Projects of Regional and National Significance (Enhancing Adult Drug Court Services), U.S. Department of Health and Human Services, Award #5H79TI012429-03, and passed through the Nebraska Department of Health and Human Services, Award #SPF-SIG-03****CFDA #16.803: Edward Byrne Memorial Justice Assistance Grants, U.S. Department of Justice, applies to all open grant awards passed through the Nebraska Commission on Law Enforcement and Criminal Justice**

Condition: For employees who work solely on a single federal award, there was no periodic certification the employees worked solely on that program for the period covered by the certification. This certification serves as support for charging the employee's entire wages to the federal award.

Criteria: OMB Circular A-87, Appendix B., Section 8(h)(3) states that where employees are expected to work solely on a single federal award or cost objective, charges for their salaries and wages will be supported by certifications that the employees worked solely on that program for the period covered by the certification. Such certifications must be prepared at least semi-annually, and be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employees.

Questioned Costs: None were noted.

Context: Salaries and benefits expenditures comprise approximately 79% of expenditures for CFDA #93.563, 18% of expenditures for CFDA #93.243, and 11% of expenditures for CFDA #16.803. Of these amounts charged for salaries and benefits, it is unknown how much would be for employees working solely on a single federal award.

Additionally, each employee's job description includes notation that the employee is to work solely on a program supported by the single federal award. During our testing, we did not become aware of any instances where employees tested as part of one of the three federal programs above were working on other cost objectives or federal award programs.

Cause: Management was unaware of this requirement.

Effect: Salary expenditures incurred under the programs may not be allowed as a cost of the grant without proper documentation.

Recommendation: We recommend the County implement a process to obtain semi-annual certifications of wages for employees who work solely on a single program, in accordance with the requirements of OMB Circular A-133.

LANCASTER COUNTY, NEBRASKA

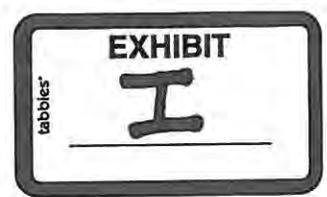
DRAFT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2013

(CONTINUED)

Views of Responsible Officials / Planned Corrective Actions (Unaudited): Lancaster County will implement a process to obtain semi-annual certifications of wages for employees who work solely on a single program.



20131217 Information Services Interlocal Track Changes V2

99R-240

Introduce: 8-30-99

RESOLUTION NO. A- 79704

1 WHEREAS, the City of Lincoln and Lancaster County previously entered into an
2 Agreement on August 20, 1992 establishing a joint Data Processing Division; and
3 WHEREAS, the parties desire to revise and amend that Interlocal Agreement by
4 entering into a new agreement re-establishing the Information Services Division, the Information
5 Services Policy Committee, the Government Access and Information Committee, the Criminal
6 Justice and Information System, and the Geographic Information System Advisory Committee; and
7 WHEREAS, the parties have prepared an Interlocal Agreement to provide for the
8 same.
9 NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lincoln,
10 Nebraska:
11 The attached Interlocal Agreement revising and re-establishing the Information
12 Services Division, the ISPC, GAIC, CJIS, and GIS Committees, and providing for budgets, cost
13 distribution, billings, and other matters, and superceding previous Inter local Agreements as
14 indicated in the Agreement is hereby approved.
15 BE IT FURTHER RESOLVED that the Mayor is authorized to execute said
16 Agreement on behalf of the City of Lincoln, Nebraska.

Introduced by:

Approved as to Form & Legality:

City Attorney

Staff Review Completed:

Administrative Assistant

INTERLOCAL AGREEMENT

THIS AGREEMENT is made and entered into this **(date to be determined)**, by and between the City of Lincoln, Nebraska, (City) and the County of Lancaster, Nebraska (County).

WHEREAS, the parties hereto are governmental and political subdivisions of the State of Nebraska, and are public agencies for purposes of the Interlocal Cooperation Act, Neb. Rev. Stat. § 13-801 et seq. (Reissue 1997); and

WHEREAS, the Interlocal Cooperation Act permits any two or more public agencies to enter into agreements with one another for joint or cooperative action; and

WHEREAS, the City and County are agreeable to revising the Interlocal agreement establishing a joint data processing division, previously entered into **September 13, 1999**.

NOW THEREFORE, in consideration of the mutual covenants and agreements of the parties contained herein, the City and County agree as follows:

I. **INFORMATION SERVICES DIVISION.**

The joint City-County Information Services Division (Information Services Division) is hereby created within the City Finance Department. The Information Services Division shall be supervised by an Information Services Division manager who shall be a classified City employee appointed by and who shall serve under direct supervision of the Finance Director, subject to initial approval by the Lancaster County Board of Commissioners.

II. **SERVICES.**

The Information Services Division will be responsible for providing the following services:

A. **General Services.** Planning, consulting, acquisition, **operation** and maintenance of all hardware, software, and communications services **related to the delivery of modern enterprise-class information technology services**, such as:

1. Site acquisition and planning.
2. **Evaluation and, when appropriate**, development of alternative technological approaches.
3. Assessment of automation possibilities.
4. Participation in equipment planning and acquisition.
5. Development of systems transition and disposal plans.

6. Development of alternative purchasing and leasing plans.
 7. Maintenance of centralized inventory.
 8. Maintenance of a centralized contract file.
- B. **Planning.** Development and maintenance of **an Information Services strategic plan.**
 - C. **Equipment.** Provision and operation of available and existing equipment and facilities within the Information Services Division.
 - D. **Other.** Coordination of costs of services, and concerns of the **users.**

III. **INFORMATION SERVICES POLICY COMMITTEE (ISPC).**

- A. **Composition.** The Information Services Policy Committee is hereby established which shall consist of two (2) representatives from the County (one elected **Board of Commissioners member and the Budget and Fiscal Director**); two (2) representatives from the City (one elected **City Council member** and one representative from the Mayor's Office); and the City Finance Director. **The ISPC shall select a Chair and Vice-Chair annually from the elected officials. Appropriate Information Services staff members shall also attend.**
- B. **Terms.** The representatives shall serve until their successors are appointed and qualified.
- C. **Purpose.** The purpose of the ISPC is to initiate, review, and recommend to the Mayor, City Council and the County Board policies that promote and facilitate effective delivery of information **technology** services to all **Information Services customers.**
- D. **Duties.** The **duties of the ISPC may include**, but not be limited to the following:
 1. **Recommend appropriate policies, standards and guidelines that apply to any entity subject to this Agreement.**
Policies shall be approved by the Mayor, City Council, and Board of County Commissioners prior to implementation. Standards and guidelines shall be approved and implemented by the ISPC.
 2. Review total service commitment of the Information Services Division. **At its discretion, the ISPC may initiate surveys, performance audits or other evaluation techniques to assess the effectiveness of the services delivered by Information Services, and/or the satisfaction of Information Services customers.**
 3. Review **and prioritize** requests for expanded services, **customer** base, or both.

4. Mediate policy, priority, and **resource availability issues**.
 5. Offer input during evaluations of the performance of the **Information Services Division Manager and Information Services performance issues as necessary**
 6. Seek input from all **customers of Information Services** as to their particular needs and consider such needs when developing its recommended policies, **standards and guidelines**.
 7. Recommend to the Mayor, City Council and County Board any changes to this Agreement.
 8. Review recommendations from **any advisory groups established under the authority of Section III(F) of this Interlocal Agreement**.
 9. Approve annual **cost allocation** and **unit** rates of the Information Services Division to support its operations.
 10. **Maintain continual oversight of enterprise projects and provide appropriate reporting on those projects as set forth in Section III(E) of this Interlocal Agreement.**
- E. **Reports.** The ISPC shall submit reports concerning **cost allocation and unit rates, enterprise projects and other** ISPC activities as requested by the Mayor, City Council and County Board. The ISPC may determine to provide additional reports as the ISPC may deem appropriate.
- F. **Advisory Groups.** At its discretion, the ISPC shall establish and/or dissolve ad hoc advisory groups to study and make recommendations on specific topics, including advisory groups to establish, coordinate, and prioritize needs for selected information technology services. Any advisory group that is established shall create an Advisory Group Charter to be approved by the ISPC that documents the advisory group's purpose, membership and duration.

IV. COST ALLOCATION, UNIT RATES AND BILLINGS.

- A. **Cost Allocation and Unit Rates.** The Information Services Division shall be responsible for developing the **cost allocation** plan necessary to support the projected demand for services. In developing **this** plan, Information Services personnel will work with the City and County departments served. **The cost allocation plan will include the unit rates to be charged for information technology services offered by the Information Services Division.**
- B. The ISPC shall review and recommend to the Mayor, City Council and Board of Commissioners the cost allocation plan and related unit rates developed by the Information Services Division.

Comment [D1]: January 15, 2014 phone conversation with Kerry Eagan indicated that "department" is an acceptable term.

- C. Billings. Monthly billings will be **made available** to all **organizations** utilizing **Information Services Division** services, and payments shall be deposited in the Information Services Revolving Fund. All costs of the operation of the Information Services Division shall be paid from the Information Services Revolving Fund.

V. APPLICATION DEVELOPMENT ENTERPRISE PROJECTS.

~~All data processing applications developed for the use of any entity subject to this agreement shall comply with the appropriate application development policies. The development policies may provide cost distribution and billings for application development where appropriate.~~

- A. **Enterprise Projects.** Enterprise project means an endeavor undertaken by an enterprise over a fixed period of time using information technology, which would have a significant effect on a core business function or which affects multiple government programs, agencies, or institutions. An enterprise project includes all aspects of planning, design, implementation, project management, and training relating to the endeavor.
- B. The ISPC shall designate an individual information technology project as an enterprise project if the project meets the definition set forth in Section V(A) of this Interlocal Agreement.
- C. A Project Charter shall be prepared for each enterprise project by the project's primary owner to be approved by the ISPC. The project charter shall document the project's ownership, a definition of the work to be accomplished, financial details and an estimated schedule.
- D. The primary owner of an enterprise project shall provide project status updates upon request from the ISPC.
- E. As set forth in section III(E) of this Interlocal Agreement, the ISPC shall report on the status of all enterprise projects.

VI. EMPLOYEES.

Employees of the Information Services Division shall be considered City employees for the purpose of compensation, fringe benefits, and all other personnel related matters.

VII. DEDICATED EQUIPMENT.

All personal property, including but not limited to, computers, software, office equipment and furniture, and other support equipment used by the Information Services Division shall remain the property of the respective party which owned it on the effective date of this agreement. Thereafter, all personal property purchased or otherwise acquired for the Information Services Division shall be jointly owned by the parties; provided, however, that property purchased for specific use of an agency or department of a party and the cost of which is specifically paid for by said party shall

be and remain the property of that party.

Upon termination of this agreement, jointly-owned property shall be divided as nearly as possible in proportion to the funds provided according to the then-current Information Services Division budget. If some or all of such property is not divisible, the City shall have the option to acquire it by paying the County the then-market value of the property reduced by the proportional amount of the City's original purchase contribution. Jointly owned property not distributed to or acquired by either party shall be sold and the proceeds divided between the parties in proportion to the funds provided to the then-current Information Services Division budget by the parties.

~~XI. EXISTING CONTRACTS.~~

~~— After execution, the County agrees to be bound by all existing contracts entered into by the City for the delivery of data processing services. All future contracts for data processing services deemed necessary for the successful operation of the division shall be joint contracts.~~

~~XIVIII. DURATION AND EFFECTIVE DATE.~~

This Agreement shall become effective upon execution by the parties and shall remain in full force and effect for a period of one year. Thereafter, it shall be automatically renewed for successive one year periods, unless terminated as hereafter provided.

~~XIIIIX. AMENDMENTS.~~

This Agreement may be amended by written amendments approved by both parties.

~~XIVX. TERMINATION.~~

This Agreement may be terminated by either party giving notice on or before the anniversary date of its execution that such party intends to terminate this agreement one year after such anniversary date. Such notice shall be served in writing upon the clerk of the other party. Upon termination, the terminating party shall have available to it all data and documentation accumulated to the date of termination.

~~XVXI. PREVIOUS AGREEMENTS SUPERSEDED.~~

This Agreement supersedes the previous Agreement between the parties, dated ~~September 13, 1999, (City Resolution No. A-79704, adopted September 7, 1999, County Board executed September 28, 1999; City Resolution No. A-74966, adopted August 17, 1992; County Board executed September 8, 1992; City Resolution No. 71452, adopted June 15, 1987, County Board executed June 16, 1987; City Resolution No. A-71452, adopted June 15, 1987; City Resolution No. A-70185, July 8, 1985; County Board executed June 18, 1985; City Resolution No. A-67476, adopted May 11, 1981, County Board executed, May 5, 1981); This Agreement further supersedes the previous Agreement between the parties entered for the purpose of forming the GAIC, dated September 12, 1995, (City Resolution No. A-77021, adopted October 13, 1995; County Board executed September 12, 1995), and as amended by Addendum, dated October 17, 1995, (City Resolution No. A-77058, adopted November 5, 1995, County Board~~

20131217 Information Services Interlocal Track Changes V2

executed October 17, 1995).

EXECUTED this () day of (month year) by the city of Lincoln, Nebraska.

CITY OF LINCOLN, NEBRASKA

Mayor

APPROVED AS TO FORM

| this ___ day of _____, 1999.

Assistant City Attorney

EXECUTED this () day of (Month. Year), by Lancaster County, Nebraska

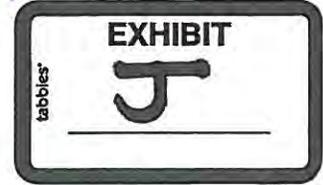
**THE BOARD OF COUNTY
COMMISSIONERS OF LANCASTER
COUNTY, NEBRASKA**

To Be Determined, Chair

APPROVED AS TO FORM

this ___ day of _____, (Year).

County Attorney



DRAFT

January 23, 2014

XXXXXX
XXXXXX
XXXXXX

Dear x,

The Lancaster County Board of Commissioners and Lincoln City Council wish to extend their sincere appreciation to you for serving on the City of Lincoln-Lancaster County Consolidation Task Force. The County Board and the City Council are mindful of the many hours spent by you on this important project. The thoughtful recommendations from the Task Force will help shape the debate on how local government can best serve the citizens of Lincoln and Lancaster County for years to come.

Again, thank you for your invaluable service on the Consolidation Task Force.

Sincerely,

Lancaster County Board of Commissioners

Lincoln City Council

Larry Hudkins, Chair
Lancaster County Board of Commissioners

Carl Eskridge, Chair
Lincoln City Council

COMMITTEE ASSIGNMENTS -2013

Deb	Jane	Brent	Larry	Roma
		VICE CHAIR	CHAIR	
District Energy Corporation	Board of Corrections (Vice-Chair)	Board of Equalization (Vice Chair)	Board of Corrections (Chair)	Chamber Coffee
Emergency Medical Oversight Governing Board	Budget Monitoring Committee	Budget Monitoring Committee	Board of Equalization (Chair)	General Assistance Monitoring Committee
Human Services Joint Budget Committee	Community Mental Health Center Advisory Committee	Chamber Coffee	District Energy Corporation (Chair)	Board of Health
NACO Board of Directors	Human Services Joint Budget Committee	JPA (Corrections)	General Assistance Monitoring Committee	RTSD
RTSD (Chair)	Information Services Policy Committee	Lancaster County Fairgrounds Joint Public Agency	JPA (Corrections)	Youth Services Center Advisory Committee
	Public Building Commission	LIBA - Budget Monitoring Committee	Lancaster County Fairgrounds Joint Public Agency	
		Monthly Meeting of County Board Chair, Vice Chair & Mayor	Local Emergency Planning Committee	
		Monthly Meeting of County Board Chair, Vice Chair & Planning	Monthly Meeting of County Board Chair, Vice Chair & Mayor	
		Officials Committee	Monthly Meeting of County Board Chair, Vice Chair & Planning	
		Region V Governing Board	Parks and Recreation Advisory Board	
		RTSD	Officials Committee	
		Visitors Promotion Committee	Public Building Commission (Chair)	

LIBA Monthly (one commissioner each month)

LPED - Gwen Thorpe

MPO - Chair & Vice-Chair

MPO-Tech - Kerry Eagan

ISPC - Dennis Meyer & 1 County Commissioner

(Updated: January 2013) F:\files\COMMISS\County Board Info\2013\2013 Assignments 2.wpd

