IN LIEU OF
DIRECTORS’ MEETING
MONDAY, August 28, 2017

I. MINUTES
   1. No minutes due to August 21, 2017 was a night meeting

II. MAYOR’S CORRESPONDENCE

III. DIRECTORS CORRESPONDENCE

   PLANNING DEPARTMENT
   1. Administrative Approvals from August 15, 2017 through August 21, 2017
   2. Annexation by Ordinance, Highland View Addition - Effective August 29, 2017
   3. Annexation by Ordinance, Grandview Estates 1st Addition - Effective August 29, 2017

   FINANCE/CITY TREASURER
   1. Certificate of Participation Questions (COP’s)
   2. Revaluation Memo
   3. Monthly City Cash Report

IV. CONSTITUENT CORRESPONDENCE
   1. Property taxes - Veronica Wharry
   2. Traffic flow fiasco - Clyde Davis
   3. Property taxes - Brian Wharry
   4. LPS budget - Brian Wharry
   5. Property taxes - Jim Wharry
   6. 14th & Old Cheney & Warlick Blvd suggestion - Jim Frohman
   7. LIBA Position Statement Re: COP’s for Street Lights - Abby Stenek

V. MEETINGS/INVITATIONS
   See invitation list.

VI. ADJOURNMENT
Memorandum

Date:  August 22, 2017
To:  City Clerk
From:  Amy Huffman, Planning Dept.
Re:  Administrative Approvals
cc:  Mayor Chris Beutler
     Planning Commission
     Geri Rorabaugh, Planning Dept.

This is a list of the administrative approvals by the Planning Director from August 15, 2017 through August 21, 2017:

Administrative Amendment No. 17048, to Final Plat No. 17038, Silverhawk Estates, approved by the Planning Director on August 17, 2017, to acknowledge the Affidavit of Surveyor to correct typographical errors on Silverhawk Estates Final Plat, generally located at S. 54th Street and Wittstruck Road.

Administrative Amendment No. 17044, to Preliminary Plat No. 16008, Southwest Village Heights, approved by the Planning Director on August 18, 2017, to modify the grading minimum opening elevations around the detention cells in Outlots B and C, generally located at W. Amaranth Lane and South Folsom Street.

F:\DevReview\AAA weekly approvals City.wpd
Annexation by Ordinance
Highland View Addition
NW 19th St & Hwy 34
Effective: August 29, 2017
23.94 Acres
Annexation by Ordinance
Grandview Estates 1st Addition
S 70th St & Roekby Rd
Effective: August 29, 2017
26.42 Acres
Department of Finance

TO: Members of the City Council
FROM: Brandon Kauffman, Finance Director
CC: Mayor Chris Beutler, Chief of Staff Rick Hoppe, Budget Officer Sherry Wolf
RE: Certificate of Participation Questions (COPs)

COPS Questions Submitted by Council

1) What is the current amount of outstanding COPs?
At fiscal year end August 31, 2017 there are $37,749,366 in principal balance.

2) How much interest was paid?
In fiscal year 2016-2017 there was $1,129,722 in interest paid.

3) How much principal was paid?
In fiscal year 2016-2017 there was $5,570,444 in principal paid.

4) Can you provide a 12 year history of the balance outstanding . . . (balances are in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Balance Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$18,321</td>
</tr>
<tr>
<td>2007</td>
<td>$22,792</td>
</tr>
<tr>
<td>2008</td>
<td>$28,574</td>
</tr>
<tr>
<td>2009</td>
<td>$28,094</td>
</tr>
<tr>
<td>2010</td>
<td>$28,989</td>
</tr>
<tr>
<td>2011</td>
<td>$33,525</td>
</tr>
<tr>
<td>2012</td>
<td>$33,371</td>
</tr>
<tr>
<td>2013</td>
<td>$39,043</td>
</tr>
<tr>
<td>2014</td>
<td>$43,731</td>
</tr>
<tr>
<td>2015</td>
<td>$40,989</td>
</tr>
<tr>
<td>2016</td>
<td>$43,320</td>
</tr>
<tr>
<td>2017</td>
<td>$37,749</td>
</tr>
</tbody>
</table>

5) What are the LES electric charges for street lights for the past 5 years?

<table>
<thead>
<tr>
<th>Year</th>
<th>Charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$1,756,065.26</td>
</tr>
<tr>
<td>2013</td>
<td>$1,813,411.62</td>
</tr>
<tr>
<td>2014</td>
<td>$1,959,741.19</td>
</tr>
<tr>
<td>2015</td>
<td>$1,969,389.64</td>
</tr>
<tr>
<td>2016</td>
<td>$1,971,624.21</td>
</tr>
</tbody>
</table>

6) What are the estimated annual payments for the COPs on $3.7 million?
The estimated annual payments are $420,000 annually, this is based on a flat annual debt service payment that is structured over a 10 year payback.
Memorandum

To: Brandon Kauffman, Finance Director
From: Randy Hoskins, Assistant City Engineer
Date: 8/17/17
Subject: Councilman Camp Questions on Street Light COP Bonds

1. The LES electric charges per year for the last 5 years.
The electric charges make up about 43% of the amount we pay to LES for maintaining and operating the street light system. The rest of what we pay is for the maintenance that LES provides.

2. # of street lights
The City currently has approximately 31,000 street lights that are maintained by LES.

3. Estimated LES electric charges with conversion to LED
It is anticipated that electricity consumption should be reduced by 50-60% with a total switch to LED street lights. The majority of the system will yield savings around 50%, while certain areas with older fixtures, like the downtown, could net savings in the 70-80% range.

4. Current proposed legislation for LED conversion – does this cover all non-LED street lights?
   a. If so, how many street lights is this?
      LES has been replacing non-functioning street lights with LED heads for the past year or so. Currently 11-12% of the lights have been switched to LEDs.

   b. If not, how many street lights for the requested $3,775,000?
      Other than continuing the current practice of replacing existing street lights with LEDs, no additional LED replacements are scheduled with the requested funding. The primary use of the requested funds will be for new lighting, rebuilds of systems that have exceeded their useful life, pole replacements due to crashes, and systems replaced due to street projects. This would likely amount to 800-1,000 LED replacements over the course of the year.

cc: Miki Esposito, Public Works and Utilities Director
Sherry Wolf-Drbal, Budget Officer
June Information

In June of 2017, the City Council was provided a document that showed a growth calculation that estimated the amount of residential valuation increases that were not due to new construction. After further analysis it was discovered the assumption that 68% of the growth was due to residential valuations because 68% of the total valuation is made up of residential property was not a valid assumption. It does not follow that growth in a particular class of property is proportionate to that class of property’s percent of the total valuation. I apologize for the misinformation, we now have current information from the Assessor’s office to assist with the calculations based upon August valuations.

August Assessor Information

The County assessor released the current valuation information on August 16th, total valuation for the City was $20,516,934,853, which is an 8.72% increase over the 2016 budget valuations. Included in that total was new construction of $504,950,983. Below is a calculation of taxes generated based upon new construction above and beyond what was already included in the 2017 approved budget.

The growth number included to the left occurs from any valuation increases due to improvements to real property as a result of new construction, additions to existing buildings, any improvements to real property which increases the value of the property.

Based upon the calculation, growth would consist of $706,424.

Average Valuation Increases

On average over the past 15 years, the City property valuation has increased by 4.16%. These increases are influenced by two factors: 1) new construction and 2) revaluation of existing properties. The revaluation of existing properties is due to market pressures which naturally occur in a growing community that is a desirable place to live primarily from supply and demand forces.

The chart to the left shows the amount of revaluation that has occurred from 2012-2017. The City, in the past has utilized those revaluation increases to assist with funding the budgets. This year is an unusual circumstance in that it was a larger revaluation amount...
than typical and it was not planned for during the planning stages of the budget.

If the housing market remains at the same pace over the next few years, it could make it very hard to estimate the valuations in the second year of the biennial budget. Under state statutes, assessors have to keep property values within 92% to 100% of market. In the past, in order to stay within those ranges, revaluation has occurred on a three year rotation. However, with a stronger housing market, those revaluations could occur every two years, instead of three, making it harder to forecast the market values for the second year of the biennium.

As noted above, the City naturally utilizes the revaluation growth of properties to help offset the current costs of services. The City current costs of services naturally grow around 4% primarily due to wage growth, health insurance costs and other contractual obligations. Revaluation and new construction help to naturally increase property tax revenues to meet those needs.

### AVERAGE CHANGE OF 15 YEAR VALUATION

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 Base Values</td>
<td>$18,870,825,564</td>
</tr>
<tr>
<td>* 4.16% Average valuation Increase</td>
<td>$785,591,704</td>
</tr>
<tr>
<td>Total Valuation Based Upon 15 Year Average</td>
<td>$19,656,417,268</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation/100</td>
<td>$196,564,173</td>
</tr>
<tr>
<td>Times 2017 Approved Tax Rate</td>
<td>0.33366</td>
</tr>
<tr>
<td>Taxes Levied Based upon 15 Year Avg</td>
<td>$65,585,602</td>
</tr>
<tr>
<td>- Proposed Tax Revenue</td>
<td>$63,821,692</td>
</tr>
<tr>
<td>Total New Revenue Generated</td>
<td>$1,763,910</td>
</tr>
<tr>
<td>Revenue at 90%</td>
<td>$1,587,519</td>
</tr>
</tbody>
</table>

To the left is a calculation that shows the valuation increase based upon that 15 year average. This calculation shows that if the City would have assumed a 4.16% increase at the current tax rate, it would generated an additional $1,587,519 in property tax revenue. In effect this $1,587,519 would have naturally been added to the budget in a typical valuation year. The City would normally have utilized some growth in new construction and revaluation to cover operating expenses. This typical use of valuation increases would have covered the remaining $293,576 not covered by strictly new construction growth.

### Conclusion

The actual valuations for the City came in at 8.72% higher versus the budgeted 1.36% increase. Based upon the current budget proposal, the City would increase property tax revenue by $1 million, but not take advantage of $3.5 million of the valuation increase. In doing so the City tax rate would decrease from .33366 to .31648, a decrease of .01718. It also would turn back property tax revenue that would typically be generated to keep up with costs of service since the revised budget proposal would utilize $1million for public safety.
The records of this office show me to be charged with City cash as follows at the close of business July 31, 2017:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance Forward</td>
<td>$325,760,747.43</td>
</tr>
<tr>
<td>Plus Total Debits July 1-31, 2017</td>
<td>$39,120,569.55</td>
</tr>
<tr>
<td>Less Total Credits July 1-31, 2017</td>
<td>$(30,723,324.72)</td>
</tr>
<tr>
<td>Cash Balance on July 31, 2017</td>
<td>$334,157,992.26</td>
</tr>
</tbody>
</table>

I desire to report that such City cash was held by me as follows which I will deem satisfactory unless advised and further directed in the matter by you.

<table>
<thead>
<tr>
<th>Institution</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>U. S. Bank Nebraska, N.A.</td>
<td>$4,554,182.08</td>
</tr>
<tr>
<td>Wells Fargo Bank</td>
<td>$(152,294.31)</td>
</tr>
<tr>
<td>Wells Fargo Bank Credit Card Account</td>
<td>$(204,660.04)</td>
</tr>
<tr>
<td>Cornhusker Bank</td>
<td>$51,929.58</td>
</tr>
<tr>
<td>Pinnacle Bank</td>
<td>$94,070.51</td>
</tr>
<tr>
<td>Union Bank &amp; Trust Company</td>
<td>$29,293.50</td>
</tr>
<tr>
<td>West Gate Bank</td>
<td>$22,483.07</td>
</tr>
<tr>
<td>Idle Funds - Short-Term Pool</td>
<td>$33,587,282.36</td>
</tr>
<tr>
<td>Idle Funds - Medium-Term Pool</td>
<td>$295,506,998.04</td>
</tr>
<tr>
<td>Cash, Checks and Warrants</td>
<td>$668,707.47</td>
</tr>
<tr>
<td>Total Cash on Hand July 31, 2017</td>
<td>$334,157,992.26</td>
</tr>
</tbody>
</table>

The negative bank balances shown above do not represent the City as overdrawn in these bank accounts. In order to maximize interest earned on all City funds, deposits have been invested prior to the Departments' notification to the City Treasurer's office of these deposits; therefore, these deposits are not recorded in the City Treasurer's bank account balances at month end.

I also hold as City Treasurer, securities in the amount of $22,447,987.75 representing authorized investments of the City's funds.

ATTEST:

[Signature]

Melinda J. Jones, City Treasurer
# CITY OF LINCOLN - PLEDGED COLLATERAL STATEMENT

**AS OF JULY 31, 2017**

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>CUSIP</th>
<th>MATURITY DATE</th>
<th>CURRENT PAR</th>
<th>MARKET VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>FHLMC GOLD POOL C91166 6%</td>
<td>3128P7JK0</td>
<td>03/01/2028</td>
<td>$164,353.76</td>
<td></td>
</tr>
<tr>
<td>FHLB 1.25%</td>
<td>3130A5PX1</td>
<td>08/28/2018</td>
<td>$1,000,000.00</td>
<td></td>
</tr>
<tr>
<td>FNMA POOL #254548 5.5%</td>
<td>31371KWH0</td>
<td>12/01/2032</td>
<td>$266,346.50</td>
<td></td>
</tr>
<tr>
<td>FNMA POOL 256125 5%</td>
<td>31371MPJ0</td>
<td>01/01/2026</td>
<td>$106,612.92</td>
<td></td>
</tr>
<tr>
<td>FHR 2776 CG FREDDIE MAC CMO 5%</td>
<td>31394WJC3</td>
<td>04/15/2019</td>
<td>$272,087.84</td>
<td></td>
</tr>
<tr>
<td>SBAP 1998-20L 1 PASS-THROUGH 5.8%</td>
<td>83162CJR5</td>
<td>12/01/2018</td>
<td>$64,963.60</td>
<td></td>
</tr>
<tr>
<td>SBIC 2010-10A 1 4.11%</td>
<td>831641ES0</td>
<td>03/10/2020</td>
<td>$244,999.79</td>
<td></td>
</tr>
<tr>
<td>FNMA POOL MA0909 25DD</td>
<td>31418AAK4</td>
<td>11/1/2021</td>
<td>$127,189.30</td>
<td></td>
</tr>
<tr>
<td><strong>CORNHUSKER BANK</strong></td>
<td></td>
<td></td>
<td><strong>TOTAL PLEDGED</strong></td>
<td><strong>$2,246,553.71</strong></td>
</tr>
<tr>
<td>FNMA GTD PASS THRU POOL #AU5145</td>
<td>3138X4WF3</td>
<td>08/01/2028</td>
<td>$640,000.00</td>
<td>$613,187.10</td>
</tr>
<tr>
<td>FHLB 2.63%</td>
<td>313376C94</td>
<td>12/10/2021</td>
<td>$750,000.00</td>
<td>$771,480.00</td>
</tr>
<tr>
<td>FHLMC 1.63%</td>
<td>3137BN5M2</td>
<td>01/25/2023</td>
<td>$2,000,000.00</td>
<td>$1,530,972.04</td>
</tr>
<tr>
<td>FHLB 1.50%</td>
<td>3130ABDB9</td>
<td>08/28/2019</td>
<td>$800,000.00</td>
<td>$799,272.00</td>
</tr>
<tr>
<td><strong>UNION BANK AND TRUST</strong></td>
<td></td>
<td></td>
<td><strong>TOTAL PLEDGED</strong></td>
<td><strong>$4,190,000.00</strong></td>
</tr>
<tr>
<td>FHLB LOC #522941</td>
<td></td>
<td>11/01/2017</td>
<td>$7,000,000.00</td>
<td></td>
</tr>
<tr>
<td><strong>USBANK</strong></td>
<td></td>
<td></td>
<td><strong>TOTAL PLEDGED</strong></td>
<td><strong>$7,000,000.00</strong></td>
</tr>
<tr>
<td>FHLMC REMIC SER K-707 A2 2.22%</td>
<td>3137ANMN2</td>
<td>11/23/2018</td>
<td>$5,000,000.00</td>
<td></td>
</tr>
<tr>
<td>MORRILL NEB ELEC UTIL REV 1.40%</td>
<td>617785AU4</td>
<td>02/15/2018</td>
<td>$130,000.00</td>
<td></td>
</tr>
<tr>
<td><strong>Pinnacle Bank</strong></td>
<td></td>
<td></td>
<td><strong>TOTAL PLEDGED</strong></td>
<td><strong>$5,130,000.00</strong></td>
</tr>
<tr>
<td>FMC FGPC 3.500%</td>
<td>3132GSGU1</td>
<td>09/1/2045</td>
<td>$1,000.00</td>
<td>$908.08</td>
</tr>
<tr>
<td>FNMA FNMS 3.000%</td>
<td>3138ALU21</td>
<td>10/1/2026</td>
<td>$869,408.00</td>
<td>$168,582.84</td>
</tr>
</tbody>
</table>
Dear Mr. Camp,

I heard that you are going to be making a decision about our property taxes based on the new property assessments. I am asking you to please vote against such a raise. The property taxes in this state are already much too high! Our schools do not need a larger budget. Many are the students who have received a fine education in this state without any state of the art electronics or facilities. The school board needs to practice responsible spending and learn to live with a budget. Thank you for your time.

Sincerely,

Veronica I. Wharry
402-325-1610
2601 Devonshire Drive
Lincoln, NE 68506
I would like to know what preliminary studies were completed, if any, when Vine Street between Antelope Parkway and 16th Street and 16th & 17th Streets from vine to R Street were reduced to one lane?

Last night, the Star Tran Bus was 10+ minutes late due to the traffic congestion on those streets. This morning, a 10 minute drive to work became a 30 minute drive to work. It would have been longer but we diverted through a parking lot to get off the streets (as did an LPD officer who was tired of the delays and who apparently didn't want to be bothered trying to solve the problem).

We don't need a 6 month study on the traffic, we need immediate action to solve the problem!

Why don't you just close 16th & 17th Streets from Q or R streets to Vine Streets which would divert traffic to Antelope Parkway? There are actually very few vehicles that need to be moving inside my suggested "closed street zone".

Or, station a traffic cop at Vine and 16th & 17th to manage traffic?

But DO something now! The traffic delays are worse than home football game days!

Clyde Davis
2400 Lake Street
Lincoln
402-730-6734
Dear Mr. Camp,

I am writing to strongly implore you to vote against any measures that result in an increase in property taxes for Lincoln residents. Instead, I ask that you reduce the current property tax rates so that everyone is paying roughly the same amount as last year.

Nebraska is already a very highly-taxed state compared to others, and many of us are currently struggling to make ends meet. Yet another tax increase is simply a bad idea, no matter what the housing market says our homes are worth.

The government already has plenty of our money, and it is high time they stop the spending spree. Tough decisions may need to be made on where to cut spending, but that is life. Families do it, and governments must do it too. The government must spend our money wisely, not expect that we are an endless supply of money for every pet project that comes along.

Thank you for your attention to this matter.

Sincerely,
Brian Wharry
Dear Mr. Camp,

I am writing to strongly implore you to vote against any measures that result in an increase in the Lincoln schools budget. Instead, I ask that you vote to keep the budget at current levels for a few years to get it back under control.

The local school system is already flush with cash, as evidenced by the state-of-the-art facilities (e.g., the exercise/weight rooms and the high technology). Their budget needs to be held at current rates for a few years until it is gotten under control. It is an insult for them to expect more money for any reason at all. They already got millions of extra dollars just a couple years ago in the voter-supported bond. Enough is enough already.

I home-schooled my four children through eighth grade, and currently have them in local Catholic schools. Both choices have provided an excellent education, and neither choice has required a lot of money. Throwing money at education does not make it better. Good teachers, traditional books, basic facilities, and involved parents are the only things necessary for a quality education.

Speaking of electronic school aides... the problem with technology is that it has to be maintained. Once you go down the route of buying expensive teaching aides (tablets, computers, projectors, etc.), your maintenance costs go up dramatically as these items break down and need to be replaced. Great care must be used when deciding to buy into electronic teaching materials.

Thank you for your attention to this matter.

Sincerely,
Brian Wharry
Dear Mr. Camp,

I am writing to strongly implore you to vote against any measures that result in an increase in the Lincoln schools budget. Instead, I ask that you vote to keep the budget at current levels for a few years to get it back under control.

The local school system is already flush with cash, as evidenced by the state-of-the-art facilities (e.g., the exercise/weight rooms and the high technology). Their budget needs to be held at current rates for a few years until it is gotten under control. It is an insult for them to expect more money for any reason at all. They already got millions of extra dollars just a couple years ago in the voter-supported bond. Enough is enough already.

Throwing money at education does not make it better. Good teachers, traditional books, basic facilities, and involved parents are the only things necessary for a quality education. An emphasis here should be put on involved parents. People learn half of what they learn in their life times by the time they are six years old. And guess what, they learn that from, their parents, not a public or private school institution.

We do not need a lot of electronic school aides. We need to teach the children to read, write and do arithmetic. Along with that comes the learning to do critical thinking and reasoning of answers to problems. Electronics are nothing but a tool, similar to adding machines, typewrites and encyclopedias. The children can learn all the computer skills they need at home, we should not be footing the bill to teach them how to interact on face-book, twitter, or the other social media sites. Plus once you go down the route of buying expensive teaching aides (tablets, computers, projectors, etc.), your maintenance costs go up dramatically as these items break down and need to be maintained and/or replaced. Great care must be used when deciding to buy into electronic teaching materials. In the overall scheme of things, if you’re honest, you’ll agree they really don’t learn much from that tack.

Thank you for your attention to this matter.

Sincerely,
James and Pat Wharry
7415 Tiffany Rd #4
Lincoln NE 68506
402-261-8660
I understand that this is extremely late in the process but I believe that this suggestion will significantly simplify and reduce the cost of reworking this intersection. Please forgive the very rough illustration.

Simply there is no reason that a roundabout must be a circle. Put a large oblong roundabout on the ground to handle all turns and have Warlick Blvd go over the roundabout. This eliminates all of the inevitable confusion with the current design and just leaves the normal roundabout issues. It eliminates all left turns and stop lights. I believe that it would be much easier to maintain. And finally, I would guess that it will be significantly less expensive.

Thank you for considering my suggestion.

Jim Frohman
7335 Pioneers Blvd
Apt. 212
Lincoln, NE 68506
402.617.2484
jimfrohman@outlook.com
Roundabout Design

14th & Old Cheney Intersection Improvement Project

LEGEND
- Roundabout
- T-Intersection
- Sidewalk/Trail
- Landscaping
- Bridge

Not to scale
Good afternoon,

Please find attached LIBA’s position statement regarding COP bonding for street lights.

Abby Stenek  
Director of Policy & Research  
LINCOLN INDEPENDENT BUSINESS ASSOCIATION  
620 North 48th Street, Suite 205  
Lincoln, NE 68504  
www.liba.org  
Phone: (402) 466-3419

http://www.lincolnairport.com/

http://www.customblindsdesign.com/
August 21, 2017

Mayor Beutler
Lincoln City Council
555 S 10th St.
Lincoln, NE 68508

Dear Mayor Beutler and members of the Lincoln City Council,

The Lincoln Independent Business Association, with feedback from its Budget Monitoring Committee, reiterates by this letter its long-held position against the city’s excessive use of COP bonds.

FACT #1 – As of August 31, 2016, the city of Lincoln had $45,370,000 in “voter-approved” bonding debt.¹

FACT #2 – The bonded debt issued without a vote of the people is over $37 million.²

FACT #3 – If you approve this new request of $3.77 million, our total non-voter-approved debt will climb to $41 million.

Our non-voter-approved debt is hovering around the amount that has been approved by voters. The City of Lincoln is using COP bonds to purchase the types of items that normally would require a vote. We have purchased the $6.5 million Experian building and a clubhouse for a golf course.

LIBA believes that COP bond and installment contract debt should be tied to the amount of debt a government body has had approved by the voters. It would be easy to suggest that NON-voter-approved debt should be no more than 20% of the total of “voter-approved” debt. That would set the lid for Lincoln at $9 million. However, it would also allow the lid to increase if voters approved more debt.

Keep in mind, in 2003, Lincoln only had $1.7 million in COP bond debt.³ Since then, COP bonds have been used so many times we are over $37 million, costing taxpayers $1,129,722 in interest alone in the 2016-2017 fiscal year.⁴

LIBA is aware of the advantages of COP bonds. For example, COP bonds are an important funding mechanism where COP bonds allow for money savings or allow

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¹ City of Lincoln Budget Analyst Jan Bolin in an e-mail on August 17, 2017.
² City of Lincoln Finance Director Brandon Kaufman in an e-mail received August 18, 2017.
³ City of Lincoln Finance Director Brandon Kaufman in an e-mail received August 18, 2017.
⁴ City of Lincoln Finance Director Brandon Kaufman in an e-mail received August 18, 2017.
Lincoln Independent Business Association
36 YEARS STRONG

620 N. 48th Street, Suite 205 • Lincoln, NE 68504
Phone: 402-466-3419 • Fax: 402-466-7926 • www.liba.org

the municipality to overcome time constraints associated with a project. COP bonds can be advantageous in certain circumstances. LIBA simply wants to see COP bonds used responsibly.

The Lincoln Journal Star editorial board has agreed with LIBA on the subject of COP bonds, saying the debt “can’t continue to grow at this rate without causing problems at some point in the future.”

Due to the overwhelming amount of non-voter-approved debt, we must ask you to vote NO on the use of COP bonds for street lights. Alternatively, place the issue before the voters. Election Commissioner David Shively told LIBA that placing this issue before the voters during the next election would likely cost less than $100,000. He thought the cost could be closer to $75,000.

When you are considering putting the citizens on the hook for another $3.77 million, LIBA believes they should get to vote.

Sincerely,

Coby Mach, President & CEO
Lincoln Independent Business Association

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I. CITY CLERK

II. MAYOR’S CORRESPONDENCE

III. DIRECTORS CORRESPONDENCE

PUBLIC WORKS & UTILITIES
1. Water Sustainability Fund Budget Impacts memo

FINANCE
2. COP Questions - Brandon Kauffman

IV. CONSTITUENT CORRESPONDENCE
1. Construction within the City - Jack Silver
2. Taxes - William Boernke
3. Biennial Budget - Jim Frohman
4. Construction within the City - Ronald Amack
Mayor Beutler and City Council Members,

As you are aware, the Lincoln Water System has been awarded a grant from the State of Nebraska Water Sustainability Fund. The $7.63 million dollar grant will help fund our fourth horizontal collector well, pipeline crossing, and for wellfield river bank stabilization. The new horizontal collector well will provide for additional reliability, sustainability and resiliency in times of drought and the river bank stabilization provides protection for our infrastructure during high flows in the Platte River.

This grant award was not included in our approved biennial budget or capital improvement program, but the projects were included and were projected to be funded with revenue bonds. Therefore, the grant reduces the amount we would have needed to borrow. Debt service on that amount, including principal and interest, is approximately $430,000 / year for 20 years. The rate resolution and corresponding rates set by that resolution provided funding for the debt service on the bond.

This amount is now available for other use during this biennium and will possibly reduce the amount that rates need to be increased in the future. Options for use during the biennium include:

1. Cover costs of new growth development not foreseen in the development of the approved CIP, such as:
   a. Van Dorn Coalition 91st to 98th Street
   b. White Horse development and development to the east 91st to 94th Street
   c. Southwest Village – Secondary feed
   d. Others
2. Place the yearly savings from the grant in a reserve fund as a contribution to the Missouri River Plant. This fund is currently planned to begin in FY 19-20 with annual contributions of $1.0 M.

3. Move the wellfield river bank stabilization project construction earlier in the biennial budget providing earlier protection and utilization of grant dollars.

Rate adjustments at this time are not recommended until after the biennial budget, but future rate increases could potentially be offset by this amount.

Please let me know if you have other suggestions.

Thank you!

Donna Garden
Assistant Director
Public Works and Utilities
Council Members,

There were a few additional questions from Council in regards to the COP issuance:

1. Will this issuance have an overall impact on the rating?

   The issuance of $3.7 million in COPs will not have an impact on the overall bond rating for the City. The rating agencies take into account the debt that is being forecasted within the CIP process and the impacts upon the overall debt levels to the City. Two indicators that the rating agencies utilize are:
   
   a. Total Outstanding Debt as a % of Total Valuation: Lincoln’s indicator is below three percent which S&P would consider very strong, at the end of 2017 with the current COPs included debt would be at 2.51% of valuation.
   b. Total Governmental Debt as a % of Total Governmental Expenditures: Lincoln’s indicator is approximately 11%, below the 15% threshold which would be considered a strong indicator under S&P.

2. When was the first street light COPs issue?

   Prior to 2005 LES carried Street Light Debt and we made payments to LES w/ higher finance costs than we incurred when we took over financing Street Lights with COPS in 2005. We were not paying for street lights on a pay as you go basis prior to purchasing the street lights from LES. We purchased the existing street light system for about $17.3 million dollars with City Idle Funds and the General Fund Street Light budget reimbursed the City Idle Funds for this loan over the next 10 years. The first Street Light COPS were issued in 2005 for $1,785,000.

3. What is the difference in basis points between a GO and COP?

   The COPS financing is currently about 5 basis points less than what we would expect to pay on General Obligation debt.

Sincerely,

Brandon

Brandon Kauffman
Finance Director
City of Lincoln, NE
Office: 402-441-7412
Cell: 402-432-3276
Dear City Council-

This is in reference to the construction all over the city, and some suggestions to make the constructions areas safer for workers and vehicles. The suggestion is to improve signage for turns within the construction areas.

This summer, a vehicle was stuck in wet cement and I have personally witnessed several situations where vehicles entered construction zones or on-coming traffic lanes due to confusion about the actual location for a turn lane.

One method to fix this issue seems very simple- place a sign indicating a turn could be made on either side of the lane for turns. If a turn can not be safely made, a few "no-turn" signs should be in place. The signs should face the traffic, at a height visible to cars and trucks.

We can’t count on a turn being located the same place each day (or hour) as the construction progresses. Using cone spacing as an indication a turn lane exists is dangerous to vehicles and workers. Even proper turns are difficult to see if there are cones in the close to the turn area to protect something, or guide vehicles away from something related to the construction. Signs indicating the entrance to a turn eliminate the uncertainty about where to safely turn.

I'm not against the construction, but I suggest that some signage indicating the proper place in the construction zones would help improve safety.

Other things that would improve safety would be to share the construction areas with NavTeq, Garmin, and other GPS mappers so through traffic may avoid some of the construction and reduce traffic in the construction areas. Signs indicating lane closures should be turned away from traffic when the lanes aren't closed; it seems the Allo crews on S. 27th leave their signs indicating a false lane closure.

Please implement these simple and cheap improvements as soon as possible.
Dear Councilperson Camp:

“Back in March, the Lincoln City Council promised not to use the windfall from the early revaluation of residential property taxes in Lancaster County.” (LJS Editorial, Aug. 27)

The Lincoln City Council is incorrect in calling tax revenue that resulted from increased housing values a windfall. Getting an inheritance and winning the lottery are windfalls because these are unexpected and not earned. The word derives from the fact that fruit that falls to the ground because of wind is a windfall. You do not have to climb the tree to pick the fruit if it ends up on the ground due to wind.

Since the property tax is determined by the value of the property, it logically follows that the city will receive more revenue from the property tax if property values increase. This is entirely predictable unlike winning the lottery or not having to pick fruit because of a wind storm.

Almost every year that I worked at NWU, I got a raise. Since my income determines my income taxes, every year I would pay more in income taxes and FICA taxes. Nobody would think that this means the federal and state governments got windfalls.

This nonsense is the result of anti-tax libertarians thinking taxes should be as low as possible. If the assessed values of homes in Lincoln increase, the fact property-owners will pay more in taxes is a bad thing and the city should reduce the mill levy so individual taxes do not go up. Rational people are utilitarians who want government to produce the greatest good for the greatest number. This is why the Constitution (Article 1, Section 8) gives Congress the power to tax to provide for the general welfare (not the individual welfare of taxpayers). Economic libertarians who hate to pay taxes that produce the common good have an ethic that is the greatest good for me (low taxes) and the hell with society.

This wouldn’t be a problem if the city could do what Congress does: borrow money to fund spending instead of taxing the people to fund spending. Too many people are seduced by supply-side economics: cut taxes on the wealthy to stimulate the economy. Ronald Reagan did cut taxes on the wealthy, but he also increased spending to engage in an arms race with the old Soviet Union. The result was that our debt increased by 300%.

William Boernke
1004 Galloway Circle
Lincoln, NE 68512
Below is an e-mail I sent to Mr. Kirkpatrick about a proposed charter amendment that I believe will address his concerns with my previous proposals and my concerns with the current charter language. If my understanding of the outside opinion on this issue is correct this proposal would also address those concerns.

This change will make the ability to update the second year of a biennial budget very clear while providing an additional check of requiring a super majority of the council to approve a revised biennial budget.

Please give this serious consideration and consider asking the charter revision commission to consider this specific proposal. They have not discussed this proposal. Their previous discussions focused on the levy not on the second year of the biennial budget. I have attended all of their meets so far.

Thank you for your attention.

Jim Frohman
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Apt. 212
Lincoln, NE 68506
402.617.2484
jimfrohman@outlook.com
Sec. 26a. Biennial (Two-Year) Budget. Paragraph four.

After a biennial budget is adopted, neither the mayor nor the council can adopt a new annual budget in the second year of the biennial period unless a majority of 70% of the council find (1) there are circumstances which could not reasonably have been anticipated when the biennial budget was approved and (2) approve changes that address these unanticipated circumstances. The mayor may veto the revised budget. The council with a majority of 80% can override the mayoral veto. The power to amend or revise the biennial budget shall be as provided in Article IX, Section 27 of this charter. (Amendment of November 2, 2010).

Sec. 27. Appropriations. Paragraph three.

The council shall not make any appropriation in addition to those authorized in the second year of the biennial budget, except those approved through the process defined in Sec. 26a of the charter or through the authorization of emergency appropriations in the event of an emergency threatening serious loss of life, health, or property in the community.

The council shall not make any appropriation in addition to those authorized in the annual budget, except that it may authorize emergency appropriations in the event of an emergency threatening serious loss of life, health, or property in the community.

Jim Frohman
7335 Pioneers Blvd
Apt. 212
Lincoln, NE 68506
402.617.2484
jimfrohman@outlook.com
Dear Council Members:

This is in reference to the construction all over the city, and some suggestions to make the constructions areas safer for workers and vehicles. The suggestion is to improve signage for turns within the Briarhurst West Contraction Project.

This summer, a vehicle was stuck in wet cement and I have personally witnessed several situations where vehicles entered construction zones or on-coming traffic lanes due to confusion about the actual location for a turn lane.

One method to fix this issue seems very simple- place a sign indicating a turn could be made on either side of the lane for turns. If a turn can not be safely made, a few "no-turn" signs should be in place. The signs should face the traffic, at a height visible to cars and trucks.

We can’t count on a turn being located the same place each day (or hour) as the construction progresses. Using cone spacing as an indication a turn lane exists is dangerous to vehicles and workers. Even proper turns are difficult to see if there are cones in the close to the turn area to protect something, or guide vehicles away from something related to the construction. Signs indicating the entrance to a turn eliminate the uncertainty about where to safely turn.

I’m not against the construction, but I suggest that some signage indicating the proper place in the construction zones would help improve safety.

For those of us who had damage to marked sprinkler heads and hose line. Workers either ignored the flags or were just careless. I have reported damage to mine 4 days ago; additionally the workers failed to pull the stakes they used for the cement framing. Therefore at this time I do not know if I have line damage or not. I have seen crews filling black dirt for the areas around the new sidewalk. If repairs aren’t made before they cover my areas, repair work will take more time and a waste of seeding as well. Four neighbors in my cul-de-sac are effected as well.