

Administrative Services Committee Meeting

**Douglas County, Nebraska**

Tuesday, August 30, 2016

The meeting convened at 12:02 P.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 August 23, 2016, issue of *The Daily Record*. County Commissioners present at the meeting were P.J. Morgan, Mary Ann Borgeson, Marc Kraft, Clare Duda, Mike Boyle, and James Cavanaugh. Others present at the meeting were Sherry Glasnapp, Community Mental Health Center; Jim Tourville, Douglas County Health Center; Tom Wheeler, Douglas County Sheriff's Office; Kim Quick and Todd Bell, Teamsters #554; Emiliano Lerda; Beverly Reicks, National Safety Council of Nebraska; Todd Schmaderer and Ed Reyes, Omaha Police Department; Jerry Leahy and Jeff McGill, Public Properties; John Ewing and Tim Cavanaugh, Treasurer's Office; Jeff Stevens, Nebraska Taxpayers for Freedom; Perre Neilan; Daria Kruse; Kent Holm, Environmental Services; Chris Burbach, *Omaha World Herald*; Mark Conrey, 911; Paul Johnson, Emergency Management; Marty Bilek and Steve Curtiss, City of Omaha; Mike Schonlau, G.I.S.; Patrick Bloomingdale, Marcos San Martin, Joe Lorenz, Diane Carlson, Mike Dwornicki, and Catherine Hall, County Administration; Brian Parizek, Fraternal Order of Police #2; Mark Foxall and John Hubbard, Corrections; Matt Lewis and David Halder, Fraternal Order of Police #8; 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>.

- Commissioner Cavanaugh began the meeting by stating that earlier in the day the Douglas County Board of Commissioners approved the resolution to place the \$45 million Bond issue on the ballot in November. He read the language of the Resolution and the Ballot Language (See Attachment A). Its purpose is "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,"
- Commissioner Cavanaugh said the upgrades are not only needed, but in some cases they are urgently needed. The number of County and City first responders present at the meeting indicates the level of support for the Bond.
- Commissioner Cavanaugh presented the plans and overview of the Thomas Fitzgerald Home at 156<sup>th</sup> and Maple Street (See Attachment B).

- The Fitzgerald Home currently houses the Sheriff, the County Engineer, and 911; however, it is predominately vacant and in need of repair. Each of the shareholders affected by the Bond will address their components in the meeting.
- Jerry Leahy thanked the Commissioners for their support of the Bond ballot language. Two years ago the County did a Master Plan of property for future use and at that time the Sheriff and 911 were a part of the plan. Looking at B-1, #3 is now the Sheriff's new impound lot which has been functioning for approximately 2 years. 911 clearly needed additional space. The Fitzgerald Home is a massive facility. Filling it up with County public safety elements is the goal. The Treasurer's Office at 108<sup>th</sup> and Maple will move to the Fitzgerald Building as will Environmental Services, which is currently located at 93<sup>rd</sup> and Maple.
- The total amount of the Bond is \$45 million (See Attachment B-3). \$20 million will be dedicated to construction costs at the Fitzgerald Home and \$15 million will be dedicated to equipment including radios for corrections, sheriffs, fire station alert systems for the City of Omaha, Douglas County and rural fire departments.
- \$10 million is dedicated for Corrections infrastructure renovation to the original building built in 1976 and the 1988 Annex. These are not up to par safety-wise.
- Patrick Bloomingdale said that approximately \$800,000 of the equipment money was originally designated for the Omaha Police Department for encryption upgrades; however, the County's understanding is that the City would prefer to allocate that money for a helicopter upgrade.
- Chief Schmaderer said that the City would prefer to use that money for Forward Looking Infrared (FLIR) equipment. This allows for night vision in helicopters. The cost is approximately \$400,000. Ideally, the Chief said the department would like to purchase 2 devices; however, the Omaha Police Department (OPD) has immediate need for other law enforcement items such as riot control equipment. He said he could break this down in more detail at a later date.
- Commissioner Cavanaugh said the level of specificity has been evolving in the Bond discussion over the past several months and will continue to be refined. What is clear is that Douglas County, volunteer fire departments, small towns, and the City of Omaha will all benefit from the Bond.
- Mr. Leahy moved on to discuss the square footage of the various offices to be housed at the Fitzgerald Home (See Attachment B-3). Two of the offices, Treasurer and Environmental Services, will vacate space that will be a savings to the County. No longer leasing the Treasurer's office at 108<sup>th</sup> and Maple will save the County at least \$2 million over 20 years. That savings can be applied to the Bond debt. The Environmental Services building will be sold as surplus and could also be applied to the debt.
- Jeff McGill discussed the actual layout of the building (See Attachments B-4 through B-6). There are 3 levels: the garden level, level 1 and level 2. The garden level is accessible from the south. It includes shared space for the kitchen area, break room, 911, storage and all of the mechanical and electrical equipment for the whole facility,
- The first floor is designated for 911, the Treasurer and DMV (Department of Motor Vehicles); shared space is basically accessible to everyone in the building (See Attachment B-5).

- The second level is Emergency Management and Environmental Services. The expansion space will be built out and ready to go if additional space is needed (See Attachment B-6).
- Mr. Bilek asked if the front courtyard will be a big parking lot. Mr. McGill said parking will be on a huge green space on the west side of the building. Commissioner Cavanaugh said there is plenty of green space and room for expansion of parking.
- Commissioner Kraft asked about the dotted outlines around the Sheriff's office. Mr. McGill said those areas are designated for future expansion if the county ever needed additional space.
- Commissioner Cavanaugh discussed use of space county wide. This Master Plan was prepared some years ago as a strategic planning document. It will be refined as the County moves forward.
- A question was asked about the expansion space and whether it is going to be finished. Mr. McGill said funds will be spent to put in interior walls, HVAC, water, etc.
- Commissioner Morgan replied that it was going to be finished like a vanilla box like any office building does. Most organizations are building open spaces—no more cubes. This is a new concept. Commissioner Morgan invited Mr. Leahy and Mr. McGill to visit ConAgra and see what that company just did for its employees in downtown Omaha. Building the open spaces at the Fitzgerald Home is a good idea.
- Mr. McGill said the County will be using LED lighting, geothermal fields and will be taking advantage of all of the aspects of a LEED (Leadership in Energy and Environmental Design) designation without the actual certification.
- Commissioner Morgan said he appreciates the presence of Mr. Bilek, Chief Schmaderer and Mr. Curtiss, representatives from the City.
- Mr. McGill presented the Bond Ballot Language (See Attachment B-7) and the final sheet of his presentation "Strategic Bond Space Planning for Discussions" (See Attachment B-8) which includes both the West Campus and the Downtown Campus.
- Commissioner Cavanaugh said most of the people affected by the Fitzgerald renovation are administrative departments of Douglas County that the Board has control over. The meeting does have one of the County's elected officials, Treasurer John Ewing, in attendance to present his component. His department will actually free up revenue that is now going to pay rent.

#### Treasurer

- Mr. Ewing asked to put his retired deputy chief hat on briefly and reflect on the importance of having the Treasurer's Office on the west campus from a Homeland Security perspective with other law enforcement and homeland security entities.
- There are efficiencies to having the DMV (Department of Motor Vehicles) at the Fitzgerald Home with the Treasurer's Office since the DMV is looking at a new concept of paying to rent space which could bring additional revenue to this project as well.

- Over the 20-year bond period, if the Treasurer's Office was paying its current rent, the office would pay out at least \$2 million plus any increases in rent. Locating to the Fitzgerald Building will save the County rent money that will be passed on to the County.
- The location is favorable to residents of west Omaha and western Douglas County when looking at 156th and Maple as the geographic center of the County.
- The Fitzgerald Home would also provide a drive-through facility like the ones in Millard and South Omaha that have been very successful. The new facility would allow expanded service hours and technologies including more self-service concepts such as kiosks.
- Mr. Ewing said his office is looking to technology to streamline operations. For example, it is looking at a queuing system where citizens can get in line on line from their computers or cell phones to make the Treasurer's office more efficient.
- Tim Cavanaugh added that at the end of 20 years given the current leasing agreement, the County would have nothing to show but rent receipts. With the Fitzgerald expansion, the County will still have this asset at the end of 20 years.
- Commissioner Cavanaugh introduced former DMV Director Beverly Reicks who is familiar with the concept of moving the DMV. Ms. Reicks commented that keeping the Treasurer's office and the DMV together and using new technology is a well thought out plan.
- Mr. Ewing said that the new technology his office is looking at would be deployed throughout the system, so everyone would benefit.
- Commissioner Cavanaugh thanked Mr. Ewing and Mr. Cavanaugh saying that on their own, they are saving Douglas County taxpayers money and offering them better service.

### 911

- Commissioner Cavanaugh said the big driver in this Bond initiative and the earlier bond attempt 2 years ago is 911. This includes equipment for the Sheriff and others. Commissioner Cavanaugh said he cannot express how dire the need for this equipment and infrastructure upgrade is. 911 has outgrown its space and the current generation of equipment. The conveyor belt of Public Safety begins with 911. If they don't have sufficient equipment and infrastructure, they cannot respond to emergencies in a timely fashion. Glitches recently have been the result of archaic equipment.
- Mark Conrey, interim 911 director, said this all started when, in 2014, Motorola announced the end of life for radios and the radio infrastructure. Each agency owned their own radios and each was responsible for getting their own replacements. OPD was successful, as was the Omaha Fire Department (OFD), which included rural fire. They were all successful in replacing their radios.
- Douglas County still needs to replace equipment for the Sheriff, Corrections, rural law and the hospitals.
- 911 has identified the need for \$2.8 million: \$1.4 for the Sheriff, \$900,000 for Corrections, \$421,000 for rural law and \$42,000 for the hospitals.
- Mr. Conrey said 911 took a look at what Omaha bought and what they wanted is a good GPS location. 911 had to determine whether it could support Omaha's radios and found that they were somewhat deficit. Because there is a difference in the phones the City uses and what other

First Responders are using, 911 determined to get encryption so that the OPD radios could interact with federal agencies and everyone else.

- Another element is enhanced data. Although the City bought GPS, there are ways to enhance that capability. The other piece of the puzzle is to buy the capability to program radios without having to send them to a shop for upgrading or changing--to do it remotely by computer.
- The \$8 million ticket is for the infrastructure of the radio system and it should be seen as belonging to both the City and the County; it is what the radios use to communicate with each other. That has to be upgraded; it is at end of life. The end of life of the existing equipment, both radios and infrastructure, is in 2018.
- Fire Station alerting is critical. From a dispatching point of view, 911 must take some action. Currently, 911 is periodically having to ask firemen to man their stations so they can be notified by phone because of failures in the 911 system. This is a critical issue as failures in communication are occurring.
- Mr. Bilek said the Omaha Fire Chief would agree with Mr. Conrey with regard to the fires station alerting.

#### Corrections

- Commissioner Cavanaugh said that although Corrections is not on the Maple Street campus, the Corrections component of the Bond is equally time sensitive and critical. These are not optional projects. The Board has spent a lot of time deliberating about what needs to be done and how the County can pay for what needs to be done. The best way to pay for these needs is to use our excellent credit rating to secure a Bond at an historically low Bond interest rate. Addressing the Public Safety continuum, 911 and the first responders catch the "bad Guys" and then they go to Corrections. The County has to have the capacity to hold people. The Correctional Center is currently at historically high numbers. Douglas County doesn't want to get into situations like other correctional facilities where recently there have been serious problems. Douglas County has been extremely fortunate and credit must be given to Director Foxall.
- Mark Foxall, Director of Corrections, said the Douglas County Corrections Center is the largest correctional facility in the state of Nebraska. The Center has room for 1,453 inmates under one roof; it reached its high of 1,366 a few days ago. The Center is out of some beds. Units are classified based on minimum risk, medium risk, and maximum risk. If Corrections runs out of maximum security beds, some inmates are put on the floor in the gym.
- The female population has exploded since the College World Series and Olympic Swim trials. Counts have not come down.
- The County Attorney's office had a record number of felony filings in June and the Public Defender's office was 800-1000 cases ahead in the in terms of representation. Corrections is 300 ahead of where they were last year. Corrections numbers have spiked and they have not come down. What that means is Corrections needs to run 24 /7 every unit they have including 6-8 units that had been moth-balled. These units date back to 1978 and 1988 construction. Not much has

been done to upgrade these units; it is time to do something about this infrastructure particularly if this level of population needs to be maintained.

- The Corrections Center is a critical component of the Criminal Justice continuum. Felony arrests are up and the individuals who are coming to Corrections are more problematic. The number and severity of the mentally ill also increases the need for a secure facility as do the 45-47 murder suspects being held.
- Public Properties did a walk-through of the facility and the first issue that presented itself was the inadequacy of the doors on the older side. Those doors have to be single keyed. If there were an emergency, each door would have to be unlocked individually. A single center where all doors could be controlled simultaneously from a central location would be a great improvement to inmate and staff safety.
- Windows that are difficult to see through after 40 years of scratching and graffiti are a huge security issues. Lines of sight are critical for staff safety.
- Fire protection is also substandard in the old side of the building which is not equipped with sprinklers. Blind spots and dark spots are huge security issues that need to be remedied by LED lighting. HVAC and plumbing also need to be updated. These are quality of life issues. If units have to be shut down, individuals will need to be sent elsewhere—to Sarpy or Cass County and they have no room.
- The walls in the old part of the building are crumbling; the masonry is falling off in the recreation area and this presents an escape risk. The time is now to act and upgrade the facility.
- Commissioner Morgan said if an incident were to occur because of the issues Dr. Foxall discusses, the County's liability could be astronomical. If the Bond is not successful, there would have to be a tax increase to pay for these upgrades. It is important that Doug Kagan and his tax payers group (Nebraska Taxpayers for Freedom) support the Bond. 911, like Corrections, deals with safety and life issues.
- Commissioner Cavanaugh said Dr. Foxall makes a compelling case for the Bond. Many County employees will benefit from the Bond. He noted that the Sheriff's office and F.O.P. #2 is represented in the meeting by Brian Parizek and Douglas County Corrections officers are represented by Matt Lewis, F.O.P. #8.
- Dr. Foxall agreed that portable 911 equipment for staff at Corrections is also less visible but critical for in-house staff as well as those working with house arrest, transport assignments, and work release cases. Portable radios are critical to carrying out Corrections duties.
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#### **Emergency Management Agency**

- Commissioner Cavanaugh noted that Emergency Management is currently in the sub-basement of the City County building and is often under water.

- Paul Johnson, Director of the Douglas County Emergency Management Agency, said he or his staff deal with almost everyone in the affected departments on a weekly basis. The proximity of Emergency Management with these other departments will improve efficiency and access. Much of the Emergency Managements equipment is located at the 156<sup>th</sup> Street location as is their siren system. The move to the Fitzgerald Home also enables his office to engage with certain community partners since they will have easier access to Emergency Management and Emergency Management will have geographic proximity to rural areas.
- Commissioner Cavanaugh said geographic proximity is an important component of Public Safety.

### **Environmental Services**

- Environmental Services Director Kent Holm said his office is responsible for planning and zoning inspections and issuing building permits to insure public health and safety. The office also does environmental compliance on closed and active landfills, weed control, and storm water permit administration.
- A great savings to the Environmental Services will be in drive times, increased efficiency and an estimated savings of \$25,000/year. Mr. Holm said the new location at 156<sup>th</sup> and Maple will allow access to the public that uses Environmental Services.
- The office will be able to vacate its present location which could be surplussed ; this would add to revenue to support the Bond. The current location is inadequate in terms of public safety and parking, so the new location will be a great benefit to taxpayers and staff as well.
- Commissioner Cavanaugh added that the design of the renovation also has a secondary benefit in that areas that are designated "shared space" on each floor will be an efficiency for the County.

### **Douglas County Outstanding Debt and Financing the Bond**

- Commissioner Cavanaugh said in June 2005, the County's outstanding debt was \$77 million. In June of 2016, the outstanding debt was \$48 million (See Attachment C). The County is in good fiscal shape with a AAA Bond rating and with a low Bond interest rate, it is prudent for the County to fund the Bond.
- Joe Lorenz said that if the Bond is floated at the end of June 2017, the County will be \$87 million in outstanding debt. He is comfortable that the County is in no risk of losing its AAA Bond rating given its \$40 billion property tax valuation base. The County has been fiscally conservative and the Bond offering is well within limits to maintain its Bond rating. This is the first new money the County has put out in 5 years.
- In consulting with Ameritas, the Bond's potential underwriter, Mr. Lorenz said the County would float a 20-year bond for \$45 million, assuming a conservative average interest rate of 3.5%. Current low interest rate environment is still helping the County.

- Most importantly, the Bond issue will not increase the overall tax levy.
- During the first 5 years, the Bond would be laddered—structured so interest only is paid; after that the County will pick up principle payments. In the last 10 years the County won't have other existing outstanding debt. This would be an incremental cost during of \$1,460,000. It is manageable within the context of the County's \$400m budget and \$200m general fund. The budget is flexible enough to manage this cost.
- An example that Mr. Lorenz cited at the Board meeting is the Election Commission's budget which is up \$2.8 million this year because of the general election and the mayoral election. Next year that will drop about \$1.2 million. This gives the County flexibility in its budget.
- The real estate market remains relatively strong with a 2-3% increase each year. Mr. Lorenz confident that the \$1,460,000 won't have any impact on the tax levy. The Bond would be tax neutral for the people of Douglas County.
- Commissioner Morgan asked if any of the outstanding debt could be refinanced.
- Mr. Lorenz said that in Nebraska, the County can refinance every 5 years without penalty. Those Bonds were just rolled over at very low rates and are locked in. The County is paying 2% or less on this debt.
- Steve Curtiss asked if the County had a dedicated Bond levy and if Mr. Lorenz had projected 2% for growth in property valuation.
- Mr. Lorenz answered that the County did not have a dedicated Bond levy and that legally Counties are not allowed to have one. Based on increases in valuations over the last 2 years—3.5% and 3.1%—Mr. Lorenz is confident that the real estate market is stable and that a 2% projected increase is safe also considering that the Federal government targets 2% for inflation.
- Chief Schmaderer said he appreciated all of the Public Safety needs that had been addressed but added that there needs to be some flexibility for forensic science and the advances that need to be made for the crime labs. If there is something left over, the City and County can't lose sight of those needs.
- Commissioner Cavanaugh assured the Chief that it would be taken up at another meeting.

The meeting adjourned at 1:13 P.M.



