AGENDA
CITY COUNTY COMMON
TUESDAY, MAY 8, 2007
COUNTY-CITY BUILDING
555 SOUTH 10TH STREET
ROOM 113
8:30 A.M.

1. APPROVAL OF COMMON MEETING MINUTES OF MONDAY, APRIL 2, 2007.

2. PRESENTATIONS

8:30 a.m. **JAIL DISCUSSION** - Jon Camp, City Council

8:45 a.m. **COUNTY DEVELOPMENT; ECONOMIC DEVELOPMENT; COMPETITION INTRA-COUNTY** - Jon Camp, City Council

9:00 a.m. **KENO SHARING ARRANGEMENT BETWEEN CITY AND COUNTY** - Dan Marvin, City Council

9:15 a.m. **FORMATION OF WORKING GROUP ON POTENTIAL CITY - COUNTY CONSOLIDATION** - Ray Stevens, County Commissioner

CITY-COUNTY COMMON
MEETING MINUTES
MAY 8, 2007

Common Members Present: Dan Marvin, Chair; Ray Stevens, Vice-Chair; Bernie Heier; Larry Hudkins; Bob Workman; Jon Camp (8:33 am); Robin Eschliman; Annette McRoy; Ken Svoboda; Deb Schorr (9:05 am); and Mayor Coleen Seng

Common Members Absent: Patte Newman and Jonathan Cook

Others Present: Mayor-elect Beutler; Trish Owen, Lincoln Chamber of Commerce; Kerry Eagan, Chief Administrative Officer; Gwen Thorpe, Deputy Chief Administrative Officer; Darl Naumann, Economic Development Coordinator; Don Herz, City Finance Director; Randy Hoskins, Public Works and Utilities; Michael McCullough, Pavers, Inc.; Doug Emery, Elected Northeast District Councilman; Don Thomas, County Engineer; Mary Meyer, County Commissioners/City Council Clerk and other interested parties.

Chairman Marvin opened the meeting at 8:30 a.m. and announced the Nebraska Open Meeting Act was posted in the room.

Approval of Common Meeting Minutes of Monday, April 2, 2007
Svoboda moved the minutes of the City-County Common meeting of Monday, April 2, 2007 be approved. McRoy seconded. Minutes were approved by acclamation with Heier abstaining.

Jail Discussion Camp, City Council
Camp stated he wanted to continue dialogue of County Board concepts and numbers on the jail, and how the City might help with funding. He asked for an evaluation/summary on alternatives, and the County process to come up with solutions.

Workman stated they are involved in selecting the proper jail location, and once done will concentrate on funding issues. The City's future part will remain the same on paying for services provided with possibly one difference of helping with the bond issue, which should not affect the tax levy.

Hudkins agreed adding one funding possibility was an inter-local agreement between City and County, to help the County with bonding limitations. The County is limited on dollars of bonds issued, which also depends on final design and location. Need close contact with the City and Public Works on items such as extending sewer/water to certain locations, which would have a bearing on price. Did look at extending across H Street with the bonus of hooking onto District Energy. But, with a high rise jail visibility and operations are more costly. The County may be looking for synergy with the City on taking the money the City pays and rolling into a bond plan. Not asking the City to pay more, but delivered in a way to help do an interlocal agreement, possibly a partnership between City and County, or a partnership through the Public Building Commission. These are possibilities being assessed.

Marvin asked if design was agreed on? Hudkins replied to an extent would depend on the location chosen. Looking at a one level jail, and taking out Airpark Lincoln Center and combining to have one facility. The facility here would be maintained as a holding place before going to Court. Prefer a one level structure but have not completely defined.

Camp asked for anticipated timeline from location, design and factoring in cost? At the last Common meeting $95 million mentioned with questions such as, does it include retrofitting the existing jail, or would it be recycled into another use? Want costs addressed to know what the complete transition would be, at whatever stage of construction.
Workman replied the $95 million did not include any retrofit of the current jail. The County was anxious to

complete financing, but on hearing the extremely high figure of $90 million plus became very concerned. One disadvantage is that interest rates, or construction costs, could change but are stable now. $90 million a year is a huge interest expense, and we feel delaying is an advantage to the taxpayer, though a disadvantage to Corrections. With a little risk on interest rates don't see signs that we need to hurry to deal with the finances.

Heier said we have to realize the tremendous overcrowding problem. We had 40 prisoners at Platte County, another 30 who may, or may not, go to other counties. Are working on a contract for 70 prisoners to go to Douglas and Beutler Counties and with overcrowding still try to meet jail standards.

Camp emphasized his questions were not critical, but wanted a judgement call on the time. Also to the extent the City may be involved in financing the more notice allows us to be geared towards our budget. As the City pays for prisoner housing, if the money is used to help with the bond, and the County doesn't charge us in subsequent years, then the $1.2 million the City previously paid goes to amortize bonds, principle and interest. How will the County cover operational expenses? Heier responded it depends on the number of prisoners and where from.

Heier said the anticipated savings is from owning one large facility. Now over a million dollars spent in settling all housing contracts, with a half million at Columbus. Marvin asked what is the legal timeline before the Courts say it is cruel and unusual punishment, or violating the standard? Workman didn't think a specific timeline was given, but they want to see forward movement, with the County meeting this requirement. It is appropriate to consider the problem continuously until solved.

Stevens stated the County tried several options for overcrowding. One is contracting with Columbus to house prisoners, also negotiating with Butler County and discussing with Omaha. These types of resolutions could be expanded, temporarily or longer, if places have availability. The huge problem is financing without having a substantial taxpayer debt in the near term of four or five cents of property tax on citizens of Lancaster County. The other problem is the County is only allowed to bond up to ten years. The City can go beyond and would be a reason for an interlocal, we could use City bonding terms. The County does have the option of approval of a bond issue through voting but have no current plan.

Stevens said also need to also talk to the County Attorney, Public Defender, Court System, City Attorney about taking people out of jail who are not a danger to themselves or others, as an alternative to incarceration. We have great cooperation from the judicial system, with a meeting scheduled to determine other solutions such as house arrest, or electric monitoring. If a caseworker could check on them 2 or 3 times a day it would be cheaper than having them in jail. Most alternatives are temporary.

Hudkins stated a large shock was having the architects say high $70's, low $80's to build, but when looking at possibly going into final design they said to realize it will take three years from start time until completion. They then took a mid-point cost and arrived at $93 million, catching us by surprise. The Board started taking different looks to see what we could be done.

Hudkins added options like drug court, or the bracelet system, are good but the problem is screening and knowing who to trust. Jail Standards is very insistent we keep progressing as they have the authority to come in, design, build a jail, and assess local property tax. We are better off moving forward than having Federal come in.

Camp asked for an estimated timeframe of the decision process so the City knows when to interface. Hudkins replied they thought of the primary election but State laws did not allow, and if going through an election it would possibly be September. Now have not made a decision on if we try an interlocal agreement or the vote.

Workman said this shouldn't affect the bottom line on Council's budget, with the money paid possibly going through a different channel but would be the same amount. Camp said if we take $1.2 million in bonding, and

with renting out additional beds/cells, would like the timeframe to build, and so forth.

Hudkins stated the City pays for prisoner days, and we are not diverting this money. Need City bonding authority to issue a certain amount of bonds and a commitment of those dollars. Would probably use the same formula as now, if you have less prisoners at years end we pay you, if more you pay us. The County would count on $1.5 million, with the City's impact pretty much as now. Need to declare the revenue stream to bond, and use the money as a revenue stream. The City would still pay for prisoners. Heier added this is based on today's count of City prisoners, and no doubt the City's and County's count will go higher.

Hudkins added the proceeds from the City are up, but final charges are usually filed under County or State, so the majority of prisoners through our facility are probably 90-10. When finally charged not always City responsibility.

County Development; Economic Development; Competition Intra-County Camp, City Council
Camp said with business economic solicitations in the County and City wanted to talk about a unified front, and not having situations of County municipalities competing against the City. Would like an observation of the Commissioners that the playing field is level and we deal with this in the City and County.

Hudkins said to the best of his knowledge most projects have been City and County. Examples are Weavers Potato Chips, Kawasaki and Tractor Supply. There has been synergy having one person do economic development for City and County, and virtually all projects come through Naumann. Usually the City receives first as the larger and probably lead agency. The County also helped with Transcript/Cabela's and some projects start in the County and later fold into the City. The County has one stand alone, Prairie Land Dairy.

Camp asked if a company looks at Lincoln and a County area started competing for the company, does it do anyone justice, where City and/or the locality gets beaten down? Workman said he thought past competition had been good, giving the industry coming in a little better deal. Even competition between Omaha and Lincoln isn't bad as we have some synergy with them. A bit of competition brings better situations in the end.

Camp asked what if a company first located in Lincoln and moved to the County, or the County lured them out of the City? Hudkins replied the County doesn't lure companies out, your economic person handles all. Workman added it would be a tax base transfer, remembering when Kawasaki was annexed into the City. Workman added he thought competition was good for the City and County.

Camp said he was only looking at having economic packages thrown about, which sets the City up with so few dollars. Hudkins said we shouldn't do in a vacuum, but if one person coordinates both efforts and the entity doesn't find their needs in the City, sees nothing wrong with finding them a home, a lot better then having them move them out of state. One County involvement was Lincoln Machine. Helped with sewer and water and if that didn't happen they were going out of state. As long as we have a coordinator who understands the City, County, or County and State can only go so far. We cannot control towns within their one mile, other than persuasion, and the County cannot tell the City what to do within their three miles. Sometimes problematic when we don't have uniform enforcement of building and safety within the three miles.

Camp asked if members had comments? Eschliman asked what is it he thinks the County is doing? Camp replied not saying County, but if there are competing forces within the County the City only have a few economic dollars. Eschliman asked if he was proposing the County not fund unless it is a new business coming in from out of the County? Camp said he's establishing conversation to see if the County Board has funds they could allocate among, or throughout the County. Heier asked if we are creating problems we don't have?

Keno Sharing Arrangement Between City and County Marvin, City Council
Marvin stated there have been meetings to discuss the Keno shared arrangement. A Keno Monitoring Group was established in 1992 to look at a fair and equitable sharing arrangement, then didn't meet for approximately

15 years. We convened and interpreted terms like fair and equitable. Looked at numbers and now wondering if discussed by the County Board, and where we are in terms of time lines and meetings.

Stevens said agreement terms were discussed with the County Board not deciding whether they would, or would not, change the formula. The current arrangement is 70% of net proceeds to the City, 30% to the County. This issue arose as most revenue is now City generated. His personal feeling and he would propose a change to 75-25. In terms of agreements there might be several to look at as to whether our fair and equitable sharing arrangements are adequate, one being weeds. The County has talked to the City but nothing has happened. Changed the split as most dollars spent on weed inspections are on City properties, or properties within the City. Perhaps the net effect of all, or several changes, might be negligible to either the City or County, but there are several we should look at in conjunction with one another, with no one suffering financially. If 75-25 is fair and equitable would be willing to look at a change.

Hudkins stated even though no one likes to give up revenue, in light of the fact the State Fair Park was the County's largest entity and now annexed by the City, probably merits a re-look. He would consider Stevens proposal but wants to consider everything, including weeds. Severe weeds in the County are controlled, but weed notices/mowing in the City have grown substantially. If the City would be willing to look at weeds, believes the County would be willing to look at the Keno split.

Workman agreed adding we probably are short changing the City on Keno. But remember if we make this adjustment the County Board has great flexibility in spending the funds. Numerous times the County spent funds for economic development projects, and if transferred believes the City is bound to spend the funds on libraries and parks. Would be a shift from an economic development standpoint for the County.

Marvin said he appreciates actions to get motorsports up, and certainly benefits the City. It's not about Keno dollars going to the County not benefitting the City. Are there other issues, besides weeds? Hudkins said jail reimbursement is the largest. As numbers grow we see over 90% are City generated bookings. Looked at full, half and quarter days, and the real cost is booking someone who only stays a few hours until bonded out. But need the facility to handle the transactions, and would be another to look at. Heier agreed.

Eschliman said she is not as familiar with how the County allocates their Keno dollars, asking for a list. Hudkins answered there are items the City wouldn't have to budget for under property tax dollars. Eschliman said she doesn't want to see what happened on Yankee Hill Road between 40th and 56th Streets happen again. It is a county road, but it needs to be up to RUTS standards. Would like to work with the County and make sure the road pieces are in place. Doesn't care if the County gives Keno money, or just pay the bill, but wants to see the road completed.

Stevens said the problem, or misconception, is Yankee Hill Road was never a RUTS road. Was a County road and after looking at traffic questioned what to do. Could we approach a RUTS standard? Not stated as RUTS by the County engineer. So, talk about it being a RUTS road with the County perhaps not following through on the commitment, is not true. Never had a commitment to make it a RUTS road. The County has now agreed to a modified RUTS standard, with the City contributing money. Plus, the County allocated more money thinking it was a decent compromise with the City growing so fast. The County doesn't have the money to do, and was a late compromise, but was never suppose to be a RUTS road.

Mayor Seng said the new mayor should be involved with discussions, and assume the County Board chair and vice-chair will meet with him on a monthly basis, as they have been doing. These items need discussion and then probably another Keno meeting. Also, the City Council chair needs to be involved. Would like to move that this needs to be under discussion.

Motion: Motion made to continue going forward with the meetings on Keno, and broaden to include weeds, jail and roads. The meetings to include the new mayor and the chair of the Council.

Hudkins seconded. Marvin asked if there was any discussion.

Roll called: Ayes - Marvin; Stevens, Schoor, Heier, Hudkins, Workman, Camp, Eschliman, McRoy, Svoboda and Mayor Seng. Absent - Newman, Cook. Motion Passed.

Hudkins expressed appreciation to Mayor Seng for the monthly meetings with the County Board chair and vice-chair and also the meetings of PBC chair and vice-chair. These have been beneficial with the Mayor very gracious about making time, and highly recommend continuance. Hudkins said he visited with Dr. Gourley and realize some people look at the County as having responsibility outside city limits, yet every Lincoln citizen is a citizen of Lancaster County and the school district. The County deals with four major high school districts, plus the City of Lincoln, and has to know the needs to get roads aligned. The saddest thing seen as a County Commissioner was putting in Pine Lake Road, between 14th and 27th, and less than 2 years later tore half out, because of not knowing the school requirements. We need synergy between the County Engineer, Public Works and school districts. Need to know where the schools will be to properly plan. Communications is the name of the game. Marvin agreed and thinks this apparently happened south of 40th and Yankee Hill Road. We have County standard roads and now tearing up, a very expensive process we would like to avoid.

Formation of Working Group on Potential City-County Consolidation Stevens, County Commissioner Stevens stated several people have brought to his attention that perhaps more could be done to consolidate government operations between the City of Lincoln and Lancaster County. Understands this issue hasn't been looked at for about ten years, with possibly the last comprehensive study done 30 years ago. Stevens stated he did find files and reports done for Sarpy County about 10 years ago.

Stevens proposed forming a working group to look at areas of opportunities within the City and County for more efficiency. Hopefully more cost effective, but if done better, even if not necessarily less expensive, would serve citizens better. The initial working group could be expanded, perhaps to 25-30 people. The group would look at areas of opportunities and form subcommittees to develop with more detail. Could draft appropriate people from the community, City and County government, looking at how to do things better than done today.

Stevens has talked to several Common members, and community people, about this proposal. As an example, in the community talked to James Strand and believe he has an interest and would like to be involved in this kind of effort. Possibly look at the chair and vice-chair of the Common to consult and perhaps with a couple of outside people return next month with a tentative plan as to what we might look at and what the committee might look like. Then give suggestions to members of the Common.

Hudkins thought it was LB1083 which mandated State County Boards to look at efficiencies. At that time a task force was formed, which included Kathy Campbell and Jan Gauger. With recommendations on the County side the consolidation of the Register of Deeds and Assessor offices was a result. Also proposed a consolidation of the City and County Clerks offices.

Hudkins recalls Campbell said a stumbling block of consolidation of City and County was the retirement system. The County contributed a dollar ten per employee dollar and the City two dollars per employee dollar contributed. Often people work side by side, sharing space, and have different retirement benefits. The committee thought this needed to be addressed, or rectified, and believe Dale Young looked into it in the short time he was mayor.

Hudkins added looking at achieving efficiencies resulted in interlocal agreements, and is the reason we have 28 or 29 interlocals. They give the benefit of synergies, having one department jointly run instead of two separate departments. The shining example is the Health Department, an interlocal agreement since 1947. When interlocals are up for renewal each party reviews and tweaks, fixes, or starts their own, and probably the last one was the Weeds Department. If we form a committee would suggest contacting Kathy Campbell, as she did a lot of work, has a lot of community interest/knowledge, including both entities of City and County.

Camp stated this is a very timely topic. One thing which might be considered is having various partners instead of just City or County, which perhaps could become totally County, or vice versa. In forming a group this could be a consideration. Camp then made motion to form a nucleus working group from this discussion.

Schorr stated one item when talking about contacting people is the City and County should be consulted. These entities know a lot of the stumbling blocks, and items which are mandatory. Also may be able to draft legislative language needed to accomplish the consolidation. Workman understood there are only 17 cities-counties with a complete consolidation and would like to know how they are working out.

Stevens said perhaps the word consolidation is misleading as to his intent. Looking at further cooperation and consolidation, not mentioning merger. We are a long way from that, with numerous interim steps before anything like a merger would occur. Emphasized he is not, at this point, favoring merger. Need to work as closely together as possible and is the reason for the word, consolidation. The interlocals are an excellent idea, and perhaps can be fine tuned. At this time not working at joining City and County operations.

Motion Camp made motion to form a working group to look at future City-County cooperation. Marvin stated Stevens had used the word, consolidation.

Amended Motion Camp made motion to form a working group to look at future City County consolidation. Seconded by Heier.

Discussion Marvin said if we are putting together a group to talk about Keno, would it be feasible, initially at least, to roll this group in? Heier and Stevens responded no.

Stevens said Keno is a decision made by the City Council and County Board. The working group should include people beyond Common members. Camp said names have been mentioned today as resources. Marvin asked if names are submitted could we agree on them in a month's time? Agreement voiced by members.

Role Called: Ayes: Marvin, Stevens, Schorr, Heier, Hudkins, Workman, Camp, Eschliman, McRoy, Svoboda. Absent: Newman, Cook and Mayor Seng. Motion Passed

No other agenda items.

Heier made motion to adjourn. Stevens seconded.

Role Called: Ayes: Marvin, Stevens, Schorr, Heier, Hudkins, Workman, Camp, Eschliman, McRoy and Svoboda. Absent: Newman, Cook and Mayor Seng. Motion Passed.

Meeting adjourned at 9:26 am.

Mary Meyer
Clerk

F:\files\COMMISS\Mary\common minutes 050807.wpd