

**STAFF MEETING MINUTES
LANCASTER COUNTY BOARD OF COMMISSIONERS
COUNTY-CITY BUILDING
ROOM 113 - BILL LUXFORD STUDIO
THURSDAY, APRIL 19, 2018
8:30 A.M.**

Commissioners Present: Todd Wiltgen, Chair; Jennifer Brinkman, Vice Chair; Deb Schorr; Roma Amundson; and Bill Avery

Others Present: Kerry Eagan, Chief Administrative Officer; Ann Ames, Deputy Chief Administrative Officer; Dan Nolte, County Clerk; and Kelly Lundgren, County Clerk's Office

Advance public notice of the Board of Commissioners Staff Meeting was posted on the County-City Building bulletin board and the Lancaster County, Nebraska web site and provided to the media on April 18, 2018.

The Chair noted the location of the Open Meetings Act and opened the meeting at 8:33 a.m.

1. APPROVAL OF STAFF MEETING MINUTES FOR APRIL 12, 2018

MOTION: Schorr moved and Amundson seconded approval of the April 12, 2018 Staff Meeting minutes. Amundson, Avery, Brinkman, Schorr and Wiltgen voted yes. Motion carried 5-0.

2. MEETING WITH LANCASTER COUNTY VILLAGES:

A. DESIGNATION OF HISTORIC PROPERTIES – Ed Zimmer, Planner II, Historic Preservation, Lincoln-Lancaster County Planning Department

B. COUNTY ENGINEER FACILITIES IN OR NEAR VILLAGES – Pam Dingman, Lancaster County Engineer

C. ACCESSORY DWELLING UNITS – Tom Cajka, Planner II, Lincoln-Lancaster County Planning Department

D. ROUNDTABLE DISCUSSION

Separate minutes.

3. BREAK

The meeting was recessed 10:00 a.m. and reconvened at 10:15 a.m.

4. LEGISLATIVE UPDATE – Joe Kohout, Brennen Miller and Gordon Kissel, Kissel, Kohout, ES Associates, LLC (Legislative Consultants)

Joe Kohout, Kissel, Kohout, ES Associates, LLC, gave a legislative update and presented legislative bill summaries (Exhibit A-C).

Kohout said yesterday was the sixtieth day of the term after a one-week recess; only two bills on Final Reading were debated in earnest: Legislative Bill (LB)873 (Change provisions relating to cities of particular classes and villages, correct and include references as prescribed, eliminate obsolete provisions and repeal definitions, provide for interlocal nuisance agreements, to determine population thresholds, redefine certain economic development programs, authorize creation of additional land banks, change comprehensive plans for an early childhood element, authorize short-term rentals, and change provisions relating to the official state slogan and symbol) and LB496 (Redefine development project under the Community Development Law).

Kohout noted that there was less than \$600,000 for the State to spend after the Nebraska Economic Forecasting Advisory Board revenue projections were made in February, which greatly limited the bills considered on General File. The cash reserve is down from \$680 million at the close of 2016-17 to \$296 million now. Wiltgen pointed out the State's cash reserves will be further impacted if ballot initiatives on minimum wage and property taxes are successful and there is a trade war, resulting in reduced revenue from agriculture.

Kohout informed the Board that the Governor did sign LB1098 (Change dollar threshold for certain purchasing requirements under the County Purchasing Act) and recommended initiating a conversation, now that the session is over, to get something done next year on the competency restoration issue.

Additional highlights of the session were provided by Kohout. LB841 (Change provisions relating to parole administration and correctional services) was signed by the Governor on April 17, 2018. LB870 (Provide for room confinement for juveniles as prescribed) will continue to be an issue next year. He said there is now a framework for the bill and recommended continued work with Senator Patty Pansing Brooks.

Interim study resolutions of interest to Lancaster County (Exhibit A, pages 7-9) will be monitored and the lobbyists will notify the Board as they are scheduled for public hearing. A couple studies of particular interest are Legislative Resolution (LR)370 (Interim study to conduct a review of issues arising from the lack of mental health treatment for those in the criminal justice system), LR437 (Interim study to analyze possible improvements and changes to the standing committee system of the Legislature), and LR455 (Interim study to identify evidence-based best practices for establishing an early warning system to identify and respond to fiscal distress among local political subdivisions).

Kohout also recommended monitoring of the property tax issue and the expansion of Medicaid petition in the interim. Issues anticipated for next year include competency restoration, implementation of changes in LB1112 (Change provisions relating to placement and detention of juveniles and permit an additional use of funds under the Community-based Juvenile Services Aid Program) into LB670 (Change provisions relating to the juvenile justice system, commonly referred to as the Juvenile Detention Alternatives Initiative (JDAI) bill, prison overcrowding, changes within LB841 (Change provisions relating to parole administration and correctional services), and road funding alternatives.

Schorr asked that Pansing Brooks' interim study related to school resource officers be added to the list of resolutions to monitor.

CHIEF ADMINISTRATIVE OFFICER REPORT

A. Board of Zoning Appeals Candidates

MOTION: Schorr moved and Amundson seconded to appoint James Pinkerton to the Board of Zoning Appeals. Amundson, Brinkman, Schorr, Avery and Wiltgen voted yes. Motion carried 5-0.

B. Lincoln-Lancaster County Board of Health

The consensus of the Board was to reappoint James Bowers and Craig Strong and appoint Dr. John (Dustin) Loy to the Lincoln-Lancaster County Board of Health. Loy will be replacing Dr. Alan Doster.

C. National Association of County Officials (NACo) Healthy County Roundtable Discussion

Wiltgen indicated that he could attend and that NACo will pay for all travel expenses. The event will be held in Hartford, Connecticut on May 14-15, 2018.

D. General Assistance (GA) Letter to Brown County

Eagan said the County Attorney has requested that this item be discussed in Executive Session.

DEPUTY CHIEF ADMINISTRATIVE OFFICER REPORT

A. Sequential Intercept Mapping Workshop

Kim Etherton, Community Corrections Director, felt it would be beneficial to have a Commissioner present at the workshop which will be held June 12-13, 2018. Wiltgen said he would be available to attend.

DISCUSSION OF BOARD MEMBER MEETINGS ATTENDED

A. Information Services Policy Committee (ISPC) – Brinkman

Brinkman said they are looking at standardization guidelines and eliminating outdated software within the departments. They are also working with the Purchasing Department to retain the services of a consultant to evaluate the best option for the Criminal Justice Information System (CJIS). The options are to overwrite the current system or purchase new software.

B. Parks and Recreation Advisory Board – Schorr

Schorr said 12-year-old Simon Brockmeier presented information regarding a fundraising project for Bishop Heights Park. She noted he has far exceeded his original amount and continues to raise money for additional projects.

5. PRESENTATION FROM CONCORDE MANAGEMENT AND DEVELOPMENT, INC. REGARDING TRABERT HALL – David Schmidt, President; Dana Schmidt, Vice President

David Schmidt and Dana Schmidt, Concorde Management and Development, Inc., introduced their company's credentials and presented concept plans for Trabert Place from Gill Peace, Peace Studio Architects (Exhibit D-E).

Concorde Management is proposing multi-family workforce units for the community utilizing historic tax credits for the project. The building would need to be listed on the national register and is already designated as a local landmark. The plans show highest density with row houses or townhomes, which are not finalized yet, that will match the existing neighborhood. These units will be for sale as opposed to the proposal for the existing Trabert Hall building, which will have 57 units (studio, as well as one, two, and three-bedroom apartments). The proposal includes the existing gym being split with space for a community room for public meetings, a green area in the existing courtyard that includes amenities for building tenants (i.e. barbeques) and possible community green areas.

The project would be brought onto the tax rolls. Concorde is not intending to ask for TIF (tax increment financing) dollars but wants to leave that option open in the event they have difficulty receiving historic tax credits. The units are projected to cost well over \$100,000 each so funding assistance will be necessary to make them affordable for workforce housing, which was defined as typical workers (nurses, fast food workers, construction workers, etc. employed in the neighborhood). They will not use low-income tax credits nor are they planning to accept Section 42 or Section 8 housing.

Avery inquired about their bid amount. Concorde was one of the final two bidders at auction with a bid of \$775,000 against a closing bid of \$800,000. **NOTE:** On March 20, 2018, via County Resolution No. 18-0022, the Board formally rejected all bids received at auction. Kerin Peterson, Facilities and Properties Director, subsequently contacted bidders about increasing their original best offer.

Because the building is nearly 100 years old, it is assumed that it will need a lot of updating so Concorde Management does not want to increase their offer any further. The timeframe to get the building on the National Register is one to six months, during which time demolition can begin. Apartments will likely be available to the public in 18 months.

For the record, Schorr asked for confirmation of Concorde Management's revised final bid offer amount. Schmidt confirmed it is \$925,000.

Wiltgen indicated he was hoping for housing for the elderly or disabled because that is something the community desperately needs.

The decision to accept a bid will be made in a matter of weeks at a Tuesday meeting with all five members present.

6. PURCHASE OF TRUCK FOR COUNTY ENGINEER – Bob Walla, Purchasing Agent; Pam Dingman, Lancaster County Engineer

Pam Dingman, County Engineer, and Ron Bohaty, Road Maintenance Superintendent, requested that the Board act on the purchase of a new sign truck. Dingman explained the engine of the old truck was blown and bids were received yesterday for a new one. The bid from Woodhouse Ford is \$44,928, which is nearly \$11,000 under the sticker price. If approved, a new truck could be delivered tomorrow. The new four-wheel drive truck will be diesel and its larger size will better support the weight of the sign truck assembly. The sign truck assembly would be repurposed from the old truck onto the new truck. Dingman said she has money in the budget for the purchase, explaining she had budgeted \$250,000 for two motor graders and the final price came in at \$204,000.

MOTION: Schorr moved and Amundson seconded to authorize the purchase of a new sign installation truck for the County Engineer. Brinkman, Schorr, Avery, Amundson, and Wiltgen voted yes. Motion carried 5-0.

D. Lincoln Independent Business Association (LIBA) Elected Officials Meeting – Amundson

Amundson said Senator Suzanne Geist discussed tax proposals in the Legislature, the potential impact of Senator Steve Erdman's ballot initiative for property taxes, as well as various proposals and possible budget scenarios. Geist reported that Senator Tom Brewer has requested a special session on property tax relief. Lincoln City Councilman Jon Camp spoke about the City's biking lanes and his proposal to allow bikes to ride on downtown sidewalks.

E. District Energy Corporation (DEC) – Schorr/Avery

Avery reported they approved the audit. Schorr added there was an update of the Enterprise Risk Management System used by Lincoln Electric System (LES) which the DEC will copy.

F. Lancaster County Mental Health Crisis Center Advisory Board – Avery

This item was discussed at the April 12, 2018 Board of Commissioners Staff meeting.

SCHEDULE OF BOARD MEMBER MEETINGS

In reviewing the list of upcoming meetings, Brinkman noted the Board had sent a letter, in conjunction with the rural fire districts, to the Emergency Medical Services Oversight Authority (EMSOA) requesting funding for a radio upgrade for the nine rural fire districts within Lancaster County. However, Jim Davidsaver, Emergency Management Director, has since secured funding. Brinkman asked if there were any objections to asking EMSOA to remove discussion of the letter from their agenda. There were no objections.

Wiltgen asked if there were any issues to be discussed at the Lancaster County Board Chair and Vice Chair Meeting with the Planning Department. None were offered.

OTHER BUSINESS

Schorr reported that there are 400 to 500 collegiate bowlers in Lincoln for the National Collegiate Singles and Team Championships.

RETURNING TO ITEM 9D

MOTION: Schorr moved and Amundson seconded to go into Executive Session at 11:22 a.m. for the purpose of potential litigation and to protect the public's interest.

The Chair said it has been moved and seconded that the Board enter Executive Session.

ROLL CALL: Schorr, Avery, Amundson, Brinkman, and Wiltgen voted yes. Motion carried 5-0.

The Chair restated the purpose for the Board entering Executive Session.

MOTION: Amundson moved and Brinkman seconded to exit Executive Session at 11:39 a.m. Avery, Amundson, Brinkman, Schorr, and Wiltgen voted yes. Motion carried 5-0.

7. PRESENTATION FROM CENTERPOINTE, INC. REGARDING TRABERT HALL – Topher Hansen, President and Chief Executive Officer (CEO), CenterPointe, Inc.; CenterPointe, Inc. Representatives

Topher Hansen, President and Chief Executive Officer, CenterPointe, Inc., and Ben Harris, Chief Executive Officer, Hormel Harris Foundation, presented their bid for Trabert Hall to the Board. Harris said CenterPointe sees value with the structure and its location. The building would be gutted and the first and second floors converted into office and clinical spaces to expand physical and behavioral health services to CenterPointe's current clients and patients. The third and fourth floors would be converted into residential inpatient services. Their \$400,000 cash offer would allow CenterPointe to close and pay the County within 90 days. The timeframe to secure funding for the renovation would take approximately 24 months and the project is estimated to cost \$10 million. The project would involve the sale of CenterPointe's building at 13th and E Streets. The building would be sold to Hormel Harris Investments and be leased back to CenterPointe for a period of 24 months so it can avoid displacement during renovation of Trabert Hall. The transaction allows CenterPointe to have the equity to purchase Trabert Hall, and at that point the building would lose its tax-exemption status and be returned to the tax rolls. **NOTE:** The offer to the County for Trabert Hall is the difference between the sale price and CenterPointe's debt.

Harris recommended to the CenterPointe Board of Directors that the purchase price be increased by a \$100,000 post-closing payment to a total of \$500,000 and discussed the proposed tax credits outlined in the letter of support by consultant Advantage Capital (Exhibit F). There are four

important requirements of the Federal New Markets Tax Credits outlined in the letter that were explained.

Hansen walked through the highlights of the PowerPoint presentation entitled "Proposal" (Exhibit G). He supplemented the presentation by pointing out that Trabert Hall would allow CenterPointe to provide housing and physical medicine, as well as behavioral health medicine, in one spot which would, in turn, allow for a greater coordination of services.

Wiltgen asked for further explanation on CenterPointe's plan for the building. Eight diagrams were provided and discussed by Hansen (Exhibit H). Hansen explained that the fourth floor will be U.S. Department of Housing and Urban Development (HUD) housing (16 single-bedroom or studio apartments for the homeless receiving services). It is considered permanent housing. The third floor is for community transition housing with 16 beds providing training for independent living. Clients living here would participate in other CenterPointe services during the day. The first and second floors would be a mix of physical health and behavioral health. The daylight basement would tentatively be used for a CenterPoint program that is currently in off-site rented space, which would bring in revenue. It could easily be moved out in the future to expand the behavioral health services. Additional space in the basement would be used for training and meetings.

Amundson asked about tax implications. Harris explained that because CenterPointe is a non-profit it satisfies the "five-point test" for tax exemption. Their 13th and E Street property is currently tax exempt but will go back on the tax rolls if the building is sold to a for-profit entity. If the transaction occurs before the October 15th levy date, it will be taxable for the entire 2018 tax year. In regard to Trabert Hall, if they do a low-income housing tax credit project for the third and fourth floors the residential component would be owned by a newly formed Limited Liability Company (LLC) and would not qualify for the tax exemptions. Likewise, to qualify for new market tax credits for the lower level, first and second floors it would have to be owned by a qualified low-income community business so a new LLC would be required.

Schorr asked for clarification on the additional \$100,000 at closing. Harris explained that it would be his recommendation that CenterPointe increase their \$400,000 bid by \$100,000 payable upon the closing of construction financing (within 24 months) since they do not have the liquidity to pay \$500,000 at the sale closing. Based upon conversations with tax-credit investors, including the letter from Advantage Capital (see Exhibit F), funds from the New Market Tax Credit Program have to be placed in service by December 31, 2018 so the payment could be made sooner. Hansen and the CenterPointe Board Chairman supports the recommendation.

Wiltgen asked for additional clarification on the expansion of services. Hansen explained they have increased from 1700 to 3000 clients, and continue to increase every year, but lack the staffing to expand programs (see Exhibit G). He added they are currently in discussions with three different entities about four different programs that would expand services.

Amundson inquired about the impact on homelessness in the community. Hansen responded that it has been huge, noting approximately 75% of the people served by CenterPointe make less than \$5,000 a year. About 60% of those are homeless at the time of admission. Two staff members provide community outreach, one exclusively in downtown, and they also provide 260 housing units for the homeless on any given night. The current homeless count is in the 400's, while two years ago it was in the 700's and prior to that it was nearly 1,000.

Schorr asked what reimbursement services CenterPointe plans to use for their costs. Hansen responded that they want to get further into Medicaid. They have also been receiving money from Probation and are beginning a pilot program with them that focuses on transitional living.

Wiltgen reiterated that the Board will look at the budget impacts of the various offers and will make a decision on the sale of Trabert Hall within a few weeks.

Brinkman exited the meeting at 12:15 p.m.

8. DEPARTMENT BUDGET HEARINGS – Dennis Meyer, Budget and Fiscal Officer

Budget and Fiscal Office

Dennis Meyer, Budget and Fiscal Officer, indicated his department's budget reflects a 13.9% increase primarily because Liz Thanel, Accountant, plans to retire on or about January 31, 2019. The increase includes her benefits payout, the costs associated with hiring a new employee, a new laptop, and possible temp services as needed to help with the transition. Wiltgen asked about salary savings. Meyer indicated that will be reflected next fiscal year.

With regards to future projects and upgrades, the JD Edwards EnterpriseOne system (accounting software) will have to be upgraded at some point. There is also a consideration to purchase OpenGov software for budgets which the City of Lincoln will be using. It was noted that a future demonstration could be scheduled for the Board.

County Board

Meyer explained that the County Board's budget covers the Commissioners' salaries and benefits. It was noted one commissioner had a health insurance change and there may be additional ones after the election.

Veterans Services – Rick Ringlein, Lancaster County Veterans Service Officer

Rick Ringlein, Lancaster County Veterans Service Officer, said biggest increase to his department's budget is based on the increased cost of employee bonding. He said he also budgeted for four new computers. Ringlein and Meyer updated the Board on the status of the County Veteran's Aid Fund noting there was no need to transfer additional money into the fund. Ringlein also mentioned that the Department receives many private donations (i.e., gift cards) which are disbursed to veterans. Wiltgen asked Ringlein to extend the Board's appreciation to the donors for their generosity.

9. CHIEF ADMINISTRATIVE OFFICER REPORT

- A. County Board of Zoning Appeals Candidates (James Pinkerton and Jeffrey Witt, Sr.)
- B. Lincoln-Lancaster County Board of Health – Reappointment of James Bowers and Craig Strong and Appointment of Dr. John (Dustin) Loy (Replacing Dr. Alan Doster)
- C. National Association of County Officials (NACo) Health County Roundtable Discussion
General Assistance (GA) Letter to Brown County

Items A-D were moved forward on the agenda.

10. DEPUTY CHIEF ADMINISTRATIVE OFFICER REPORT

- A. Sequential Intercept Mapping Workshop

Item was moved forward on the agenda.

11. DISCUSSION OF BOARD MEMBER MEETINGS

- A. Information Services Policy Committee (ISPC) – Brinkman
- B. Parks and Recreation Advisory Board – Schorr

Items A and B were moved forward on the agenda.

- C. Juvenile Justice Review Committee (JJRC)

Meeting was cancelled.

- D. Lincoln Independent Business Association (LIBA) Elected Officials Meeting – Amundson
- E. District Energy Corporation (DEC) – Schorr/Avery
- F. Lancaster County Mental Health Crisis Center Advisory Board – Avery

Items D-F were moved forward on the agenda.

12. SCHEDULE OF BOARD MEMBER MEETINGS

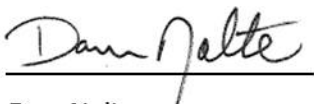
Item was moved forward on the agenda.

13. EMERGENCY ITEMS

There were no emergency items.

14. ADJOURNMENT

MOTION: Schorr moved and Amundson seconded to adjourn the meeting at 12:43 p.m. Avery, Amundson, Schorr and Wiltgen voted yes. Brinkman was absent. Motion carried 4-0.



Dan Nolte
Lancaster County Clerk

