

VII
B*

Administrative Services Committee Meeting

Douglas County, Nebraska

Tuesday, September 27, 2016

The meeting convened at 11:01 A.M. in Room 903 of the Omaha-Douglas Civic Center, 1819 Farnam Street, Omaha, NE 68183. A copy of the Open Meetings Act is located on the wall near the entrance of the room. A notice of the meeting was published in the September 20, 2016, issue of *The Daily Record*. County Commissioners present at the meeting were Jim Cavanaugh, Chris Rodgers, Marc Kraft, Clare Duda, Mary Ann Borgeson, and Mike Boyle. Others present at the meeting were Patrick Bloomingdale, Joe Lorenz, Diane Carlson, Marcos San Martin, Mike Dwornicki, and Catherine Hall, County Administration; Kent Holm, Environmental Services; Jeff Stevens, Nebraska Taxpayers for Freedom; Tom Wheeler, Sheriff's Office; Perre Neilan, Public; Larry Miller, Assessor/Register of Deeds Office; Chris Burbach, *Omaha World Herald*; Paul Johnson, Emergency Management; John Ewing and Tim Cavanaugh, Treasurer's Office; Mark Foxall and John Hubbard, Corrections; Jerry Leahy and Jeff McGill, Public Properties; and Dan Esch and Constance Mierendorf, Douglas County Clerk/Comptroller's office. Commissioner Cavanaugh chairs the Committee.

A video recording of the meeting is available on the Douglas County Website:

<http://commissioners.douglascounty-ne.gov/board-meetings/videos>

Bond Overview

- Commissioner Cavanaugh said a full blown, public presentation of the Bond will be presented on October 11. Today some of the documents containing public information will be presented.
- Jerry Leahy, Public Properties, presented the final version of the West Campus plans (see Attachment A). The plan includes all of the ideas the committee has discussed over the past 8 months.
- Page 1 is a master plan of the Douglas County Offices at the 156th and Maple Street location.
- Page 2 provides an idea about what the development will look like with before and after views of the interior and exterior.
- Page 3 contains the actual Bond numbers for Construction and 911 Equipment which totals \$45 million.
- Page 4 lists the square footage summary of components, where existing locations are, and whether the County leases or owns those properties.
- Pages 5, 6, and 7 show architectural plans for all 3 floors.
- Page 8 contains the actual ballot language that the Board approved.
- Two years ago, the architect prepared a 1-page summary (see Attachment B) of the Bond issue plan. That has been updated and is a handout for information purposes.

- Commissioner Cavanaugh said it would be good from a public information point of view to get these pieces posted on the County websites and he asked that various departments make them available electronically in as many social media forms as possible.
- Commissioner Boyle said he was concerned about the one-page flyer. He said it cannot say "No Tax Increase" and it must have a disclaimer about who is putting the flyer out. It is dangerous not to have this for the NADC.
- Commissioner Morgan agreed with Commissioner Boyle. He attended a Rotary Club meeting where Doug Kagan, Nebraska Taxpayers for Freedom, spoke and he said there would be no new taxes. When Commissioner Morgan was asked to speak, he told the audience that all of the components of the Bond are necessary and that if the Bond does not pass, there will be a tax increase.
- Mr. Leahy said he could take the "No Tax Increase" language out of the flyer.
- Commissioner Boyle said he met with the Chamber of Commerce and received a rather cool reception, but he expects they will support the Bond. He hears that the First Responders are saying they are a 501c3 and therefore can't officially support the Bond.
- Commissioner Cavanaugh said he talked with Chuck Sederstrom and, individually, the First Responders support the Bond. They have not been asked to support the Bond as an organization. He has been invited to their next executive board meeting.
- Commissioner Boyle said Commissioner Borgeson has a meeting with *The World Herald* and he suggested that she contact KETV which does a lot of live editorials.
- Commissioner Boyle said he had lunch with the Mayor and believes that the city pays 85% of the operation of 911. If the Bond does not pass, the City will wind up paying for it. If the City does not get behind the Bond, it will end up paying the costs for 911. If they are not on board, the County should seriously consider giving 911 over to the City.
- Commissioner Duda said he is comfortable saying "No Tax Increase." If the Bond doesn't pass, the City will be hit hard and there will be a tax increase.
- Commissioner Cavanaugh said that in the history of County Bond issues, the City, as a corporate entity, has never taken a position on a County Bond issue. It's not particularly important if City Hall takes a position or wants to get involved. The Board has 2 choices: a Bond or new taxes. No tax increase through a Bond issue is the alternative to a tax increase and he will not vote for a tax increase.
- Commissioner Morgan said the City will have to pay if the Bond doesn't pass, so the City is involved. They will have to pay for the radios.
- Commissioner Cavanaugh said since there are two former mayors on the Board, perhaps they could negotiate a position with Mayor Stothert, though City participation hasn't been an issue before.
- Commissioner Morgan said the City will benefit from both 911 and the Corrections facility improvements.
- Commissioner Cavanaugh asked for input from the Bond stakeholders.
- John Ewing, Treasurer, said the County needs to move forward from a position of strength. Do what needs to be done to win. Go ahead and say there will be no new taxes. All of the discussions this committee has had for months indicate that finances are in order and the County does not anticipate a tax increase.

- Second, Mr. Ewing said he would emphasize savings. The City cannot oppose that.
- Commissioner Cavanaugh said that the savings the Treasurer alone offers is millions of dollars. Through the Treasurer's Strategic Plan, their consolidation offers a more efficient operation and is a huge factor in helping to pay for the Bond. Commissioner Cavanaugh thanked Mr. Ewing and Chief Deputy Cavanaugh for getting information about the Bond to the Community. Everyone will be providing public information; it is the Board's obligation to let the public know what is being proposed. If the public understands what the Bond offers, they will vote for it.
- Commissioner Morgan said the Chamber meetings begin at 7:30 A.M. and that may not provide some employees enough time to be there before working hours.
- Commissioner Borgeson said she went to the Chamber and provided some information. They will let her know if they want a group to come to a board meeting.
- Tim Cavanaugh, Chief Deputy, Treasurer's Office, proposed a slight change in wording for the one-pager: "Without Raising Taxes." This is just a little softer language.
- Commissioner Cavanaugh said this is a good suggestion and links the tax idea to the Bond itself.
- Commissioner Boyle said the statement is not accurate. He asked Joe Lorenz if he could guarantee that there would be no new taxes over the life of the Bond.
- Mr. Lorenz said he could not say that over 20 years there would never be a tax increase.
- Commissioner Rodgers said he believed the Bond is voting on a tax.
- Mr. Lorenz said voters would be agreeing that the Bond will be funded from tax proceeds.
- Commissioner Rodgers asked how this is not a tax increase.
- Commissioner Borgeson said that Joe Lorenz has structured the financing in such a way that what the County is currently paying on Bond indebtedness will be replaced once it is paid off by the current Bond. Some of the Bonds will be paid, so there is no tax increase to pay for the proposed Bond. That's not to say there will never be a tax increase in the future.
- Commissioner Rodgers asked if the levy would change.
- Mr. Lorenz said the total levy will not change.
- Commissioner Cavanaugh said this has been discussed for months; our best projections are that there will be no tax increase.
- Mark Foxall, Director Douglas County Corrections, said that according to the FBI crime report, violent crime has risen 10% and LB 605 has driven up Corrections numbers. The strain on housing units is great and the Center needs to operate in a safe, secure environment. The Bond takes care of the safety upgrades Corrections needs.
- Kent Holm, Director of Environmental Services, said all parties need to have the answer to questions about the Bond. The committee needs to have specific language and it needs to be consistent—a 1-2 page elevator speech.
- Commissioner Cavanaugh said the committee keeps coming back to this issue. There are 2 options: pass the Bond and there will be no tax increase or do not pass the bond and there will be a tax increase. He said he would not vote for a tax increase. This is the fiscally responsible course. If one is opposed to the Bond, then he is for a tax increase.

- Commissioner Rodgers said the public has a say on the Bond; only 7 people would decide a tax increase. He wants to understand the financing.
- Joe Lorenz said that the Bond has been structured in such a way that during the first 5 years, the County will pay \$1.5 million in interest, but there will be cost savings enough to cover this amount. In year 6, the County will begin to pay \$3-5 million in principle payments. The amount of outstanding debt the County has now will be run down and this Bond will replace it. There does not need to be an increase in the tax levy to cover this.
- Commissioner Rodgers asked what the amount of overall debt will be.
- Mr. Lorenz said the outstanding debt now stands at about \$48 million and it is being paid at about \$5 million/year. In 5 years, the County will have paid out about \$30 million. With the new Bond, the total Bond debt will be \$87 million. This is considered relatively low leverage with the ratings agencies. The interest rate is about 2.5-3% on average for the outstanding debt.
- Commissioner Morgan said it is important for commissioners to state that these interest rates are extremely low when they speak to the public about the Bond.
- Paul Johnson, Emergency Management, agreed that this is a fiscally responsible approach to funding the Bond needs.
- Jeff Stevens, Nebraska Taxpayers for Freedom (NTF), said that at the last meeting of NTF he tried to explain Joe Lorenz's spread sheet and it was difficult to make the information concise. He agrees that an elevator speech is needed. His profession is engineering and when he makes an agreement, if he were to warranty all of his services, they would not be uninsurable. This is a similar situation; the County can act within a good standard of care. There are no guarantees. If the parameters of the plan for covering the Bond change drastically, then that would be catastrophic and would not be the fault of the Bond.
- Commissioner Cavanaugh said Mr. Lorenz does have a one-pager that can explain the Bond. Knowing what we know, this is the most fiscally responsible approach.
- Mr. Stevens said NTF supports the Bond issue. What is the alternative? The radios are obsolete and budgeting for them without the Bond would increase taxes. The County will have to make great sacrifices if it does not pass.
- Commissioner Cavanaugh said there will be a broader, power point presentation that Patrick is preparing for the October 11 meeting. In the meantime, information will be made available on the public platform.
- Mr. Ewing said the decision needs to be made about what is going to be put out so the information can be on websites.
- Commissioner Cavanaugh said the thought was to post the one-pager (Attachment B) and have a link to the more thorough description (Attachment A).
- Tom Wheeler, Sheriff's Office, said that with the last Bond, western Douglas County was critical. The radios listed under the 911 bullet points need to mention the rural areas that will be receiving them: Valley, Waterloo, Bennington, Ralston, and Boys Town; so they know they are getting something.
- Commissioner Cavanaugh said Commissioner Duda has arranged a meeting with the Douglas County Fire Chiefs' Association. The Bond has excellent support from first responders: the

Fire Fighters' Union has endorsed the Bond; the Police Union will also be endorsing as well as the corrections workers' Fraternal Order of Police.

- Dan Esch, Douglas County Clerk, said he was in touch with Norita Matt who is associated with the neighborhood associations and she is sending him a list of upcoming meetings. He plans on providing information whenever he can.
- Commissioner Boyle said the County needs to be super cautious. Can the County website be used? Who put the brochure out needs to be answered and County mail cannot be used nor can anyone work on promoting the Bond during work hours.
- Commissioner Cavanaugh said it is the County's responsibility to provide information about the Bond to the public.
- Patrick Bloomingdale said the County cannot "promote" the Bond. The information needs to be as objective as possible. The test is whether a reasonable person would say that the County was "promoting" the Bond; the County's literature cannot say "vote for" the Bond.
- Commissioner Rodgers asked what the promotion plan is.
- Commissioner Cavanaugh said the County is in the public information business not the promotion business. That's a separate entity—separate from the Board. In 2014 there was little information available from the County about what the Bond issue was. There was no posting of any information on the website; little information was available to the public and the initiative died. The public was uninformed.
- Tim Cavanaugh, Treasurer's Office asked if the Omaha Public Schools (OPS) had a separate committee for the Bond campaign.
- Commissioner Cavanaugh replied that they did. OPS had information on its website and board members participated in public information sessions.
- Mr. Esch said the County can never say there will never be a property tax increase, but if there is an increase, it won't simply be because of this Bond issue; it would be the totality of the situation.
- Mr. Cavanaugh said what we can say is if we have to spend \$45 million out of the general fund, there is a high probability that there will have to be a tax increase and he will not support a tax increase. The choice is clear and that is why the Taxpayers for Freedom are enthusiastically supporting this. As near as we can tell, based on our financial experts' analysis, there will be no need for a tax increase
- Commissioner Boyle asked Mr. Lorenz to write a brief elevator speech and get it out to everyone.
- Commissioner Rodgers said once the \$18 million of equipment becomes obsolete, there would be at a 10% increase in property taxes given that 1 cent is equal to \$4 million.

The meeting adjourned at 11:46 A.M.

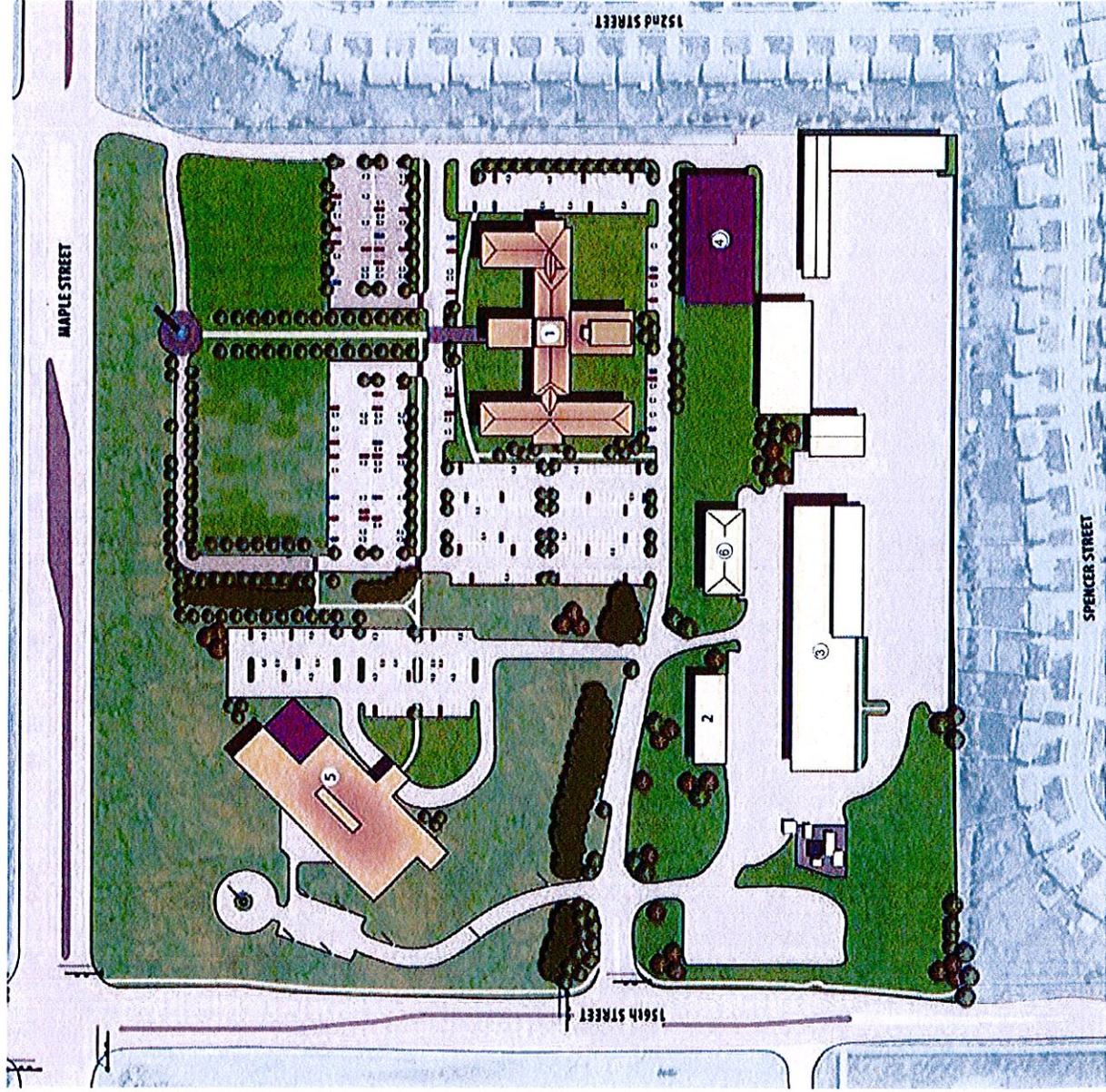
Douglas County Offices: West Campus



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Douglas County Offices: West Campus

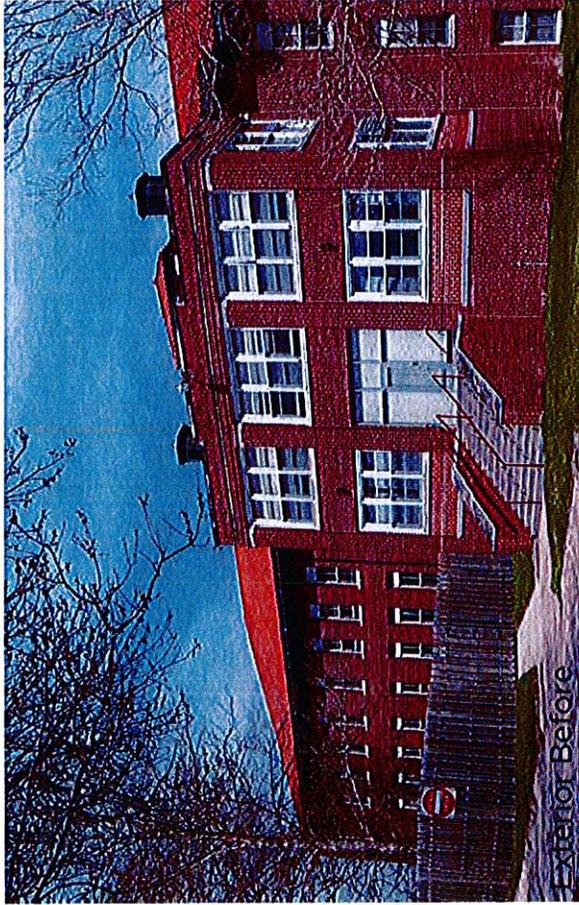


Site area totals 34.6 acres

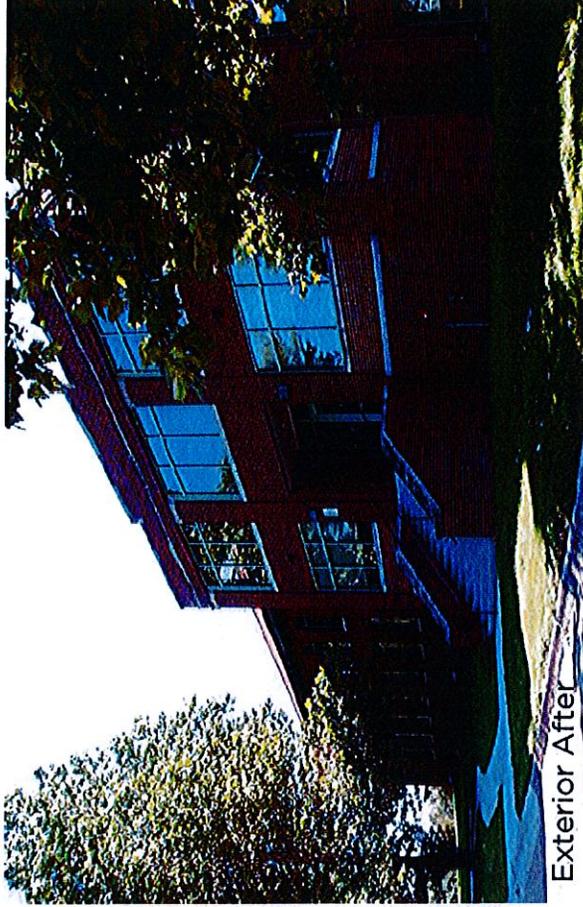
- ①—Fitzgerald Building
- ②—County Engineer/Surveyor
- ③—Maintenance Garage
- ④—Impound Lot
- ⑤—Sheriff
- ⑥—Boiler Building



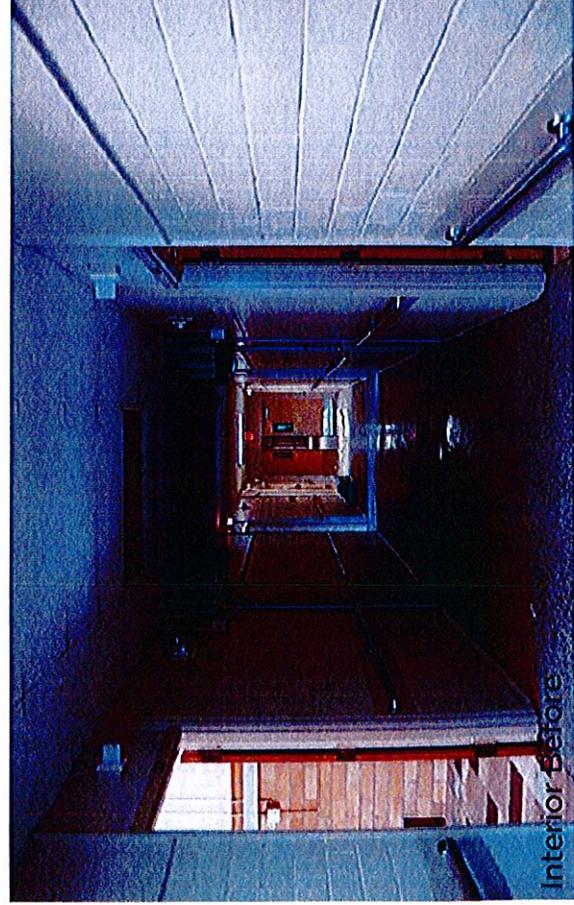
Douglas County Offices: West Campus Renovated Douglas County Sheriff's Offices: Before / After



Exterior Before



Exterior After



Interior Before



Interior After

Douglas County Offices: West Campus Public Safety & Facilities Bond

\$45.0 Million - Construction Cost (30.0M) & 911 Equip cost (15.0M)

- **911 Emergency Communication**
 - Updates and changes to aging radio infrastructure
 - Replacement of fire station alerting system
 - Replacement of the existing portable radios throughout Douglas County Sheriff and Douglas County Corrections
 - Omaha Police Department helicopter infrared thermal imaging
- **Douglas County Correction Center**
 - Safety and security renovation of 40 year old section of the jail
 - Improved fire protection system
 - Provisions for more secure cell doors by incorporating automated sliding doors
 - Improved sightline vision into inmate housing units and other areas
 - Upgrades to the plumbing, heating and cooling systems
 - Replacement of deteriorating materials/finishes
- **Consolidation and Savings**
 - Relocation of 911 Emergency Operations Center
 - Consolidation of Public Service operations
 - Emergency Management (sirens – tornado, natural disasters, warnings, etc.)
 - Environmental Services (storm-water, solid waste, floodplain, etc.)
 - Treasurers Office to increase efficiency
 - New revenues generated with sale of surplus building and lease termination

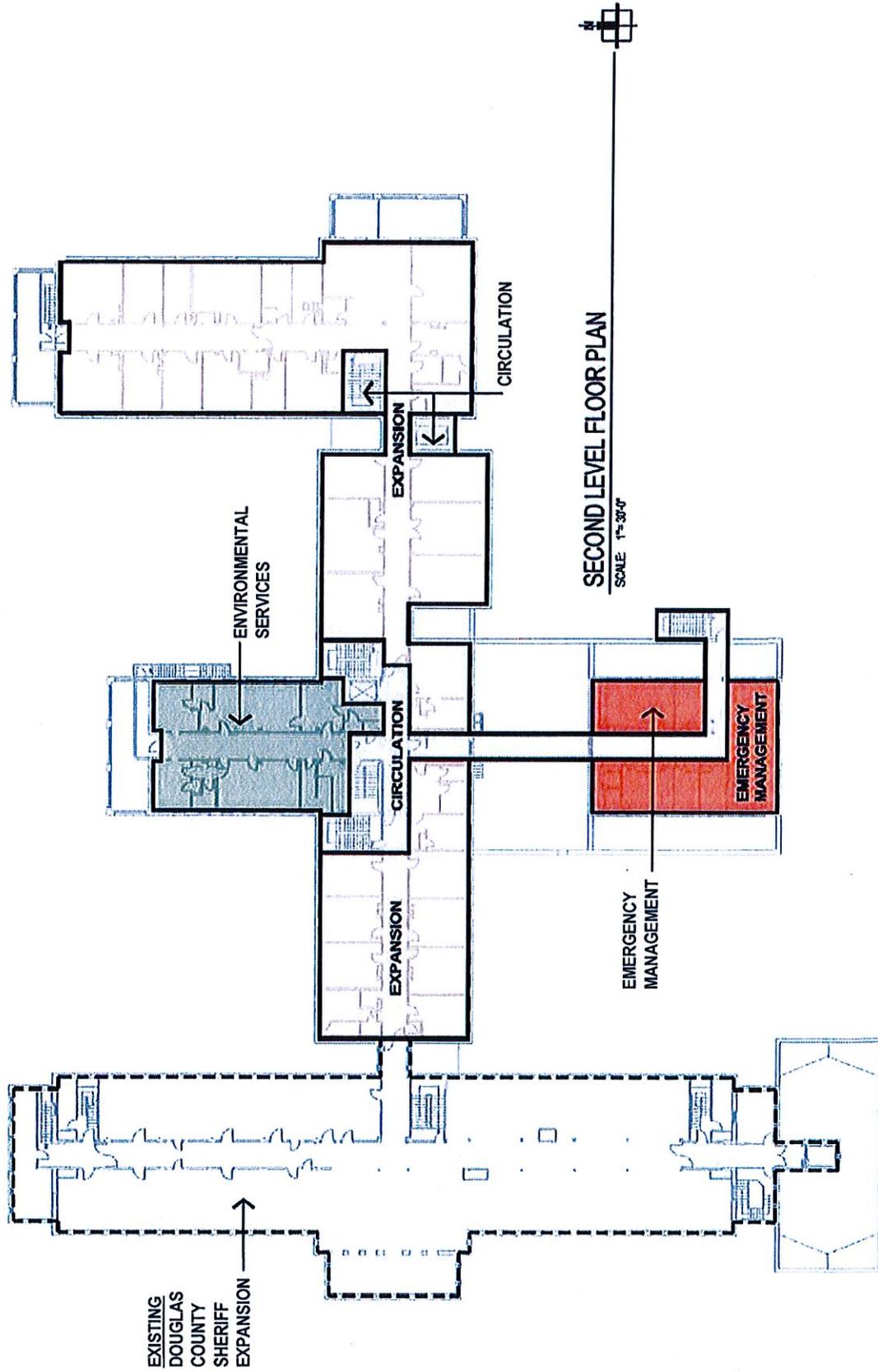
Douglas County Offices: West Campus

Square Foot Summary per Components

Space Category	Square Footage	Location	Existing Location	Lease/Own
E911 Offices	11,754 SF	1st & Garden	3601 N 156th Street	Own
Emergency Management	2,400 SF	2nd Level	1819 Farnam	Lease
Environmental Services	2,498 SF	2nd Level	3015 Menke Circle	Own
Treasurers Office	6,962 SF	1st Level	2910 N. 108th Street	Lease
Department of Motor Vehicles (DMV)	2,027 SF	1st Level	2910 N. 108th Street	Lease
Shared Space (Conference rooms - lunch room)	3,278 SF	1st & Garden		
Mechanical / Electrical / Plumbing space	3,793 SF	Garden Level		
Public Property Engineers Office	1,058 SF	Garden Level		
Storage (Treasurers Plate Room)	1,059 SF	Garden Level		
*Circulation	10,479 SF	All levels		
Non-allocated (two areas 2,500 & 11,073 sf)	13,573 SF	1st - 2nd Level		
Total	58,881 SF			* Circulation SF could change due to layout in area.

Douglas County Offices: West Campus

Proposed Second Level Space Plan



Douglas County Offices: West Campus

Ballot Language

“Shall The County of Douglas, in the State of Nebraska, issue the negotiable bonds of the County in the stated principal amount of not to exceed Forty-five Million Dollars (\$45,000,000) for the purpose of paying the costs of:

- Upgrades and improvements to 911 emergency communications facilities,
- Renovations to the County’s correctional facilities, and
- Other public safety and public service improvements and equipment, including improvements to buildings, consolidation of facilities, and additions, renovations and other fixed and mobile equipment,

with such costs to be paid directly or by funding of lease or other indebtedness to be incurred by the County; such bonds to be issued and sold from time to time and on such terms, to bear interest at rate or rates and to become due at such time or times, all as may be authorized by the Board of Commissioners, and

“Shall The County of Douglas, in the State of Nebraska, levy annually, as long as any of said bonds are outstanding, a tax upon all of the taxable property in such county sufficient in rate and amount to pay the interest on and principal of such bonds as the same become due and payable, which tax may be in addition to the annual levy permitted for county building purposes by Section 23-120(2), R.R.S. Nebraska, 2012, and may cause the aggregate taxes of the County to exceed the limitation provided by Article VIII, Section 5 of the Nebraska Constitution.

- FOR said proposition
- AGAINST said proposition



ALLEY BOKNER
ARCHITECTS
A LCHITECTURE

4031 A ALLY POWER MACCHETTO

Thank you!

PUBLIC SAFETY

Douglas County \$45M Bond Issue
NO TAX INCREASE

911 Emergency Communication

- Rapid Response
- Replace obsolete emergency communication equipment
- Provide better communication & reliability

Douglas County Corrections Center

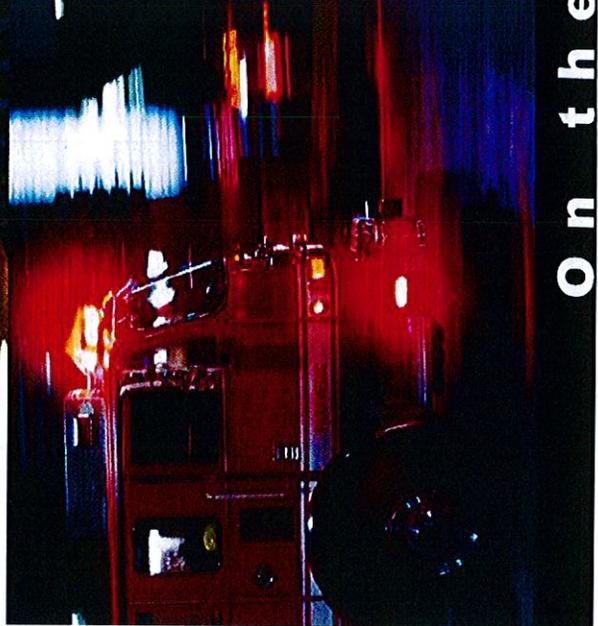
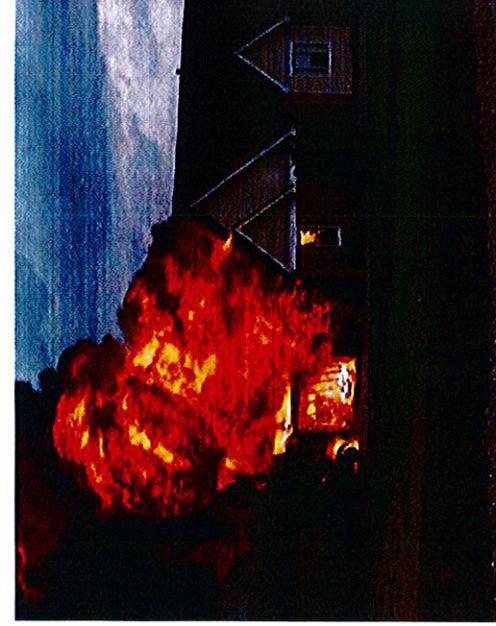
- Safety upgrades
- Protect our corrections staff
- Keep facility & prisoners secure

Consolidation & Savings

- Consolidate 911 & other county departments at Douglas County West Campus
- Generate \$\$ by eliminating a lease & surplus building

Attachment B

On the November 8th Ballot



PUBLIC SAFETY

Douglas County \$45M Bond Issue

Modernize 911 & enhance Public Safety for all Citizens of Douglas County

NO TAX INCREASE

911 Emergency Communication

This public safety bond will provide necessary upgrades to our emergency response equipment to maintain the operational quality & readiness of the Omaha/Douglas County first responder technologies. Such work includes:

- Updates and changes to aging radio infrastructure. By 2018, support will no longer be available for the existing radio infrastructure.
- Replacing fire station alerting system used to dispatch fire first responders.
- Replacement of existing portable radios throughout Douglas County Sheriff and Douglas County Corrections. Their existing units are reaching the end of their useful life.
- OPD Helicopter Infrared Thermal Imaging.

Douglas County Corrections Center

This public safety bond will update the 40-year-old section of the Douglas County Correction Center's infrastructure. Such work includes:

- Improved fire protection systems.
- Provisions for more secure cell doors by incorporating automated sliding doors.
- Improved sightline vision into inmate housing units & other areas.
- Upgrades to the plumbing, heating & cooling systems.
- Replacement of deteriorating material/finishes.

Consolidation & Savings

This public safety bond will provide space for county departments at the Douglas County West Campus, which the county owns. No acquisition costs are needed & savings of over \$2.3M will be realized. Work includes:

- Relocation of 911 Emergency Operations Center, which has outgrown its current space, to provide an efficient working environment to insure swift 911 first response.
- Consolidation of Public Service operations including Emergency Management (sirens – tornado, natural disaster, warnings etc.), Environmental Services (storm-water, solid waste, floodplain, etc.) & Treasurer's Office to increase efficiency.
- New revenues generated with sale of surplus building & lease terminations.