

MINUTES
LANCASTER COUNTY CORRECTIONAL FACILITY JOINT PUBLIC AGENCY (JPA)
COUNTY-CITY BUILDING, ROOM 112
555 SOUTH 10TH STREET
TUESDAY, DECEMBER 30, 2008
8:30 A.M.

Present: Bernie Heier, Chair; Robin Eschliman, Vice Chair; Bob Workman and Chris Beutler

Others Present: Ray Stevens, County Commissioner; Kerry Eagan, County Chief Administrative Officer; Dennis Meyer, County Budget & Fiscal Officer; Don Herz, City Finance Director; Tom Fox, Deputy County Attorney; Scott Keene, Ameritas Investment Corporation; Lauren Wismer and Lisa DeBuse, Gilmore & Bell, PC; Trish Owen, Administrative Assistant to the Mayor; Dan Nolte, County Clerk; and Ann Taylor, County Clerk's Office

The location announcement of the Nebraska Open Meetings Act was given and the meeting was called to order at 8:32 a.m.

AGENDA ITEM

1 APPROVAL OF MINUTES OF OCTOBER 14, 2008 MEETING

MOTION: Eschliman moved and Workman seconded approval of the minutes of the October 14, 2008 meeting. Beutler, Eschliman, Workman and Heier voted aye. Motion carried.

2 ADOPT INTERLOCAL AGREEMENT - Interlocal agreement between the City of Lincoln; the County of Lancaster, Nebraska; and the Lancaster County Correctional Facilities Joint Public Agency (JPA) for the housing of City prisoners

Tom Fox, Deputy County Attorney, appeared and said the City and County have already approved the agreement.

MOTION: Beutler moved and Workman seconded adoption of the interlocal agreement, as described and as executed by the parties. Eschliman, Workman, Beutler and Heier voted aye. Motion carried.

3. ADOPT RESOLUTION - Resolution approving the issuance of the Lancaster County Correctional Facility Joint Public Agency (JPA) Building Bonds, in an amount not to exceed \$65,000,000, and related matters

Lauren Wismer, Gilmore & Bell, PC, appeared and said the draft of the resolution, which had been distributed to members of the Lancaster County Correctional Facility Joint Public Agency (JPA) prior to the meeting, has been modified as follows:

- The interest payment date has been changed to June 1, 2009
- Authorization to establish certain terms and provisions in the sale of the bonds and to accept the bid of the purchaser and execute all other documents necessary to effectuate the sale of the bonds to the purchaser has been expanded to include the Vice Chair

Scott Keene, Ameritas Investment Corporation, appeared and gave a brief update on the status of the bond market. He said the bonds will be marketed through a competitive sale and said he expects to go to market the second or third week of January. Keene said the resolution gives the Chair and Vice Chair the ultimate authority to sign off on the financing and said the low responsive bid will be accepted, provided it meets the parameters spelled out in the resolution. He said a key parameter is not to exceed true interest costs and said the JPA needs to set the maximum rate. Keene suggested a rate of 5.75% or 5.8% because it would correspond with the \$5.5 million in annual debt service (the County has allocated \$2 million and the City has allocated \$3.5 million by lending its levy authority).

Beutler asked Keene how many bids are anticipated.

Keene said he would typically expect to see five to six bids but said there may only be three or four bids, with participation by 20 to 25 firms, for this issue, due to competition with other bond issues that will be coming to market.

Workman asked how long the sale can be delayed.

Keene said the resolution allows for sale of the bonds up through June 30, 2009. Further extension would require amendment of the resolution.

Heier asked whether the JPA has the right to reject all bids.

Keene said that is correct, but said it is not advisable unless the bids fail to meet the parameters.

In response to a question from Workman, Keene said the debt could be refinanced if interest rates drop.

Keene asked for an indication of what interest rate the JPA would like to see.

MOTION: Workman moved and Eschliman seconded to: 1) Limit the true interest cost to 5.75%, per annum, in the bond resolution; and 2) Seek an interest rate of 5.25%, or less, at the bond sale. Workman, Beutler, Eschliman and Heier voted aye. Motion carried.

4. ADJOURNMENT

MOTION: Workman moved and Eschliman seconded to adjourn the meeting at 8:59 a.m. Beutler, Workman, Eschliman and Heier voted aye. Motion carried.

Dan Nolte
Lancaster County Clerk