I. DIRECTORS CORRESPONDENCE

FINANCE
1. Fiscal Impact Statement dated April 4, 2018

II. CONSTITUENT CORRESPONDENCE
1. Proposed JPA, list of members, opposition - Sue Ellen Wall
   Staff response provided by Councilman Camp
2. Proposed JPA, opposition - Jim and Diane Fischer
FISCAL IMPACT STATEMENT

DEPARTMENT/DIVISION: Finance

DATE: 04/04/2018

NEED Purchasing Card System for City, County, PBC

This is a request for funding to address a potential purchasing card program that would be in place for the City and the County.

A P-Card is a type of commercial card that allows organizations to take advantage of the existing credit card infrastructure to make electronic payments for a variety of business expenses. A P-card is simply a charge card, like a credit card. The main difference is with a P-card balances are typically paid fully on a monthly basis.

P-Cards are not limited to plastic cards, they can also take the form of non-plastic account numbers. These non-plastic cards take the form of Ghost cards, which is a card account that an end user organization issues to pay for a specific supply type. For example, if the gas company would accept a card, a ghost card could be issued to pay the city wide bill.

As with any type of government expenditures, there needs to be proper controls in place. Fraud primarily takes place due to opportunity. If internal controls are established it will restrict the opportunity for someone to commit fraud, however this can never completely take away the potential for abuse. To restrict risk there are multiple ways to limit the opportunity for individuals to commit fraud. Dollar thresholds would be established to restrict the amount of purchases an individual can make. In addition to limits on dollar thresholds, the City would have the ability to restrict certain merchant category code (MCC). An MCC is a four digit code that is assigned to a vendor by their bank or credit card processor at the time they are setup to accept credit cards. The code represents the major commodity sales for that vendor. For example, if an employee tried to purchase something at a liquor store, they would not be able to because that MCC code would be restricted.

In addition to blocking MCC codes, there would be proper approvals put in place for items to be reconciled and loaded into the City JDE financial system. Those approval systems would require detailed documentation for the items purchased to substantiate any expenditures for the City and supervisors and department heads would approve all purchases.

The State of Nebraska has a contract with US Bank in which the City could piggyback off of their contract. This would be an ideal solution, because the State conducts an RFP for their P-card solutions and the City can take advantage of their volumes to generate higher rebates. Essentially the City would be buying into their pool, so not only would the City take advantage of a rebate for its expenditures, it would join the Nebraska pool and get higher rebates based upon their spending volumes.

The City provided US Bank accounts payable files to conduct an analysis of vendors to check the acceptance rate for P-Cards. Based upon that analysis, they believed the City could generate approximately $10.7 million in payments on P-Cards. The recommended home for running a P-Card program would be the Purchasing Division of Finance. This would be the best fit as buyers already work to acquire material and supplies, they could also work with vendors to inquire if they would be willing to accept P-Cards for larger purchases. Accounting would need to be involved to make entries into our accounting system and then reconcile to the proper ledger accounts. This fiscal impact statement would allow for the hiring of a P-card administrator to run the program for the City, County and the PBC. The splits for the personnel costs are developed in consultation with the annual budget process they are as follows for the 2018-2019 budget: 61% City, 32% County, 4.5% PBC, and 2.5% JPA.

FUTURE IMPACT:

X Ongoing
□ Limited Projected Completion Date June 2018
<table>
<thead>
<tr>
<th>REVENUES GENERATED</th>
<th>LEGISLATIVE CHANGES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>City</td>
</tr>
<tr>
<td></td>
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</tr>
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<td></td>
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<table>
<thead>
<tr>
<th>IMPACT</th>
<th>Current Fiscal Year</th>
<th>Next Fiscal Year Annualized</th>
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<tbody>
<tr>
<td>PERSONNEL (full time equivalents)</td>
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<td>EQUIPMENT business unit:</td>
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<td>object code</td>
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| TOTAL EXPENDITURES | $31,175 | $92,082 |

SOURCE OF
REVENUES Revenues generate form the P-Card system will offset expenditures for the system. It is estimated with a medium spend in expenditures, the City can recapture approximately $90,000 in rebate revenue. In addition the County and PBC would pay approximately $36,000 to offset expenditures for the program in the upcoming fiscal year. Total revenues are approximately $126,000.
FINANCE DEPARTMENT COMMENTS

Availability of Appropriations: Yes ☐ No ☑
BUDGET OFFICER

PURCHASING AGENT

FINANCE DIRECTOR

DATE 4/4/18

APPROVED: Yes ☐ No ☐
MAYOR

DATE 4/2/18

WHEN TO USE FISCAL IMPACT STATEMENT

1. Requesting transfer of operating appropriations.
2. Requesting increase in personnel (full time equivalents) appropriations.
3. Requesting transfer of capital improvement appropriations.
4. Requesting operational change not authorized during the budget process.
5. Requesting appropriations based on receipt of additional funds from outside sources.
6. Requesting use of Contingency funds.

HOW TO USE FISCAL IMPACT STATEMENT

NEED: There should be a detailed explanation of why a change to the previously approved budget is necessary. If the change will have any impact beyond the current fiscal year, it should also be noted.

FUTURE IMPACT: One of the boxes should be checked. An example of an item with ongoing impact would be a request for additional fee authorization that will also be requested in upcoming budgets. This would necessitate filling out the "Next Fiscal Year Annualized" column. An example of an item with limited impact would be asking for authorization to use salary savings for the one time purchase of equipment. If "Projected Completion Date" applies, please fill in.

REVENUES GENERATED: Please note if the request will affect current and future revenues.

LEGISLATIVE CHANGES: These boxes should be marked yes or no. Some of the actions this form is used for (transfer of capital improvement appropriations, Contingency Funds) require a City Council ordinance.

PERSONNEL (full time equivalents): Please note the number of fte’s the request involves, if applicable.

PERSONNEL (cost), SUPPLIES, OTHER SERVICES AND CHARGES, EQUIPMENT: All entries in these boxes must have the business unit, object code, and object code description along with the dollar amount. Negative amounts must be indicated by brackets.

TOTAL EXPENDITURES: This box should contain the sum of the dollar amounts in the various expenditure categories.

SOURCE OF REVENUES: This box should contain the name of the fund the action is required for.
Sue Ellen

First, are you sure our 1960s experience at Lincoln High School lacks current day philosophy? Just kidding of course. Time flies.

Thanks for your suggestions. Whether or not a JPA is formed, the substance of the programs has merit and can be enhanced by your suggestion of student representation.

Best regards,

Jon

JON A. CAMP
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Cell: 402.560.1001

Email: joncamp@lincolnhaymarket.com
From: WebForm [mailto:none@lincoln.ne.gov]
Sent: Monday, April 16, 2018 7:22 AM
To: Jon Camp; Carl B. Eskridge; Bennie R. Shobe
Subject: InterLinc - Contact

City Council - Contact

Date: 4/16/2018 7:22:24 AM

name Sue Ellen Wall
address 1530 North Gate Circle
city Lincoln
state NE
zip 68521
e-mail swaney2445@inebraska.com

comments I was shocked and exasperated to see the list of JPA members totally missed the mark of current civic dynamics by not including, from the start, student representatives of the high schools in Lincoln. It is their...
environment, their safety, and literally their lives you are discussing, and anyone 19 or older cannot rely on their memories of the "olden days" and cannot know the reality of high school today. (Maybe some middle schools also, probably some mature people there also.) Your action will be your response to me. Thanks.

IP: 104.218.67.153
Form: https://www.lincoln.ne.gov/city/council/contact.htm
User Agent: Mozilla/5.0 (Macintosh; Intel Mac OS X 10_11_6) AppleWebKit/605.1.15 (KHTML, like Gecko) Version/11.1 Safari/605.1.15

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Dear City Council Members,

After reading details of the proposed JPA in support of security in our schools, we want to advise you that we are opposed to establishing another taxing authority to accomplish what can be handled within existing structures. We feel certain that down the road this JPA will lead to higher taxes for Lincolnites. We agree that school safety is an issue that may need to be addressed, but feel that LPS, with all the tax money that they currently garner including last year’s property tax windfall, should be able to find a way to carve this expense out of their current budget today and in the future.

We ask that you stop the process of creating the JPA and urge you to find a solution that fits within the current LPS/city budget without further burdening Lincoln taxpayers.

Jim and Diane Fischer
7743 S. 94th Bay
Lincoln, Ne  68526