

**STAFF MEETING MINUTES
LANCASTER COUNTY BOARD OF COMMISSIONERS
COUNTY-CITY BUILDING
BILL LUXFORD STUDIO (ROOM 113)
THURSDAY, AUGUST 21, 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
Ann Taylor, County Clerk's Office

Advance public notice of the Board of Commissioners Staff Meeting was posted on the County-City Building bulletin board and the Lancaster County, Nebraska, web site and provided to the media on August 20, 2014.

The Chair noted the location of the Open Meetings Act and opened the meeting at 8:34 a.m.

AGENDA ITEM

1 APPROVAL OF THE MINUTES OF THE AUGUST 7, 2014, STAFF MEETING

MOTION: Smoyer moved and Amundson seconded approval of the minutes of the August 7, 2014 Staff Meeting. Schorr, Smoyer, Amundson and Hudkins voted aye. Raybould abstained from voting. Motion carried 4-0, with one abstention.

2 ADDITIONS TO AGENDA

None were stated.

3 MONTHLY MEETING WITH LANCASTER COUNTY AGRICULTURAL SOCIETY - Amy Dickerson, Lancaster Event Center Managing Director; Trudy Pedley, 2014 Super Fair Coordinator and Lancaster County Agricultural Society Board Secretary; Alan Wood, Lancaster County Agricultural Society Counsel; Scott Keene, Vice President and Managing Director; Ameritas Investment Corporation; Lauren Wismer and Mike Rogers, Gilmore & Bell P.C. (Bond Counsel)

Amy Dickerson, Lancaster Event Center Managing Director, gave an update on the Lancaster County Super Fair, efforts to tighten operations and finances, and work to refine the price list (Exhibit A). She noted there will be a moderate increase in the pricing of contracts for 2015 and said pricing information will be readily available.

Copies of a press release regarding fair attendance were also disseminated (Exhibit B). Trudy Pedley, 2014 Super Fair Coordinator and Lancaster County Agricultural Society Board Secretary, explained it is difficult to calculate exact fair attendance numbers, as many of those in attendance were exhibitors who were coming and going.

Scott Keene, Vice President and Managing Director; Ameritas Investment Corporation, disseminated the following documents (Exhibits C & D):

- Lancaster County Fairgrounds Joint Public Agency (JPA), Limited Tax Facility Refunding Bonds, Series 2014, Composite Debt Service Analysis
- A report from Standard & Poor's Ratings Services on the financing
NOTE: The financing has received a AA+rating.

Keene said the Ag Society would like to refinance the 2007 bonds that were used to build the Event Center to take advantage of lower interest rates. He said extending the maturity date of the bonds five years to 2032 will free up funds for upgrades and maintenance projects at the Event Center while keeping debt service payments essentially the same. Keene said the 2007 bonds are callable in December, 2014, at par, so this is the ideal time to look at refinancing them. He noted the outstanding bonds have an average rate of 4.17% and said a conservative estimate of the new financing would be 3.06%. Keene estimated \$2,550,000 in new money will be generated by the bond issue.

Hudkins said the Board would like to see a commitment from the Ag Society that it will pay off a \$300,000 Phase 2 construction loan that has an interest rate of 6.5%. Dickerson said they may be able to negotiate a rate that is equivalent to the bonds with the lender. Alan Wood, Lancaster County Agricultural Society Counsel, added they are also looking at whether the lender will convert it to a tax exempt loan.

Keene said they will ask the Ag Society Board to approve the financing later in the day. A resolution approving the issuance of not to exceed \$9,900,000 aggregate principal amount of Limited Tax Facility Bonds, Series 2014, of the Lancaster County Fairgrounds JPA will be scheduled on the August 26th County Board of Commissioners Meeting agenda. The Lancaster County Fairgrounds JPA will also be asked to approve the bond resolution and to declare the bonds bank qualified.

Mike Rogers, Gilmore & Bell P.C. (Bond Counsel), said the County Board will also be asked to approve an acknowledgment to the continuing disclosure undertaking of the County and an amended and restated JPA agreement between the County and Ag Society.

Hudkins felt it would be helpful for the Ag Society to provide the City with statistics on how much sales tax the Event Center generates and a projection of the revenue the facility is bringing into the City when asking the City to make an additional investment on Havelock Avenue.

4 CLASSIFIED, UNREPRESENTED EMPLOYEE SALARIES - Nicole Gross, Compensation Technician, Lincoln-Lancaster County Human Resources (HR) Department

Nicole Gross, Compensation Technician, Lincoln-Lancaster County Human Resources (HR) Department, reported the County has a total of 246 classified unrepresented employees (201 in the "C" classification and 45 in the "E" classification). She said a review of the market (comparable counties) indicated average salary increases of 2.25% for the same type of employee classes. The County's unions are averaging increases of 2.5%. Gross noted the value of a 1% increase for the "C" and "E" classifications is \$181,207.

Schorr noted she offered a motion at the August 7th Staff Meeting to propose a 3% increase for the classified unrepresented employees and moving to a 1 to 1 pension plan match for new hires. The motion passed on a 3-0 vote, with two Commissioners (Hudkins and Raybould) absent. She said part of the reason she proposed a 3% increase was information that was presented at that meeting which showed nearly a 6% difference in cumulative increases for general American Federation of State, County & Municipal Employees (AFSCME) employees and "E" class employees since 2004. Schorr said the effective date for the 1 to 1 pension plan match could be delayed until it is convenient for the HR Department to assist in making those changes.

Raybould said she would like an opportunity to study salaries and job descriptions, citing entry level clerical and support staff as an example, to make sure that a 3% increase is the most appropriate direction to go.

Kerry Eagan, Chief Administrative Officer, said the County has not done job audits for unrepresented employees for a number of years and said it would be a large undertaking. Gross said her department only looks at individual classes if a department comes to them with concerns.

Raybould asked Gross if her department did a "spot comparison" of salaries with the private sector for administrative clerical staff. Gross said they have not looked at the private sector.

Raybould then asked Dennis Meyer, Budget and Fiscal Officer, how the increases would impact the budget. Meyer explained that cost-of-living and health insurance increases are built into the Contingency Fund. He said the fund is set at \$2,000,000 and \$700,000 to \$800,000 was used last year. Meyer explained departments are sometimes able to absorb cost-of-living costs through activity that occurs throughout the year, such as staffing turnover.

Joe Nigro, Deputy Public Defender, said salary increases and the pension match are separate questions and felt it would be appropriate for the Board to separate them. He said he also believes the Pension Review Committee (PRC) should look at the pension question. Nigro said he is prepared to discuss the pension match but said Pat Condon, Chief Deputy County Attorney, pointed out it is not on the agenda. He said he does not believe it is appropriate for the Board to proceed on the pension question at this time, citing the Open Meetings Law. In terms of salaries, Nigro encouraged the Board to approve the increase as the data seems to indicate the classified unrepresented employees are falling behind.

It was noted that the item was listed the same on the August 7th County Board Staff Meeting agenda when classified unrepresented salaries and the pension match were discussed. Eagan said there was no request to put a pension match discussion on the agenda. He added, although Nigro is technically correct, the Board is not taking binding action on the issue today. Eagan felt scheduling a resolution addressing the pension match on a regular County Board of Commissioners Meeting would provide full notice and comply with the Open Meetings Law.

Schorr said she believes the Board can gather information today, prior to taking action at the August 26th County Board of Commissioners Meeting. Eagan felt it is kind of related to salaries. Nigro said the County Attorney's Office feels differently.

Brittany Behrens, Deputy County Attorney, appeared and said the agenda item is solely related to salaries and that should be the focus of the discussion. She added it was probably inappropriate for the issue to have been discussed at the previous Staff Meeting.

Behrens said it would be difficult for her office to prepare a resolution for action at the August 26th County Board of Commissioners Meeting not knowing what the Board's directive would be. There was consensus to schedule discussion of the pension match on the August 28th County Board Staff Meeting agenda.

Jeff Bliemeister, Chief Deputy Sheriff, presented Past 12 Years Percentage (%) of Raises, AFSCME (General) vs. Unrepresented Employees (Exhibit E), noting a 6.91% compounded difference since 2002 using a \$30,000 a year employee as an example.

Raybould inquired about the impact of union dues. Bliemeister said they are not part of the equation. Eagan said employees don't have to pay dues to be covered by the union.

Raybould said she was hoping to see the actual disparities and said she will work out scenarios with the HR Department.

Amundson said as far as she is concerned, the salaries for unrepresented employees are behind.

Terry Wagner, Lancaster County Sheriff, appeared and said in his office, unrepresented employees are generally in positions of higher responsibility and leadership and it becomes difficult to get employees to accept those positions when the compensation is less.

MOTION: Amundson moved and Smoyer seconded to propose a 3% increase for unrepresented employees.

The Chair directed that a resolution in the matter of the 2014-2015 annual cost of living wage adjustments for classified unrepresented employees be prepared for the August 26th County Board of Commissioners Meeting.

Eagan noted there may not be enough time to convene the PRC before discussion of the pension match at the August 28th Staff Meeting. Schorr said the Board does not have input from the PRC when negotiating different pension options with the unions. Eagan said the PRC wanted to comment generally on the pension match when the County decided to seek legislation that would allow it to move to a 1 to 1 match for new hires, however, the Board did not seek their opinion. Raybould pointed out that Doug Cyr, who is a member of the PRC, gave a presentation on the issue. Eagan said Cyr was acting independently. Schorr noted that four of the County's five labor unions have adopted the 1 to 1 pension match and questioned the value of getting the PRC's opinion at this point.

Richard Grabow, Deputy County Attorney, appeared and again cautioned the Board about discussing an item that is not the agenda. Eagan said he believes giving administrative advice to get an opinion from the PRC would be fine, not taking action. Grabow responded, "I've offered my opinion."

Smoyer suggested Eagan convene the PRC, noting the Board plans to have a full discussion of the issue at the August 28th Staff Meeting. Eagan said he will try to get the PRC together.

ROLL CALL: Raybould, Amundson, Smoyer, Schorr and Hudkins voted aye. Motion carried 5-0.

Schorr reiterated that she is not sure about seeking the PRC's input when the pension match change has already been instituted for four of the unions. Raybould concurred. Eagan said the only reason is the difference between represented and unrepresented.

Schorr exited the meeting at 9:30 a.m.

5 FLEXIBLE BENEFITS PLAN ADMINISTRATOR REQUEST FOR PROPOSAL (RFP) - Bill Kostner, City Risk Manager; Sue Eckley, County Risk Manager; Vince Mejer, Purchasing Agent; Tim Genuchi, Accounting Operations Manager, County Clerk's Office

Bill Kostner, City Risk Manager, said the Flexible Spending Account Request for Proposal (RFP) Selection Committee evaluated the six responses to the RFP and has unanimously recommended selection of Flex-Plan Services, Inc. of Bellevue, Washington. He said Flex-Plan has offered a rate of \$8,910 per year, compared to a \$13,770 rate offered by Payflex Systems USA, Inc., the current administrator. Flex-Plan is also willing to take over the run out period, at no additional cost.

Schorr returned to the meeting at 9:33 a.m.

Vince Mejer, Purchasing Agent, said the price is guaranteed for the term of the contract, with no escalators.

MOTION: Amundson moved and Raybould seconded to direct the County Attorney's Office to draft a letter to Payflex Systems USA, Inc. terminating their contract and to move forward with a contract with Flex-Plan Services, Inc. Smoyer, Schorr, Raybould, Amundson and Hudkins voted aye. Motion carried 5-0.

ACTION ITEMS

- A. Nebraska Crime Commission Revised Budget Summary (Grant No. 13-JA-604)

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

- B. Accept Resignation of John Watson from Pension Review Committee (PRC)

MOTION: Amundson moved and Raybould seconded to accept the resignation. Raybould, Amundson, Smoyer, Schorr and Hudkins voted aye. Motion carried 5-0.

ADMINISTRATIVE OFFICER REPORT

- K. Appointment of Scott Helvie to the Pension Review Committee (PRC)

The Board scheduled the appointment on the August 26, 2014 County Board of Commissioners Meeting agenda.

- A. Fiduciary Liability Insurance Premium Payment from Expense Account

Kerry Eagan, Chief Administrative Officer, disseminated copies of a legal opinion addressing use of pension expense reimbursement accounts to pay for fiduciary liability insurance premiums (Exhibit F). He said the County's pension plan is not subject to the Employee Retirement Income Security Act (ERISA) but the County relies on ERISA as a guide for how to govern the plan. Eagan said ERISA allows these types of premiums to be paid from the expense account, but the policies are required to have a provision that the insurance companies can subrogate their claims against the fiduciaries. He said Sue Eckley, County Risk Manager, is seeking quotes from the insurance companies so action can be delayed.

- B. Holiday Schedule

There was consensus to be in recess the weeks of December 22nd and December 29th for the holidays.

- C. Reappointment of Commissioner Schorr to Nebraska Association of County Officials (NACO) Board of Directors

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

- D. Meeting with State Senator Kathy Campbell to Discuss Lancaster County and Guardian ad Litem (September 8, 2014)

Eagan said Senator Campbell requested his attendance at the meeting. He suggested that Dennis Keefe, Public Defender, and Theresa Emmert, Juvenile Court Administrator, also attend.

- E. Change Date of Public Hearing on One and Six Year Road and Bridge Improvement Program from September 30, 2014 to October 28, 2014)

Informational only.

6 PENDING LITIGATION - Richard Grabow, Deputy County Attorney

MOTION: Schorr moved and Smoyer seconded to enter Executive Session at 9:50 a.m. for the purpose of protecting the public interest with regards to pending litigation.

The Chair restated the motion for the record.

ROLL CALL: Schorr, Raybould, Amundson, Smoyer and Hudkins voted aye. Motion carried 5-0.

MOTION: Amundson moved and Smoyer seconded to exit Executive Session at 10:14 a.m. Smoyer, Schorr, Raybould, Amundson and Hudkins voted aye. Motion carried 5-0.

7 BUDGET UPDATE - Dennis Meyer, Budget and Fiscal Officer
A) Property Valuations
B) 15 Cent Rural Allocation

15 Cent Rural Allocation

Dennis Meyer, Budget and Fiscal Officer, presented information regarding the 15 cent levy authorized for certain political subdivisions (Exhibit G), noting he does not have

an exact figure for the Lancaster Fairgrounds JPA. **NOTE:** Bonds are excluded from the 15 cent levy.

Meyer said the Raymond Rural Fire District (RFD) is exceeding the maximum fire district levy of 0.101228 cents. He said the Raymond RFD's request was based on a 10% increase in valuation. Their valuation came in a little over 6%. Meyer said if the Board keeps the maximum levy at 0.101228, their asking would drop by \$12,496.88. He added the County has room to go to the 0.104944 levy Raymond RFD has requested this year because the Railroad Transportation Safety District (RTSD) levy is set at 0.013000.

Greg Hall, Fire Chief, and Shane Cuttliers, Assistant Chief, Raymond RFD, appeared and discussed the Raymond RFD's funding request. Hall also discussed their coverage area, which includes two miles of the Interstate and the Branched Oak State Recreation Area; their Emergency Management role; and how they budget for equipment needs through a sinking fund.

Raybould asked how the Raymond RFD will operate in the future if their levy is reduced. Hall said they would have to make a cut to their equipment replacement schedule and may have to bond for those needs.

There was consensus to prepare a resolution in the matter of final allocation of levy authority to all political subdivisions subject to County levy authority for the August 26th County Board of Commissioners Meeting with the 0.104944 levy the Raymond RFD has requested.

Meyer said he will also be bringing forward a resolution in the matter of exceeding the budgeted restricted funds limit for the 2013-2014 fiscal year by an additional one percent.

Schorr suggested the County's Mid-Year Budget Retreat (tentatively scheduled for January 29, 2015) be held at the Raymond RFD's new fire station. It was later noted the meeting is scheduled to be held at the Nebraska Association of County Official's (NACO's) new office building.

Property Valuations

Meyer reported that property valuations increased 2.29%, which is higher than the increase that had been projected (1.75%). He said that translates into an additional \$345,000.

Budget Update

Meyer noted the Board had discussed moving a part-time administrative assistant position in the Human Services Department from 20 to 30 hours a week and asked whether that was the consensus of the Board. Board members indicated it was.

Meyer said another change to the budget from the proposed budget document is the amounts shown for revenue and expenditures for the Safety Training Option Program (STOP) in the Community Corrections budget. He said they will offset each other but he needs to make an adjustment so the County has the spending authority.

Meyer noted the Board decided to reduce the Region V match by \$300,000 and withhold payment of the additional \$108,653 that had been budgeted for the match until there is a contract in place with Region V (see July 24, 2014 Staff Meeting minutes). **NOTE:** Lancaster County has been paying more than \$400,000 over its per capita share for Region V, which has historically allocated these funds to cover administrative costs. He said Scott Etherton, Crisis Center Director, has informed him that C. J. Johnson, Region V Systems Administrator, has made a \$400,000 reduction in its allocation to the County's Crisis Center.

Meyer said he will need to set up a additional transfer to the Crisis Center for the \$400,000. There was consensus to drop the Region V match to the per capita rate (an additional reduction of \$108,653). The additional amount needed for the Crisis Center will be made up through the increase in property valuations. The remaining \$52,853 will be placed in the Contingency Fund.

Raybould asked what would happen to the funds if the Region V Governing Board reverses Johnson's decision to reduce the allocation to the Crisis Center. Meyer said they would remain in the General Fund.

Schorr said it is important for the County Board to make its case on the reduction in funding to the Region V Governing Board. **NOTE:** All five Commissioners plan to attend the Region V Governing Board meeting on September 8th. Eagan was asked to prepare a statement for the County Board Chair to read at the meeting. He said he will bring it back to the Board next week for approval.

Etherton appeared and said the County charges the other counties in Region V a rate of \$121.00 per day for Crisis Center placements. He said Region V adds \$53.00 to bring the rate to \$174.00 per day. He said the \$53.00 add-in is finite (900 bed days).

Schorr asked how often the maximum is reached. Etherton said it has been running close to that number the last four years, 909, 911, 1004 and 913, respectively.

Etherton said he was not involved in setting the rate, adding there have been few adjustments to the cost. He said the last increase was two years ago and thought it was \$2.00 or \$3.00.

Etherton said he calculated the County's costs for its patients at the Crisis Center last year and said it came out to be \$263.00 per bed day. He explained that costs are based on how many bed days are served in a year. Admissions were up but bed days were lower last year. Etherton said if the \$400,000 is added to our costs, it "bumps" the cost up to \$407.00 per day.

Brittany Behrens, Deputy County Attorney, said the Fiscal Year (FY) 2014-2015 contract between the County and Region V to hold Emergency Protective Custody (EPC) patients for the other counties within the Region at the Crisis Center was approved the last week of July. The rate is \$121.00, plus the \$53.00 that is coming from Region V. Eagan felt that could complicate efforts to adjust the rates charged to other counties. Behrens said the contract has a 30-day termination clause. She said there is also a Network Provider Contract between the County and Region V for all services at the Crisis Center that is being held. Etherton said Region V is pushing for approval of the contract and has said the State could potentially withhold payment if the contract is not signed. Behrens said that is not accurate, explaining if there is not an effective contract in place, the parties would operate month-to-month under terms of the old contract.

There was consensus to try to reach out to the Region V Executive Committee before the September 8th Region V Governing Board Meeting.

Schorr said the Board needs to clarify what it is asking for.

Etherton said for comparison, the County pays The Bridge Behavioral Health, formerly known as Cornhusker Place, \$121.00 per day for EPC's taken to detox under terms of a contract between the County, Region V and The Bridge Behavioral Health. Region V also supplements that rate by \$53.00 to make it \$174.00 per day. Etherton said he believes the Crisis Center provides more in terms of evaluation for the same type of holding. Behrens said that contract also has a termination provision.

Hudkins asked what other options would be available to the counties within Region V. Etherton said it would be limited to private hospitals. Eagan added their rates would be substantially more.

8 ACTION ITEMS

- A. Nebraska Crime Commission Revised Budget Summary (Grant No. 13-JA-604)
- B. Accept Resignation of John Watson from Pension Review Committee (PRC)

Items A and B were moved forward on the agenda.

9 CONSENT ITEMS

There were no consent items.

10 ADMINISTRATIVE OFFICER REPORT

- A. Fiduciary Liability Insurance Premium Payment from Expense Account
- B. Holiday Schedule
- C. Reappointment of Commissioner Schorr to Nebraska Association of County Officials (NACO) Board of Directors
- D. Meeting with State Senator Kathy Campbell to Discuss Lancaster County and Guardian ad Litema (September 8, 2014)
- E. Change Date of Public Hearing on One and Six Year Road and Bridge Improvement Program from September 30, 2014 to October 28, 2014)

Items A-E were moved forward on the agenda.

- F. Sports Car Club of America (SCCA) Solo Championship Tour (Tuesday, September 2, 2014 and/or Friday, September 5, 2014)

Smoyer and Raybould will represent the County Board at the event on Tuesday, September 2nd and Friday, September 5th, respectively.

- G. Nebraska Association of County Officials (NACO) Southeast District Meeting (Thursday, September 25, 2014)

Amundson, Hudkins, Raybould and Smoyer indicated plans to attend.

- H. Tri-County Meeting Date (October 23, 2014)

Informational only.

- I. Claims for Review -
 - 1) Payment Voucher (PV) No. 454551 from County Sheriff in the amount of \$35.94 to Randolph Car Wash - Claim is Beyond the 90-Day Time Period
 - 2) Payment Voucher (PV) No's. 454303-454307 from County Engineer in the Amount of \$94.15 to Office Max. Claims are Beyond the 90-Day Time Period

MOTION: Smoyer moved and Raybould seconded to handle the claims through the regular claims process. Schorr, Raybould, Amundson, Smoyer and Hudkins voted aye. Motion carried 5-0.

J. Legislative Retreat Follow-Up

Schorr requested that the County Clerk's Office staff this meeting in the future.

K. Appointment of Scott Helvie to the Pension Review Committee (PRC)

Item was moved forward on the agenda.

L. Visitors Improvement Fund Grant Request from Lincoln Parks Foundation

There was consensus to forward the request to the Visitors Promotion Committee (VPC) for review and recommendation.

11 PENDING

There were no pending items.

12 DISCUSSION OF BOARD MEMBER MEETINGS

A. Public Building Commission (PBC) Meeting with Mayor - Hudkins

Hudkins said the focus of the discussion was the proposal to redevelop the south Haymarket area for residential use. He said the K Street Building (440 South 8th Street) is part of the proposal and the PBC representatives stressed the building is essential to City, County and State governmental operations.

B. Meeting with Mayor - Hudkins, Smoyer

Hudkins said they discussed traffic issues at the Lancaster Event Center and the need for additional turn lanes. He said the Mayor suggested it would be helpful to have statistics on how much sales tax the Event Center generates for the City.

Smoyer said the Mayor also asked that the County fully fund the Railroad Transportation Safety District (RTSD).

C. Public Building Commission (PBC) - Hudkins, Raybould

Raybould said the PBC discussed the Master Plan update, 605 Building Phase 1 specifications, 8th and H Street parking lot improvements, and the dress code policy. Hudkins said they also discussed flags and said it was determined the flags all need to be the same size.

D. Budget Monitoring Committee - Raybould, Smoyer

Eagan, who also attended the meeting, said questions were raised regarding the jail costs and whether it would be better to house inmates out-of-county. Raybould said concerns were also expressed regarding the RTSD levy.

E. Board of Health - Amundson

Amundson said they had updates on the Dental, Health and Nutrition Division fee increases, Healthy Families America accreditation and the "Let's Move" (childhood obesity prevention initiative) video.

Schorr asked that a special presentation on the "Let's Move" video be scheduled on a regular Board of Commissioners Meeting agenda.

F. Parks and Recreation Advisory Board - Hudkins

Hudkins said they toured new parks and trails in southeast Lincoln.

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

Smoyer said LIBA is planning a review of unfunded mandates. He said they also discussed the City's plans to put forth a bond issue to fund modernization of the City's 911 System and whether the County should make a greater contribution to funding of that system.

H. General Assistance (GA) Monitoring Committee - Amundson, Hudkins

Hudkins said they discussed revisions to the GA Guidelines.

I. Air Pollution Control Advisory Board - Hudkins

Hudkins said there was a presentation on ambient air quality.

J. Parks and Recreation Futures Committee - Hudkins

Hudkins said they discussed the cost to maintain the Cascade Fountain, which is dedicated to Lincoln teachers, at South 27th Street and Capitol Parkway.

K. Information Services Policy Committee (ISPC) - Raybould

Raybould reported that all of the City and County's systems have been transferred to the State's mainframe. She also reported that work on revisions to the City/County interlocal agreement for Information Services is nearing completion.

L. Visitors Promotion Committee (VPC) - Smoyer

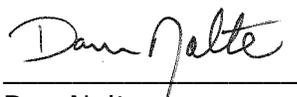
Smoyer discussed the Visitor Improvement Fund grant request from the Lincoln Children's Zoo for a new interactive tortoise exhibit.

13 EMERGENCY ITEMS AND OTHER BUSINESS

Schorr requested that the starting time for the September 4th County Board Staff Meeting be moved from 8:30 a.m. to 9:00 a.m. There was no objection to the request.

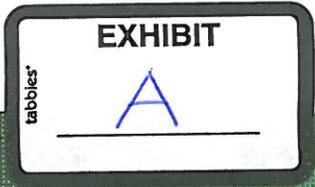
14 ADJOURNMENT

MOTION: Raybould moved and Smoyer seconded to adjourn the meeting at 11:43 a.m. Raybould, Smoyer, Amundson, Schorr and Hudkins voted aye. Motion carried 5-0.



Dan Nolte
Lancaster County Clerk



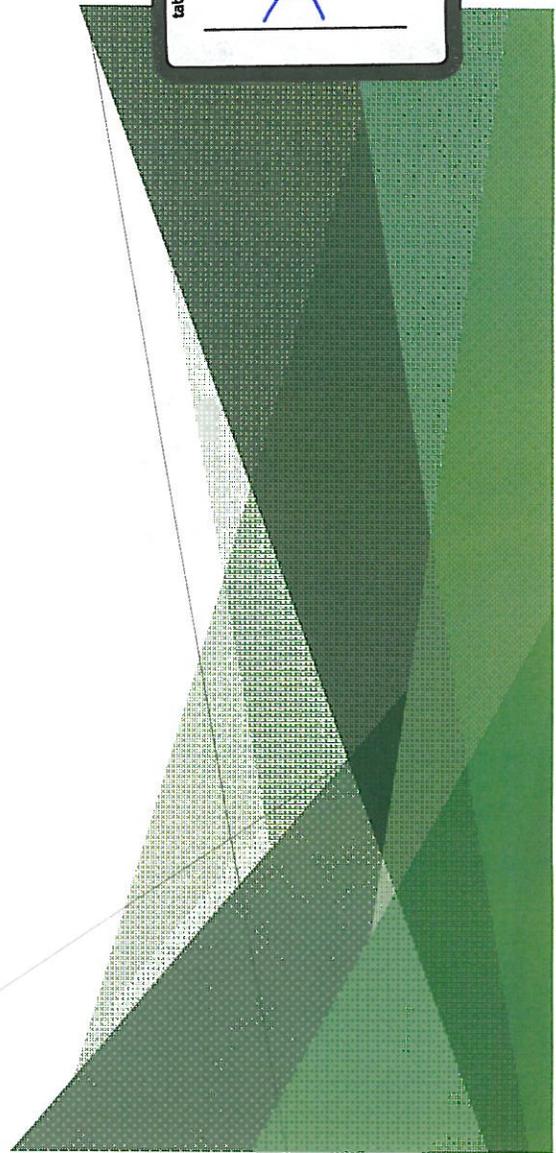


Lancaster County Agricultural Society & Lancaster Event Center

Update for County Board

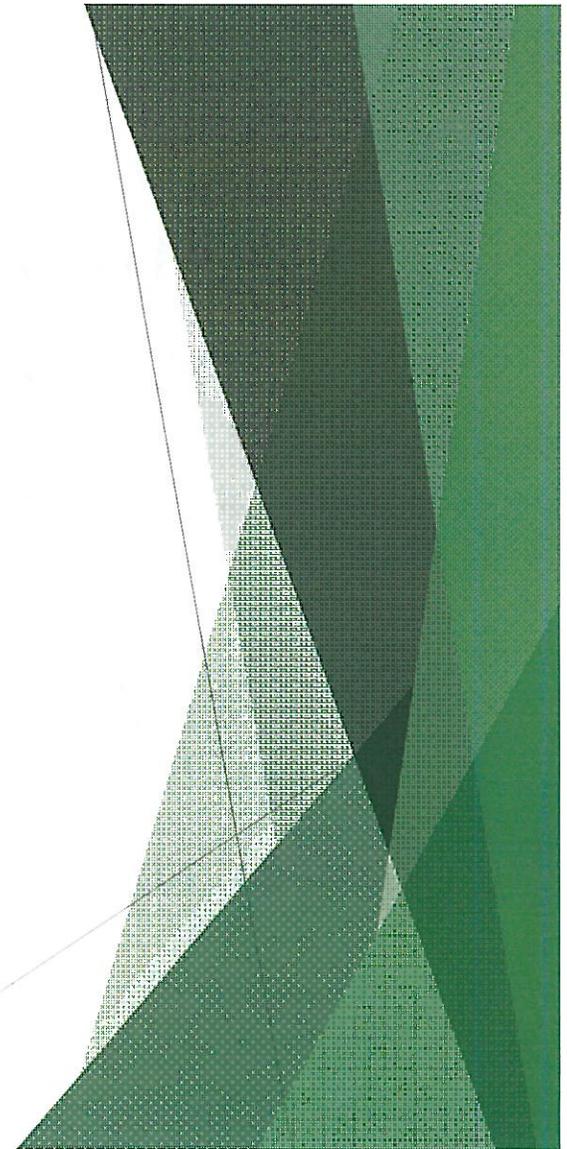
Amy Dickerson, Lancaster Event Center Managing Director
Trudy Pedley, Ag Society Board Director
Alan Wood, Ag Society Legal Counsel
Scott Keene, Ameritas Investment Corporation Vice President and Managing Director
Lauren Wismer, Gilmore and Bell P.C.

August 21, 2014



Updates

- ▶ County Fair
 - ▶ Press release
- ▶ Lancaster Event Center
 - ▶ Continuing to tighten operations & finances: price list update
 - ▶ Bond re-financing (Phase 2.5)



Phase 2.5— relaunching Lancaster Event Center & completing deferred maintenance/upgrades

Goals:

- Maintain \$24 million taxpayer investment to date (\$650K depreciation/year)
- Improve revenues to fund ongoing maintenance/upgrades
- Improve event /visitor experience

Bond re-financing & other grants could finance Phase 2.5 deferred maintenance & upgrades

- ▶ Equipment
 - ▶ Facility cleanliness, faster changeover between events, gaining events (e.g. 4 tractors for national barrel shows)
- ▶ Catch up on deferred maintenance/upgrades
 - ▶ Lighting—Amy's, P2, outside
 - ▶ Controls
 - ▶ Security—doors, cameras, fencing
 - ▶ Parking lots
 - ▶ Concrete
 - ▶ Signage
- ▶ Meet current event / fair needs
 - ▶ Farm & Power: concessions capacity
 - ▶ Alpaca/all: carpet
 - ▶ Fair: outside concessions
- ▶ Key elements cut from Phase I/Phase II
 - ▶ Concessions basic equipment
 - ▶ Parking lot lighting
- ▶ Increase revenue
 - ▶ Campground water
 - ▶ Wireless inside and out
 - ▶ Concessions redesign cafes
 - ▶ Ticket-selling/taking
 - ▶ Cash registers & mobile cash-taking
- ▶ Key elements can't wait for in Phase III
 - ▶ Storage inside tables/chairs and outside maint. yard
 - ▶ Campground showers/restrooms

Bond re-financing update

1. Save county taxpayers ~\$600K with lower interest rate locked in
 - ▶ Can also potentially pay off \$300K Phase 2 construction loan we are paying 6.5% interest
2. Source of funds for Phase 2.5 deferred maintenance and upgrades

How it works:

Asking for maximum of \$9.9 million in bond funds which includes

- ▶ Re-funding existing \$7 million
- ▶ + add up to approx. \$2.77 million with no levy increase (pending final bond calculations)
 - ▶ Additional funds to be used for Phase 2.5 deferred maintenance and upgrades
 - ▶ “productive spending at current low interest rates” to maintain \$24 million invested by taxpayers with NO increase to the taxpayers
 - ▶ Extending maturity date of bonds by 5 years

Bond re-financing timeline

as of July 24, 2014

July 16	Draft documents delivered by Gilmore & Bell
July 17	Update Ag Society Board, draft list of improvements
July 23	Meet to review documents
July 24	Present potential project list to the County Board Staff Mtg
August 1	Ship documents to Standard & Poor's
August 20	Receive rating from S&P
August 21	Ag Society regular board meeting to approve resolution
August 21	Present to County Board at staff meeting—bond financing details
August 26	Request approval of resolution by County Board at public hearing
August 26 pm	JPA meeting to approve resolution
August 27	Bond Sale and subscribe for SLGs (Dec 12 maturity)
Sept 30	Settle bond issue and deliver proceeds to Union Bank as Escrow Agent (funds available to Ag Society)
early Nov.	Wells Fargo delivers out notice of early redemption of Series 2007 Bonds
Dec 12	Union Bank wires funds to Wells Fargo
Dec 15	Wells Fargo redeems Series 2007 Bonds

Phase 2.5 Proposed Project List

as of July 17, 2014

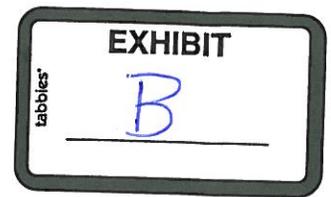
Sources of funding: bond re-financing, CVB grants (lodging tax), other grants e.g. Nebraska Arboretum, recycling etc.

blue = Amy's estimate, others actual estimates from vendors

Description	Estimate \$000	Fair	Event	Increase	Lower	Security
		Need	Complaint	revenue	cost	Liability
Fix facility issues						
Fix Pavilion 3 drainage issue	\$100.0					
Create maintenance yard outside	\$20.0					
Install security cameras throughout facility, swiper entry on key doors	\$50.0					
Add door from arena to old kitchen in P3 to make a show office so can book animal and people events at same time in P3 & Ex Hall	\$9.6					
Add fire exit doors to S wall of MPA building so can use south exit corridor behind Lincoln room for storage and/or concessions area	\$54.0					
Repair roof leaks in P1 (cupolas), P3 and MPA and office boardroom	\$9.5					
Increase revenue						
Install new wireless system inside & outside (min. \$500K revenue/year)	\$150.0					
Redecorate concessions stand entrances & eating areas, electronic signage & upgrade equipment as needed to support updated menu to increase sales	\$400.0					
Cash register system for use inside and outside concessions stands using new wireless system	\$25.0					
Construct campground building with restrooms, shower, check-in office & vending area	\$530.0					
Construct interior shaving office in P2	\$16.0					
Temporary office expansion that will be removed upon Phase 3	\$5.0					
Address event complaints + cut labor costs						
Install concrete in all buildings except interior arena--increase trade show use, save time after animal show cleanup						
Philly's arena	\$3.0					
P2	\$14.0					
P2	\$127.0					
Carpet for art space	\$67					
Lighting						
Philly's arena (improve brightness with efficient solution--better than unsafe, 1/2 of Walmart parking lot lighting level today)	\$90.0					
P2 (improve brightness and efficiency)	\$15.0					
Parking lot lighting--brightness and efficiency	\$98.4					
P1 (use Lincoln old lights here, fix dark spots, raise lights)	\$18.0					
Lincoln Room (LED efficiency, better zone control)	\$45.0					
Signage						
Update street sign with color billboard	\$150.0					
Install electronic wayfinding signage updateable by event	\$125.0					
Inside building and parking lot/fair signage	\$20.0					
Fairgrounds Improvements						
Install outside concessions / picnic shelter for fairgrounds, year-round runs	\$50.0					
Phase 2 & 3 Costs						
Pay off Phase 2 construction cost overrun loan (6.5%)	\$275.0					
Phase 3 planning unpaid invoices						
Legal	\$35.0					
REGA wetland study	\$5.0					
REGA engineering	\$19.5					
Hampton Construction	\$1.2					
TOTAL	\$2,769.1					

Process to finalize projects & productively maximize benefit from bond proceeds

1. Input from customers (events, 4-H, etc.), Ag Society Board & other stakeholders
2. Update Master Plan, including Phase 3 build-out, so any Phase 2.5 spend is done with long-term plan in mind
3. Prioritize list of projects based on most critical needs, revenue potential
4. Take items off list that can be funded other ways: e.g. grants or sponsor partners for landscaping, recycling, outdoor recreation, lodging tax, equipment etc.
5. Build out specs & get bids on remaining projects
6. Use County/City/UNL/State contract and/or nonprofit pricing where available



From: Amy Dickerson [<mailto:adickerson@lancastereventcenter.com>]
Sent: Thursday, August 14, 2014 3:18 PM
To: 'Mega.Sugianto@1011now.com'; '8@klkntv.com'; 'cheady@journalstar.com'; 'nbergin@journalstar.com'
Cc: 'Amy Dickerson'
Subject: NEWS RELEASE: Lancaster Co. Super Fair Results
Importance: High

FOR IMMEDIATE RELEASE

TEMPERATE WEATHER, LOCAL BANDS BOOSTS LANCASTER CO. SUPER FAIR ATTENDANCE

The Lancaster County Super Fair which ran for 10 days between July 31st to August 9th at the Lancaster Event Center enjoyed strong attendance throughout--in large part due to Mother Nature contributing the most enjoyable fair weather in recent memory.

The strongest day versus last year was the first Friday, Aug. 1st, with attendance up 9% as the local Sandy Creek Band turned out to be very popular. Saturday, Aug. 2nd was also another well-attended day to come out and enjoy another local band, the Wheezetones, as well as the popular Monster Trucks at the Muhlbach Motorsports Complex. The Demolition Derby on the final night, Sat. Aug. 9th, was a near sell out, surpassing last year's attendance despite other events in the area competing the 2nd weekend. Another local band, The Spare Change Band, drove strong attendance on Tuesday, August 5th as well.

"The local bands were a definite hit," commented Trudy Pedley, 2014 Super Fair Coordinator and Lancaster County Agricultural Society Board Secretary.

The carnival enjoyed strong growth this year as well, according to Amy Dickerson, Lancaster Event Center Managing Director. "We know that the families and local youth came out and had a wonderful, relaxing time in one of the cleanest carnivals I've ever seen," commented Dickerson, who is in her first year. "The plants they brought in were beautiful and they hope to do more next year in cooperation with local nurseries."

The Lancaster County Agricultural Society also held its annual VIP/Awards Luncheon on the first day of the fair and honored four **Ak-Sar-Ben Pioneer Farm Families**, each with over 100 years of continuous family ownership of their farms.

In addition, **Ted and Alice Doane** were inducted into the Lancaster County Agricultural Society Hall of Fame for their service to the 4-H/FFA community and fair. Alice accepted the award with her family present on behalf of herself and her husband, who passed away in the spring.

"We really enjoy honoring these long-time farm families and 4-H/FFA leaders," said Ron Dowding, President of the Lancaster Co. Ag. Society. "They touched lives of thousands of

youth in Lancaster Co. and have helped maintain the strength of the local agricultural community with all their hard work and leadership.”

The Lancaster County Super Fair announces that the dates of next year’s fair will be July 30th to August 8th and to stay tuned to **superfair.org** for details as they are released.

ABOUT THE LANCASTER COUNTY AGRICULTURAL SOCIETY

The Lancaster County Agricultural Society is a group of volunteers who run the annual Lancaster County Super Fair and provide a place for other year-round 4-H/FFA events which have impacted thousands of 4-H and FFA youth and their families over the years. The fair has been located since 2000 at the Lancaster Event Center was built to house the county fair and has grown to nearly 200,000 attendees annually from 5,000 when housed on the old Nebraska State Fairgrounds in downtown Lincoln. The Lancaster Event Center, located at the corner of 84th St. and Havelock, is one of the Midwest’s premier multi-use facilities now hosting over 225 events year-round which help support the running of the annual county fair while adding an estimated \$225 million annually to the local Lancaster Co. economy via jobs and visitor spending. For more information, visit **lancastereventcenter.com**.

For questions, contact Amy Dickerson at adickerson@lancastereventcenter.com 402.441.6545.

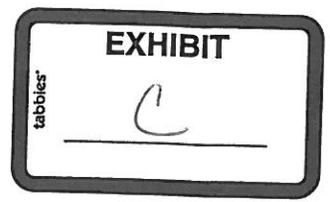
Amy Dickerson
Managing Director



E: adickerson@lancastereventcenter.com
P: 402.441.6545
F: 402.441.6046

Visit us:
www.lancastereventcenter.com

4100 N. 84th Street
Lincoln NE 68507



LANCASTER COUNTY FAIRGROUNDS JOINT PUBLIC AGENCY
LIMITED TAX FACILITY REFUNDING BONDS, SERIES 2014
AUGUST 21, 2014

COMPOSITE DEBT SERVICE ANALYSIS

LANCASTER COUNTY FAIRGROUNDS JOINT PUBLIC AGENCY

LIMITED TAX FACILITY REFUNDING BONDS, SERIES 2014

FUNDING ESCROW TO REFUND SERIES 2007 BONDS ON 9/30/14

PLUS \$2,485,000 OF NEW MONEY PROJECTS - 8/19/14

Total Issue Sources And Uses

Dated 09/30/2014 | Delivered 09/30/2014

	Refunding of 2007	New Money	Issue Summary
Sources Of Funds			
Par Amount of Bonds	\$7,315,000.00	\$2,585,000.00	\$9,900,000.00
Transfers from Prior Issue Debt Service Funds	378,467.50	-	378,467.50
Total Sources	\$7,693,467.50	\$2,585,000.00	\$10,278,467.50
Uses Of Funds			
Deposit to Net Cash Escrow Fund	7,499,122.71	-	7,499,122.71
Deposit to Project Construction Fund	-	2,485,000.00	2,485,000.00
Original Issue Discount (OID)	75,642.20	58,579.40	134,221.60
Total Underwriter's Discount (1.000%)	73,150.00	25,850.00	99,000.00
Costs of Issuance	43,890.00	15,510.00	59,400.00
Rounding Amount	1,662.59	60.60	1,723.19
Total Uses	\$7,693,467.50	\$2,585,000.00	\$10,278,467.50

LANCASTER COUNTY FAIRGROUNDS JOINT PUBLIC AGENCY

LIMITED TAX FACILITY REFUNDING BONDS, SERIES 2014

FUNDING ESCROW TO REFUND SERIES 2007 BONDS ON 9/30/14

PLUS \$2,485,000 OF NEW MONEY PROJECTS - 8/19/14

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
12/15/2014	Serial Coupon	0.300%	0.300%	85,000.00	100.000%	85,000.00
12/15/2015	Serial Coupon	0.400%	0.400%	475,000.00	100.000%	475,000.00
12/15/2016	Serial Coupon	0.550%	0.550%	475,000.00	100.000%	475,000.00
12/15/2017	Serial Coupon	0.850%	0.850%	475,000.00	100.000%	475,000.00
12/15/2018	Serial Coupon	1.150%	1.150%	480,000.00	100.000%	480,000.00
12/15/2019	Serial Coupon	1.450%	1.450%	490,000.00	100.000%	490,000.00
12/15/2020	Serial Coupon	1.850%	1.850%	490,000.00	100.000%	490,000.00
12/15/2021	Serial Coupon	2.100%	2.100%	500,000.00	100.000%	500,000.00
12/15/2022	Serial Coupon	2.200%	2.300%	510,000.00	99.254%	506,195.40
12/15/2023	Serial Coupon	2.300%	2.450%	520,000.00	98.768%	513,593.60
12/15/2024	Serial Coupon	2.500%	2.700%	535,000.00	98.223%	525,493.05
12/15/2025	Serial Coupon	2.700%	2.900%	545,000.00	98.095%	534,617.75
12/15/2026	Serial Coupon	2.850%	3.050%	560,000.00	97.971%	548,637.60
12/15/2027	Serial Coupon	3.000%	3.200%	580,000.00	97.856%	567,564.80
12/15/2028	Serial Coupon	3.100%	3.300%	600,000.00	97.743%	586,458.00
12/15/2029	Serial Coupon	3.200%	3.400%	615,000.00	97.637%	600,467.55
12/15/2032	Term 1 Coupon	3.400%	3.600%	1,965,000.00	97.341%	1,912,750.65
Total	-	-	-	\$9,900,000.00	-	\$9,765,778.40

Bid Information

Par Amount of Bonds	\$9,900,000.00
Reoffering Premium or (Discount)	(134,221.60)
Gross Production	\$9,765,778.40
Total Underwriter's Discount (1.000%)	\$(99,000.00)
Bid (97.644%)	9,666,778.40
Total Purchase Price	\$9,666,778.40
Bond Year Dollars	\$101,157.50
Average Life	10.218 Years
Average Coupon	2.8235802%
Net Interest Cost (NIC)	3.0541331%
True Interest Cost (TIC)	3.0622095%

LANCASTER COUNTY FAIRGROUNDS JOINT PUBLIC AGENCY

LIMITED TAX FACILITY REFUNDING BONDS, SERIES 2014

FUNDING ESCROW TO REFUND SERIES 2007 BONDS ON 9/30/14

PLUS \$2,485,000 OF NEW MONEY PROJECTS - 8/19/14

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/30/2014	-	-	-	-	-
12/15/2014	85,000.00	0.300%	48,065.63	133,065.63	133,065.63
06/15/2015	-	-	115,230.00	115,230.00	-
12/15/2015	475,000.00	0.400%	115,230.00	590,230.00	705,460.00
06/15/2016	-	-	114,280.00	114,280.00	-
12/15/2016	475,000.00	0.550%	114,280.00	589,280.00	703,560.00
06/15/2017	-	-	112,973.75	112,973.75	-
12/15/2017	475,000.00	0.850%	112,973.75	587,973.75	700,947.50
06/15/2018	-	-	110,955.00	110,955.00	-
12/15/2018	480,000.00	1.150%	110,955.00	590,955.00	701,910.00
06/15/2019	-	-	108,195.00	108,195.00	-
12/15/2019	490,000.00	1.450%	108,195.00	598,195.00	706,390.00
06/15/2020	-	-	104,642.50	104,642.50	-
12/15/2020	490,000.00	1.850%	104,642.50	594,642.50	699,285.00
06/15/2021	-	-	100,110.00	100,110.00	-
12/15/2021	500,000.00	2.100%	100,110.00	600,110.00	700,220.00
06/15/2022	-	-	94,860.00	94,860.00	-
12/15/2022	510,000.00	2.200%	94,860.00	604,860.00	699,720.00
06/15/2023	-	-	89,250.00	89,250.00	-
12/15/2023	520,000.00	2.300%	89,250.00	609,250.00	698,500.00
06/15/2024	-	-	83,270.00	83,270.00	-
12/15/2024	535,000.00	2.500%	83,270.00	618,270.00	701,540.00
06/15/2025	-	-	76,582.50	76,582.50	-
12/15/2025	545,000.00	2.700%	76,582.50	621,582.50	698,165.00
06/15/2026	-	-	69,225.00	69,225.00	-
12/15/2026	560,000.00	2.850%	69,225.00	629,225.00	698,450.00
06/15/2027	-	-	61,245.00	61,245.00	-
12/15/2027	580,000.00	3.000%	61,245.00	641,245.00	702,490.00
06/15/2028	-	-	52,545.00	52,545.00	-
12/15/2028	600,000.00	3.100%	52,545.00	652,545.00	705,090.00
06/15/2029	-	-	43,245.00	43,245.00	-
12/15/2029	615,000.00	3.200%	43,245.00	658,245.00	701,490.00
06/15/2030	-	-	33,405.00	33,405.00	-
12/15/2030	635,000.00	3.400%	33,405.00	668,405.00	701,810.00
06/15/2031	-	-	22,610.00	22,610.00	-
12/15/2031	655,000.00	3.400%	22,610.00	677,610.00	700,220.00
06/15/2032	-	-	11,475.00	11,475.00	-
12/15/2032	675,000.00	3.400%	11,475.00	686,475.00	697,950.00
Total	\$9,900,000.00	-	\$2,856,263.13	\$12,756,263.13	-

LANCASTER COUNTY FAIRGROUNDS JOINT PUBLIC AGENCY

LIMITED TAX FACILITY REFUNDING BONDS, SERIES 2014
FUNDING ESCROW TO REFUND SERIES 2007 BONDS ON 9/30/14
PLUS \$2,485,000 OF NEW MONEY PROJECTS - 8/19/14

Debt Service Schedule

Part 2 of 2

Yield Statistics

Bond Year Dollars	\$101,157.50
Average Life	10.218 Years
Average Coupon	2.8235802%
Net Interest Cost (NIC)	3.0541331%
True Interest Cost (TIC)	3.0622095%
Bond Yield for Arbitrage Purposes	2.9436318%
All Inclusive Cost (AIC)	3.1341864%

IRS Form 8038

Net Interest Cost	3.0134689%
Weighted Average Maturity	10.162 Years

REFUNDING ANALYSIS

LANCASTER COUNTY FAIRGROUNDS JOINT PUBLIC AGENCY
LIMITED TAX FACILITY AND REFUNDING BONDS, SERIES 2007
REMAINING DEBT SERVICE AS OF 6-15-14

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/15/2014	-	-	-	-	-
12/15/2014	405,000.00	3.700%	149,435.00	554,435.00	554,435.00
06/15/2015	-	-	141,942.50	141,942.50	-
12/15/2015	420,000.00	3.700%	141,942.50	561,942.50	703,885.00
06/15/2016	-	-	134,172.50	134,172.50	-
12/15/2016	435,000.00	3.750%	134,172.50	569,172.50	703,345.00
06/15/2017	-	-	126,016.25	126,016.25	-
12/15/2017	450,000.00	3.800%	126,016.25	576,016.25	702,032.50
06/15/2018	-	-	117,466.25	117,466.25	-
12/15/2018	470,000.00	3.900%	117,466.25	587,466.25	704,932.50
06/15/2019	-	-	108,301.25	108,301.25	-
12/15/2019	485,000.00	4.000%	108,301.25	593,301.25	701,602.50
06/15/2020	-	-	98,601.25	98,601.25	-
12/15/2020	505,000.00	4.000%	98,601.25	603,601.25	702,202.50
06/15/2021	-	-	88,501.25	88,501.25	-
12/15/2021	525,000.00	4.100%	88,501.25	613,501.25	702,002.50
06/15/2022	-	-	77,738.75	77,738.75	-
12/15/2022	550,000.00	4.150%	77,738.75	627,738.75	705,477.50
06/15/2023	-	-	66,326.25	66,326.25	-
12/15/2023	575,000.00	4.150%	66,326.25	641,326.25	707,652.50
06/15/2024	-	-	54,395.00	54,395.00	-
12/15/2024	595,000.00	4.300%	54,395.00	649,395.00	703,790.00
06/15/2025	-	-	41,602.50	41,602.50	-
12/15/2025	615,000.00	4.300%	41,602.50	656,602.50	698,205.00
06/15/2026	-	-	28,380.00	28,380.00	-
12/15/2026	645,000.00	4.300%	28,380.00	673,380.00	701,760.00
06/15/2027	-	-	14,512.50	14,512.50	-
12/15/2027	675,000.00	4.300%	14,512.50	689,512.50	704,025.00
Total	\$7,350,000.00	-	\$2,345,347.50	\$9,695,347.50	-

Yield Statistics

Bond Year Dollars	\$56,130.00
Average Life	7.637 Years
Average Coupon	4.1784206%
Net Interest Cost (NIC)	4.1784206%
True Interest Cost (TIC)	4.1686582%
Bond Yield for Arbitrage Purposes	4.1686582%
All Inclusive Cost (AIC)	4.1686582%
IRS Form 8038	
Net Interest Cost	4.1784206%
Weighted Average Maturity	7.637 Years

FAIR JPA 2007 REM 2 | SINGLE PURPOSE | 8/19/2014 | 2:22 PM

LANCASTER COUNTY FAIRGROUNDS JOINT PUBLIC AGENCY
LIMITED TAX FACILITY AND REFUNDING BONDS, SERIES 2007
REMAINING DEBT SERVICE AS OF 6-15-14

Debt Service To Maturity And Call

Date	Princ. to Call	D/S To Call	Principal	Coupon	Interest	D/S To Maturity	Fiscal Total
06/15/2014	-	-	-	-	-	-	-
12/15/2014	7,350,000.00	7,499,435.00	405,000.00	3.700%	149,435.00	554,435.00	554,435.00
06/15/2015	-	-	-	-	141,942.50	141,942.50	-
12/15/2015	-	-	420,000.00	3.700%	141,942.50	561,942.50	703,885.00
06/15/2016	-	-	-	-	134,172.50	134,172.50	-
12/15/2016	-	-	435,000.00	3.750%	134,172.50	569,172.50	703,345.00
06/15/2017	-	-	-	-	126,016.25	126,016.25	-
12/15/2017	-	-	450,000.00	3.800%	126,016.25	576,016.25	702,032.50
06/15/2018	-	-	-	-	117,466.25	117,466.25	-
12/15/2018	-	-	470,000.00	3.900%	117,466.25	587,466.25	704,932.50
06/15/2019	-	-	-	-	108,301.25	108,301.25	-
12/15/2019	-	-	485,000.00	4.000%	108,301.25	593,301.25	701,602.50
06/15/2020	-	-	-	-	98,601.25	98,601.25	-
12/15/2020	-	-	505,000.00	4.000%	98,601.25	603,601.25	702,202.50
06/15/2021	-	-	-	-	88,501.25	88,501.25	-
12/15/2021	-	-	525,000.00	4.100%	88,501.25	613,501.25	702,002.50
06/15/2022	-	-	-	-	77,738.75	77,738.75	-
12/15/2022	-	-	550,000.00	4.150%	77,738.75	627,738.75	705,477.50
06/15/2023	-	-	-	-	66,326.25	66,326.25	-
12/15/2023	-	-	575,000.00	4.150%	66,326.25	641,326.25	707,652.50
06/15/2024	-	-	-	-	54,395.00	54,395.00	-
12/15/2024	-	-	595,000.00	4.300%	54,395.00	649,395.00	703,790.00
06/15/2025	-	-	-	-	41,602.50	41,602.50	-
12/15/2025	-	-	615,000.00	4.300%	41,602.50	656,602.50	698,205.00
06/15/2026	-	-	-	-	28,380.00	28,380.00	-
12/15/2026	-	-	645,000.00	4.300%	28,380.00	673,380.00	701,760.00
06/15/2027	-	-	-	-	14,512.50	14,512.50	-
12/15/2027	-	-	675,000.00	4.300%	14,512.50	689,512.50	704,025.00
Total	\$7,350,000.00	\$7,499,435.00	\$7,350,000.00	-	\$2,345,347.50	\$9,695,347.50	-

LANCASTER COUNTY FAIRGROUNDS JOINT PUBLIC AGENCY

LIMITED TAX FACILITY REFUNDING BONDS, SERIES 2014
 PORTION OF FINANCING ALLOCATED TO FUNDING ESCROW
 TO DEFEASE SERIES 2007 BONDS ON 9/30/14

Escrow Fund Cashflow

Date	Principal	Rate	Interest	Receipts	Disbursements	Cash Balance	Fiscal Total
09/30/2014	-	-	-	0.71	-	0.71	-
12/15/2014	7,499,122.00	0.020%	312.29	7,499,434.29	7,499,435.00	-	7,499,435.00
Total	\$7,499,122.00	-	\$312.29	\$7,499,435.00	\$7,499,435.00	-	-

Investment Parameters

Investment Model [PV, GIC, or Securities]	Securities
Default investment yield target	Bond Yield
Cash Deposit	0.71
Cost of Investments Purchased with Bond Proceeds	7,499,122.00
Total Cost of Investments	\$7,499,122.71
Target Cost of Investments at bond yield	\$7,453,918.07
Actual positive or (negative) arbitrage	(45,204.64)
Yield to Receipt	0.0199895%
Yield for Arbitrage Purposes	2.9436318%

LANCASTER COUNTY FAIRGROUNDS JOINT PUBLIC AGENCY

LIMITED TAX FACILITY REFUNDING BONDS, SERIES 2014
PORTION OF FINANCING ALLOCATED TO FUNDING ESCROW
TO DEFEASE SERIES 2007 BONDS ON 9/30/14

Sources & Uses

Dated 09/30/2014 | Delivered 09/30/2014

Sources Of Funds

Par Amount of Bonds	\$7,315,000.00
Transfers from Prior Issue Debt Service Funds	378,467.50
Total Sources	\$7,693,467.50

Uses Of Funds

Deposit to Net Cash Escrow Fund	7,499,122.71
Original Issue Discount (OID)	75,642.20
Total Underwriter's Discount (1.000%)	73,150.00
Costs of Issuance	43,890.00
Rounding Amount	1,662.59
Total Uses	\$7,693,467.50

LANCASTER COUNTY FAIRGROUNDS JOINT PUBLIC AGENCY

LIMITED TAX FACILITY REFUNDING BONDS, SERIES 2014

PORTION OF FINANCING ALLOCATED TO FUNDING ESCROW

TO DEFEASE SERIES 2007 BONDS ON 9/30/14

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/30/2014	-	-	-	-	-
12/15/2014	85,000.00	0.300%	31,486.98	116,486.98	116,486.98
06/15/2015	-	-	75,441.25	75,441.25	-
12/15/2015	435,000.00	0.400%	75,441.25	510,441.25	585,882.50
06/15/2016	-	-	74,571.25	74,571.25	-
12/15/2016	435,000.00	0.550%	74,571.25	509,571.25	584,142.50
06/15/2017	-	-	73,375.00	73,375.00	-
12/15/2017	435,000.00	0.850%	73,375.00	508,375.00	581,750.00
06/15/2018	-	-	71,526.25	71,526.25	-
12/15/2018	445,000.00	1.150%	71,526.25	516,526.25	588,052.50
06/15/2019	-	-	68,967.50	68,967.50	-
12/15/2019	445,000.00	1.450%	68,967.50	513,967.50	582,935.00
06/15/2020	-	-	65,741.25	65,741.25	-
12/15/2020	450,000.00	1.850%	65,741.25	515,741.25	581,482.50
06/15/2021	-	-	61,578.75	61,578.75	-
12/15/2021	460,000.00	2.100%	61,578.75	521,578.75	583,157.50
06/15/2022	-	-	56,748.75	56,748.75	-
12/15/2022	475,000.00	2.200%	56,748.75	531,748.75	588,497.50
06/15/2023	-	-	51,523.75	51,523.75	-
12/15/2023	485,000.00	2.300%	51,523.75	536,523.75	588,047.50
06/15/2024	-	-	45,946.25	45,946.25	-
12/15/2024	495,000.00	2.500%	45,946.25	540,946.25	586,892.50
06/15/2025	-	-	39,758.75	39,758.75	-
12/15/2025	500,000.00	2.700%	39,758.75	539,758.75	579,517.50
06/15/2026	-	-	33,008.75	33,008.75	-
12/15/2026	515,000.00	2.850%	33,008.75	548,008.75	581,017.50
06/15/2027	-	-	25,670.00	25,670.00	-
12/15/2027	535,000.00	3.000%	25,670.00	560,670.00	586,340.00
06/15/2028	-	-	17,645.00	17,645.00	-
12/15/2028	550,000.00	3.100%	17,645.00	567,645.00	585,290.00
06/15/2029	-	-	9,120.00	9,120.00	-
12/15/2029	570,000.00	3.200%	9,120.00	579,120.00	588,240.00
Total	\$7,315,000.00	-	\$1,572,731.98	\$8,887,731.98	-

LANCASTER COUNTY FAIRGROUNDS JOINT PUBLIC AGENCY

LIMITED TAX FACILITY REFUNDING BONDS, SERIES 2014
PORTION OF FINANCING ALLOCATED TO FUNDING ESCROW
TO DEFEASE SERIES 2007 BONDS ON 9/30/14

Debt Service Schedule

Part 2 of 2

Yield Statistics

Bond Year Dollars	\$62,058.96
Average Life	8.484 Years
Average Coupon	2.5342546%
Net Interest Cost (NIC)	2.7740140%
True Interest Cost (TIC)	2.7811707%
Bond Yield for Arbitrage Purposes	2.9436318%
All Inclusive Cost (AIC)	2.8640199%

IRS Form 8038

Net Interest Cost	2.6970353%
Weighted Average Maturity	8.442 Years

LANCASTER COUNTY FAIRGROUNDS JOINT PUBLIC AGENCY

LIMITED TAX FACILITY REFUNDING BONDS, SERIES 2014
 PORTION OF FINANCING ALLOCATED TO FUNDING ESCROW
 TO DEFEASE SERIES 2007 BONDS ON 9/30/14

Debt Service Comparison

Part 1 of 2

Date	Total P+I	Net New D/S	Old Net D/S	Savings	Fiscal Total
09/30/2014	-	-	-	-	-
12/15/2014	116,486.98	116,486.98	554,435.00	437,948.02	437,948.02
06/15/2015	75,441.25	75,441.25	141,942.50	66,501.25	-
12/15/2015	510,441.25	510,441.25	561,942.50	51,501.25	118,002.50
06/15/2016	74,571.25	74,571.25	134,172.50	59,601.25	-
12/15/2016	509,571.25	509,571.25	569,172.50	59,601.25	119,202.50
06/15/2017	73,375.00	73,375.00	126,016.25	52,641.25	-
12/15/2017	508,375.00	508,375.00	576,016.25	67,641.25	120,282.50
06/15/2018	71,526.25	71,526.25	117,466.25	45,940.00	-
12/15/2018	516,526.25	516,526.25	587,466.25	70,940.00	116,880.00
06/15/2019	68,967.50	68,967.50	108,301.25	39,333.75	-
12/15/2019	513,967.50	513,967.50	593,301.25	79,333.75	118,667.50
06/15/2020	65,741.25	65,741.25	98,601.25	32,860.00	-
12/15/2020	515,741.25	515,741.25	603,601.25	87,860.00	120,720.00
06/15/2021	61,578.75	61,578.75	88,501.25	26,922.50	-
12/15/2021	521,578.75	521,578.75	613,501.25	91,922.50	118,845.00
06/15/2022	56,748.75	56,748.75	77,738.75	20,990.00	-
12/15/2022	531,748.75	531,748.75	627,738.75	95,990.00	116,980.00
06/15/2023	51,523.75	51,523.75	66,326.25	14,802.50	-
12/15/2023	536,523.75	536,523.75	641,326.25	104,802.50	119,605.00
06/15/2024	45,946.25	45,946.25	54,395.00	8,448.75	-
12/15/2024	540,946.25	540,946.25	649,395.00	108,448.75	116,897.50
06/15/2025	39,758.75	39,758.75	41,602.50	1,843.75	-
12/15/2025	539,758.75	539,758.75	656,602.50	116,843.75	118,687.50
06/15/2026	33,008.75	33,008.75	28,380.00	(4,628.75)	-
12/15/2026	548,008.75	548,008.75	673,380.00	125,371.25	120,742.50
06/15/2027	25,670.00	25,670.00	14,512.50	(11,157.50)	-
12/15/2027	560,670.00	560,670.00	689,512.50	128,842.50	117,685.00
06/15/2028	17,645.00	17,645.00	-	(17,645.00)	-
12/15/2028	567,645.00	567,645.00	-	(567,645.00)	(585,290.00)
06/15/2029	9,120.00	9,120.00	-	(9,120.00)	-
12/15/2029	579,120.00	579,120.00	-	(579,120.00)	(588,240.00)
Total	\$8,887,731.98	\$8,887,731.98	\$9,695,347.50	\$807,615.52	-

LANCASTER COUNTY FAIRGROUNDS JOINT PUBLIC AGENCY

LIMITED TAX FACILITY REFUNDING BONDS, SERIES 2014
PORTION OF FINANCING ALLOCATED TO FUNDING ESCROW
TO DEFEASE SERIES 2007 BONDS ON 9/30/14

Debt Service Comparison

Part 2 of 2

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	931,558.50
Net PV Cashflow Savings @ 2.864%(AIC)	931,558.50
Transfers from Prior Issue Debt Service Fund	(378,467.50)
Contingency or Rounding Amount	1,662.59
Net Present Value Benefit	\$554,753.59
Net PV Benefit / \$7,350,000 Refunded Principal	7.548%
Net PV Benefit / \$7,315,000 Refunding Principal	7.584%

Refunding Bond Information

Refunding Dated Date	9/30/2014
Refunding Delivery Date	9/30/2014

LANCASTER COUNTY FAIRGROUNDS JOINT PUBLIC AGENCY

LIMITED TAX FACILITY REFUNDING BONDS, SERIES 2014

PORTION OF FINANCING ALLOCATED TO FUND \$2,485,000 OF NEW MONEY PROJECTS

Sources & Uses

Dated 09/30/2014 | Delivered 09/30/2014

Sources Of Funds

Par Amount of Bonds \$2,585,000.00

Total Sources **\$2,585,000.00**

Uses Of Funds

Deposit to Project Construction Fund 2,485,000.00

Original Issue Discount (OID) 58,579.40

Total Underwriter's Discount (1.000%) 25,850.00

Costs of Issuance 15,510.00

Rounding Amount 60.60

Total Uses **\$2,585,000.00**

LANCASTER COUNTY FAIRGROUNDS JOINT PUBLIC AGENCY

LIMITED TAX FACILITY REFUNDING BONDS, SERIES 2014

PORTION OF FINANCING ALLOCATED TO FUND \$2,485,000 OF NEW MONEY PROJECTS

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/30/2014	-	-	-	-	-
12/15/2014	-	-	16,578.65	16,578.65	16,578.65
06/15/2015	-	-	39,788.75	39,788.75	-
12/15/2015	40,000.00	0.400%	39,788.75	79,788.75	119,577.50
06/15/2016	-	-	39,708.75	39,708.75	-
12/15/2016	40,000.00	0.550%	39,708.75	79,708.75	119,417.50
06/15/2017	-	-	39,598.75	39,598.75	-
12/15/2017	40,000.00	0.850%	39,598.75	79,598.75	119,197.50
06/15/2018	-	-	39,428.75	39,428.75	-
12/15/2018	35,000.00	1.150%	39,428.75	74,428.75	113,857.50
06/15/2019	-	-	39,227.50	39,227.50	-
12/15/2019	45,000.00	1.450%	39,227.50	84,227.50	123,455.00
06/15/2020	-	-	38,901.25	38,901.25	-
12/15/2020	40,000.00	1.850%	38,901.25	78,901.25	117,802.50
06/15/2021	-	-	38,531.25	38,531.25	-
12/15/2021	40,000.00	2.100%	38,531.25	78,531.25	117,062.50
06/15/2022	-	-	38,111.25	38,111.25	-
12/15/2022	35,000.00	2.200%	38,111.25	73,111.25	111,222.50
06/15/2023	-	-	37,726.25	37,726.25	-
12/15/2023	35,000.00	2.300%	37,726.25	72,726.25	110,452.50
06/15/2024	-	-	37,323.75	37,323.75	-
12/15/2024	40,000.00	2.500%	37,323.75	77,323.75	114,647.50
06/15/2025	-	-	36,823.75	36,823.75	-
12/15/2025	45,000.00	2.700%	36,823.75	81,823.75	118,647.50
06/15/2026	-	-	36,216.25	36,216.25	-
12/15/2026	45,000.00	2.850%	36,216.25	81,216.25	117,432.50
06/15/2027	-	-	35,575.00	35,575.00	-
12/15/2027	45,000.00	3.000%	35,575.00	80,575.00	116,150.00
06/15/2028	-	-	34,900.00	34,900.00	-
12/15/2028	50,000.00	3.100%	34,900.00	84,900.00	119,800.00
06/15/2029	-	-	34,125.00	34,125.00	-
12/15/2029	45,000.00	3.200%	34,125.00	79,125.00	113,250.00
06/15/2030	-	-	33,405.00	33,405.00	-
12/15/2030	635,000.00	3.400%	33,405.00	668,405.00	701,810.00
06/15/2031	-	-	22,610.00	22,610.00	-
12/15/2031	655,000.00	3.400%	22,610.00	677,610.00	700,220.00
06/15/2032	-	-	11,475.00	11,475.00	-
12/15/2032	675,000.00	3.400%	11,475.00	686,475.00	697,950.00
Total	\$2,585,000.00	-	\$1,283,531.15	\$3,868,531.15	-

LANCASTER COUNTY FAIRGROUNDS JOINT PUBLIC AGENCY

LIMITED TAX FACILITY REFUNDING BONDS, SERIES 2014

PORTION OF FINANCING ALLOCATED TO FUND \$2,485,000 OF NEW MONEY PROJECTS

Debt Service Schedule

Part 2 of 2

Yield Statistics

Bond Year Dollars	\$39,098.54
Average Life	15.125 Years
Average Coupon	3.2828108%
Net Interest Cost (NIC)	3.4987508%
True Interest Cost (TIC)	3.5518817%
Bond Yield for Arbitrage Purposes	2.9436318%
All Inclusive Cost (AIC)	3.6055823%

IRS Form 8038

Net Interest Cost	3.5208183%
Weighted Average Maturity	15.088 Years

RatingsDirect®

Summary:

Lancaster County Fairgrounds Joint Public Agency, Nebraska; Miscellaneous Tax

Primary Credit Analyst:

Helen Samuelson, Chicago (1) 312-233-7011; helen.samuelson@standardandpoors.com

Secondary Contact:

Blake E Yocom, Chicago (1) 312-233-7056; blake.yocom@standardandpoors.com

Table Of Contents

Rationale

Outlook

Related Criteria And Research

than 20 years. In 2013, its 3.5% unemployment rate was below both state and national levels. Incomes are good, with county per capita effective buying income at 96% of the national average, which we consider good. The tax base grew 3.6% year over year to \$20.8 billion in 2014. Officials expect tax base growth to continue, citing various development projects within the county. Market value per capita is strong at \$70,689 per capita. The tax base is very diverse, with the leading 10 taxpayers accounting for a mere 3.3% of total AV.

Lancaster County recognizes the JPA as a joint venture to acquire land and make improvements to the county fairgrounds. The county board has oversight of the JPA's budgets and ensures that the debt service levy supporting outstanding JPA debt is imposed. However, the county has no formal obligation to provide assistance to the JPA in meeting its debt obligations. . The JPA is a component unit of the Lancaster County Agricultural Society for financial reporting purposes, whose activities including the JPA are extremely narrow in scope. Due to the limited-purposed nature of the society and the even narrower focus of the JPA as a debt-issuing component of the society, the society's fiscal 2013 general fund balance was thin at just \$22,000, or 3.2% of expenditures.

Management reports that the JPA is not currently levying at the full 3.5 cents, but instead levying exactly enough for debt service; however, it could increase the levy to the maximum 3.5 cents anytime. The property tax revenues from the maximum allowable levy of 3.5 cents, based on the current fiscal 2014 valuation of \$20.8 billion, would generate approximately \$7.3 million in fiscal 2014. This provides a very strong 10.34x MADS coverage, which according to the pro forma debt schedule is \$706,515 and occurs in 2022. In addition, the tax base could withstand a decline of 90% to approximately \$2.1 billion, which would provide at least 1x coverage of MADS.

The district has room under the 3.5-cent levy in the near future to issue additional debt. It does not currently have any specific plans to issue additional debt secured by the 3.5-cent levy, but a new management team is in place at the society and we understand that it is looking into capital needs and we anticipate there may be some debt needs in the future. However, the JPA has no current debt plans.

Outlook

The stable outlook reflects our expectation that the agency will not issue debt secured by the special tax to significantly dilute coverage within the two-year outlook period. Should additional debt issuance significantly weaken coverage, we would consider a lower rating. The district's lack of a DSRF or ABT limits upward rating potential. The agency's reliable, very diverse, and sizable revenue stream adds stability to the rating.

Related Criteria And Research

Related Criteria

- USPF Criteria: Special Tax Bonds, June 13, 2007

Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

Summary: Lancaster County Fairgrounds Joint Public Agency, Nebraska; Miscellaneous Tax

Copyright © 2014 Standard & Poor's Financial Services LLC, a part of McGraw Hill Financial. All rights reserved.

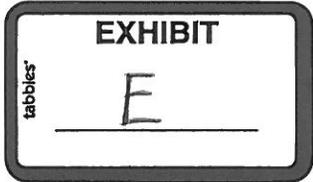
No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED, OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription) and www.spcapitaliq.com (subscription) and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.



Past 12 Years % of Raises AFSCME vs. Un-Represented

Raises: AFSCME vs. Un-Represented

Compound Interest Example: \$30,000 Employee

YEAR	AFSCME%	NON-REP%	AFSCME	NON-REP	Less than AFSCME
2002	5.00	3.00	\$ 31,500.00	\$ 30,900.00	\$ (600.00)
2003	2.12	3.50	\$ 32,167.80	\$ 31,981.50	\$ (186.30)
2004	2.96	2.00	\$ 33,119.97	\$ 32,621.13	\$ (498.84)
2005	2.65	1.75	\$ 33,997.65	\$ 33,192.00	\$ (805.65)
2006	3.00	4.00	\$ 35,017.58	\$ 34,519.68	\$ (497.90)
2007	2.00	2.50	\$ 35,717.93	\$ 35,382.67	\$ (335.26)
2008	3.00	3.00	\$ 36,789.46	\$ 36,444.15	\$ (345.31)
2009	3.25	2.00	\$ 37,985.12	\$ 37,173.03	\$ (812.09)
2010	3.50	1.00	\$ 39,314.60	\$ 37,544.77	\$ (1,769.83)
2011	3.60	0.00	\$ 40,729.93	\$ 37,544.77	\$ (3,185.16)
2012	0.00	2.00	\$ 41,129.93	\$ 38,295.67	\$ (2,834.26)
2013	1.00	2.00	\$ 41,137.23	\$ 39,061.58	\$ (2,075.65)
<i>Compound Increase Over Past 12 years...</i>			37.12	30.21	-6.91

AFSCME received \$400 in 2013 that Un-Represented did not receive

AFSCME pay scale increase has exceeded Un-Represented by 6.91% over past 12 years

AFSCME has received on average 3.09% (compound) annual increase

Un-Represented has received on average a 2.52% (compound) annual increase

*** Thus leading to the 6.91% (compound) gap over past 12 years

Percentage between Pay Steps is 3.6%

*** AFSCME has advanced close to 1.92 Pay Steps to the Un-Represented in the last 12 years



JOE KELLY
LANCASTER COUNTY ATTORNEY

www.lancaster.ne.gov

RECEIVED

JUL 30 2014

LANCASTER COUNTY
BOARD

July 30, 2014



Kerry P. Eagan
Chief Administrative Officer
555 South 10th Street
Lincoln, NE 68508

RE: Use of Pension Expense Reimbursement Accounts to Pay for Fiduciary Liability Insurance Premiums.

Dear Kerry:

On July 1, 2014, we received your request for a legal opinion on whether Lancaster County's Pension Expense Reimbursement Accounts ("Expense Accounts") may be used to pay the premium for fiduciary liability coverage as it relates to the County's retirement and deferred compensation plans (collectively referred to as the "Pension Plans"). For the following reasons, it is the opinion of our office that the Expense Accounts may be used to pay the premium for such an insurance policy.

Initially, it is important to understand what standards the plan fiduciaries must adhere to with regards to discharging their fiduciary duties. As you are aware, the Pension Plans are governmental pension plans and therefore not subject to ERISA. However, due to the dearth of guidance in Nebraska law with regards to management of the Pension Plans, our office will continue to recommend that ERISA standards are adhered to in order to ensure fiduciary duties are being met. 29 U.S.C. § 1104(a) provides the prudent man standard of care and states:

- (1) Subject to sections 1103(c) and (d), 1342, and 1344 of this title, a fiduciary shall discharge his duties with respect to a plan solely in the interest of the participants and beneficiaries and –
 - (A) For the exclusive purpose of:
 - i. Providing benefits to participants and their beneficiaries; and
 - ii. Defraying reasonable expenses of administering the plan;
 - (B) With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such

- matters would use in the conduct of an enterprise of a like character and with like aims;
- (C) By diversifying the investments of the plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent to do so; and
 - (D) In accordance with the documents and instruments governing the plan insofar as such documents and instruments are consistent with the provisions of this subchapter and subchapter III of this chapter.

With regards to plan documents governing management of the Expense Accounts, Exhibit L of both the 457(b) and 401(a) service agreements state that "all amounts paid pursuant to these provisions will be used solely for Plan administrative expenses that are reasonable and necessary to the Plan."

It is of the opinion of our office that purchasing fiduciary liability coverage out of funds contained in the Expense Accounts would not violate ERISA's prudent man standard of care and that such expenses could be justified as being reasonable and necessary to the Pension Plans. Although our office is not privy to the collective financial health of the plans' fiduciaries, our office opines that fiduciary assets would likely be insufficient to compensate for a major loss incurred by the Pension Plans, which as of December 31, 2014, contained assets in excess of \$140,000,000. Our position is bolstered by the standards promulgated in the Employee Retirement Income Security Act ("ERISA"), which explicitly permit a pension plan to purchase fiduciary liability coverage. 29 U.S.C. § 1110(b) (A plan may purchase "insurance for its fiduciaries or for itself to cover liability or losses occurring by reason of the act or omission of a fiduciary . . .").

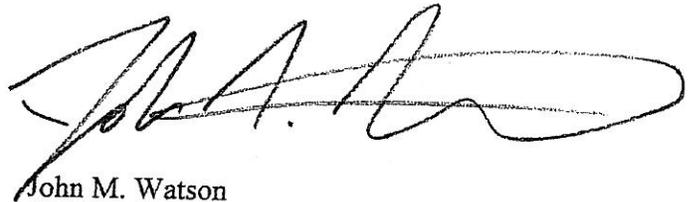
Even though it appears permissible to purchase fiduciary liability coverage with the Expense Accounts, our office believes there are serious concerns with using the Expense Accounts to completely eliminate fiduciary liability. As previously stated, ERISA requires fiduciaries to discharge their duties solely for the interest of participants and beneficiaries, and our office believes that such principle should be adhered to with regards to management of the Pension Plans. Purchasing fiduciary liability coverage in order to ensure participants can be made whole in the event of a fiduciary breach is almost certainly for the exclusive benefit of plan participants, and it is possible that insulating fiduciaries from personal liability may provide some benefits to plan participants – such as encouraging participation on the Pension Monitoring Committee. However, the reason for taking the additional step to completely insulate fiduciaries from personal liability appears to be driven largely by the desire to provide a benefit to the fiduciaries themselves. ERISA is consistent with this reasoning whereby it only permits plans to purchase fiduciary liability coverage if recourse can still be had against the fiduciary. 29 U.S.C. § 1110(b) (Such insurance must permit "recourse by the insurer against the fiduciary in the case of a breach of a fiduciary obligation by such fiduciary."). That is not to say that fiduciary liability cannot be completely eliminated – only that the expense of such a decision should not be paid with the Expense Accounts, nor otherwise borne by plan participants. See 29 U.S.C. §

1110(b) (Permitting fiduciaries, employers, and employee organizations to purchase fiduciary liability coverage which does not allow recourse by the insurer against the fiduciary). Furthermore, if the decision is made to utilize the Expense Accounts to pay for the fiduciary liability coverage, it is important to note that the 401(a) and the 457(b) each have separate expense account balances. Care should be taken in determining the portion of the premium that is paid from each of those accounts. Not only do the assets contained in the 401(a) greatly exceed those within the 457(b), but not all participants have insurable interests in both plans.

If we can be of any further assistance regarding these matters, please contact us.

Sincerely,

JOE KELLY
County Attorney

A handwritten signature in black ink, appearing to read "John M. Watson", written over a horizontal line.

John M. Watson
Deputy County Attorney



LANCASTER COUNTY
2014-15 ALLOCATION OF LEVY

	<u>Valuation</u>	<u>Dollar Request</u>	<u>Debt Service</u>	<u>Amount Applicable to 15 cents</u>	<u>Tax Rate</u>	<u>Total Tax Rate</u>	<u>Prior Year Request</u>	<u>Difference</u>	
Agricultural Society	21,327,212,968	210,084.00	-	210,084.00	0.000985	0.000985	202,980.00	7,104.00	3.50%
Ag Society Capital	21,327,212,968	113,171.00	-	113,171.00	0.000531	0.000531	109,344.00	3,827.00	3.50%
RRTSD	21,327,212,968	2,772,600.00	-	2,772,600.00	0.013000	0.013000	2,710,339.00	62,261.00	2.30%
Public Building Commission	21,327,212,968	3,625,650.00	3,625,650.00	-	-	0.017000	3,542,870.00	82,780.00	2.34%
Lancaster Fairgrounds JPA	21,327,212,968	707,694.00	707,694.00	-	-	0.003318	707,694.00	-	0.00%
Lancaster Correctional Facility JPA - City	17,380,126,373	2,926,600.00	2,926,600.00	-	-	0.016839	2,941,800.00	(15,200.00)	-0.52%
Lancaster Correctional Facility JPA - County	21,327,212,968	2,000,000.00	2,000,000.00	-	-	0.009378	2,000,000.00	-	0.00%
Rural Library	3,947,086,597	762,615.00	-	762,615.00	0.019321	0.019321	716,822.00	45,793.00	6.39%
Total Prior to Fire Districts					0.033837				
Bennet Rural Fire District	411,171,163	133,000.00	-	133,000.00	0.032347	0.032347	105,210.73	27,789.27	26.41%
Firth Rural Fire District	290,523,930	204,765.00	93,153.00	111,612.00	0.038417	0.070481	108,040.00	3,572.00	3.31%
Hallam Rural Fire District	208,912,838	99,000.00	-	99,000.00	0.047388	0.047388	96,900.00	2,100.00	2.17%
Hickman Rural Fire District	424,435,393	168,406.00	39,816.00	128,590.00	0.030297	0.039678	125,460.00	3,130.00	2.49%
Highland Rural Fire District	123,192,478	32,200.00	19,674.00	12,526.00	0.010168	0.026138	11,500.00	1,026.00	8.92%
Malcolm Rural Fire District	231,279,945	217,719.00	-	217,719.00	0.094137	0.094137	206,502.00	11,217.00	5.43%
Raymond Rural Fire District	336,272,028	485,203.81	132,305.48	352,898.33	0.104944	0.144289	320,816.67	32,081.66	10.00%
Southeast Rural Fire District	412,801,035	221,300.00	-	221,300.00	0.053609	0.053609	217,999.12	3,300.88	1.51%
Southwest Rural Fire District	568,150,823	421,260.00	126,830.00	294,430.00	0.051823	0.074146	287,245.00	7,185.00	2.50%
Waverly Rural Fire District	354,652,261	55,856.82	-	55,856.82	0.015750	0.015750	55,856.82	-	0.00%
*** Highest Fire District Levy					0.138781				
Total with Highest Fire District					0.101228				
Maximum Fire District Levy					0.101228				
		340,401.45		12,496.88					