

**PRE-COUNCIL MEETING  
JAIL FINANCE PLANS  
AUGUST 18, 2008**

**Present:** Kerry Egan, County Commissioner Chief Administrative Officer; Scott Keene, Ameritas Financial Corp.; Lauren Wismer, Gilmore & Bell; Don Herz, Finance Director. City Council Members: Jon Camp, Doug Emery, Dan Marvin and Ken Svoboda.

**Absent:** City Council Members: Jonathan Cook, Robin Eschliman, John Spatz.

Doug Emery opened the meeting at 10:35 a.m. Following introductions, Scott Keene presented an update on the status of the discussion on the Joint Public Agency (JPA) financing options to fund the jail. He clarified that under the current interlocal agreement between the City and the County, the City is making payments of approx. \$1.4 to \$1.5 million annually to the County for the jail operations. He said Dan Marvin suggested a formula that might work to allow the City and County to partner through a JPA to fund the jail through an allocation of the levies from the City and the County to the JPA. This would allow for the full financing of the project yet eliminate the payment stream that is currently taking place. The mathematics seem to be working out to be a fair analysis and a number of committees are going through this smooth analysis process. He expressed his opinion that it is a straight forward financing – allowing for slightly better credit than through the Public Building Commission and definitely better financing than through the County alone. Keene said it would be an opportunity for the tax payers to save money and get the financing done quickly and easily.

Dan Marvin brought up two issues of concern. One, he questioned who would makeup the JPA. Lauren Wismer responded to his question by initially clarifying that JPA Board members would meet annually with the extent of their responsibilities being setting the budget, making the levy and certifying such to the County Board for the following year. He continued by suggesting placing the Mayor and Council Chair together with the Chair and Vice Chair of the County Board of Commissioners on the JPA. Marvin was in agreement with the suggested structure as it would eliminate nominations, therefore flowing elected individuals into the positions. Jon Camp commented that the annual change would create more continuity on a long term basis. Discussion continued on the preference of even vs. odd in the number of members. Wismer stated even though the County has not given their input to this figure, it is not necessary for an effective board. The second issue involved jail costs. Marvin said he has engaged in discussions with Commissioner Stevens in two ways to handle jail costs: one of which would be to enter language to suspend the payments of the City's cost or pay 110% of the obligation. County would do an annual accounting for their purposes and charge the City accordingly. Keene said there are two separate agreements: firstly, the existing interlocal agreement amended to allow for City/County operations and payments; secondly, the JPA agreement relating to the financing and how the two bodies lend their taxing authorities to the JPA.

Marvin expressed concern that he did not want the City stuck with paying operating as well as debt service. Allowing for working out the technical issues, he requested protection to eliminate risk that the City would have. Egan said the entire basis of the agreement is to define a relationship for the next 20 years. He agreed that a monitoring committee is needed to guarantee there would be no double billing.

Marvin requested a clarification of the time line. Keene said the City and County are considering resolutions to authorize the financing of the JPA. Council's first reading of the resolution will be on Monday August 25 with a second reading, consideration and hopefully vote on September 8. The County Board will be considering their resolution on the following day, September 9. This allows time to proceed with formulation of the JPA with a budget hearing on or about September 15. This would allow for all the appropriate documents to the Secretary of State and State Auditor prior to September 20, which is the deadline. Keene said there would be publication starting Tuesday and continuing for a total of three weekly publications.

Camp stated he feels there is an advantage to the current agreement which goes from year to year; therefore, he questioned what within the City's 20-year commitment gives adequate assurance to Lincoln citizens from the County to provide an efficiently run facility. Keene stated it is a certain level of trust. County Board has the obligation of running the County jail under the same pressure as elected officials, keeping levies down and operating efficiently. He stated the County has operated the jail very successfully, professionally and inexpensively. Egan said he anticipates the setting up of a monitoring committee to protect both sides to oversee progress with a careful accounting of all the costs involved, continue the growth of community corrections and enter into a wise agreement.

Doug Emery thanked the presenters for their time. He adjourned the meeting at 10:55 a.m.