

Finance Committee Meeting

Douglas County, Nebraska

Thursday, July 7, 2016

The meeting convened at approximately 11:33 A.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 June 30, 2016, issue of *The Daily Record*. County Commissioners present at the meeting were P. J. Morgan, Jim Cavanaugh, Clare Duda, Mike Boyle, Chris Rodgers, and Marc Kraft. Others present at the meeting were Bob Nelson, Ray Somberg, and Charles Sederstrom, First Responders Foundation; Kent Holm, Environmental Services; Tim Cavanaugh, Treasurer's office; Patrick Bloomingdale and Joe Lorenz, County Administration; Mark Conrey and Kyle Kramer, 911; Amber Michalski, Corrections; Jerry Leahy, Public Properties; Paul Johnson, Emergency Management; Chris Burbach, *Omaha World Herald*; Dan Esch and Constance Mierendorf, Douglas County Clerk/Comptroller's Office. Mike Boyle and P.J. Morgan chair the Committee.

A video recording of the meeting is available on the Douglas County Website:
<http://Commissionermissioners.douglascounty-ne.gov/board-meetings/videos>.

Mike Boyle said the equipment for 911 is no longer going to be served by the vendor, Motorola. The current 911 equipment is funded 85% by the City. The Mayor realizes the support of the City is important. Commissioner Boyle introduced Mark Conrey and Kyle Kramer from 911.

911

- Mark Conrey said the County has 7 sites transmitting radio signals throughout the City and the County. It is the primary communication channel for the Sheriff, Omaha Police Department (OPD), Omaha Fire Department (OFD), and all rural fire agencies. In 2013, Motorola announced that it was no longer going to service radios after 2018. 911 has 20 channels on each tower site for a total of 140 channels. The radio infrastructure, as well as each individual radio that all Public Safety first responders use, all hit their end of life at the same time.
- OPD is considering a 5th precinct at the West Maple location and the County will need equipment and space to support them.
- OFD is changing the way they operate which could mean the need for another dispatcher.
- 911 has outgrown its space. It is currently storing equipment in a jail cell. It is always possible that the 911 Center could be shared with Sarpy County. If any of those three scenarios takes place (the 5th precinct, the OFD dispatcher or the Sarpy County collaboration) the County needs to expand its space and update its equipment. That's the succinct overview of the 911 needs.
- Kyle Kramer said the 911 Bond cost has several components. The biggest portion that affects all agencies is the radio infrastructure; that portion is \$8 million.

- Another component is the hand held radios. OPD has replaced some of theirs . OFD is trying to find a grant to pay for some of their radios. That still leaves the Sheriff, Corrections and the rural agencies in need of radios. The subscribers' portion of the replacement costs is about \$3 million.
- The Fire Station Alerting system is a special system that sends an alert to the fire station and then allows radio communication with them. They have tried for 6-7 yrs. to replace the system and have been unable to find funding. This is about \$2 million. Their components haven't been supported for 5-6 yrs. 911 and the radio portion of the Bond is about \$13 million, which includes the new Center for handling the load.
- Mr. Conrey said he had to add capability to do text messaging about 1 ½ years ago. Only 10% of centers across the country have this capability. The technology landscape keeps Public Safety changing. The public's expectations change as the technology changes. It will change drastically over the next 3 years. Douglas County 911 is one of the first in Nebraska to be able to do text messaging.
- Mr. Kramer said the County shares a regional backup center with Pottawattamie, Sarpy, and Washington Counties. Douglas County provided a lot of technical expertise for the collaboration and Pottawattamie provided financial support. The Center shares other things with 911 telephony; half of the system is located at the Fitzgerald Home and the other half at Pottawattamie. The two systems make it redundant and cost effective ; this saves resources. People's expectations are to be able to send video and find people wherever they are. Now expectations are that if a citizen witnesses a traffic accident, they expect to be able to send a video of that accident to 911. 911 needs space to handle that technology; the old center wasn't designed to handle this kind of information with 6-7 screens. Technology will change but the Center also has to have the space and furniture to handle the technology.
- Mr. Conrey said the 911 Center was built in 1998, but it is used for 3 shifts 24 hrs. /day so its wear and tear makes its age closer to 70. It has reached its end of life.
- Commissioner Kraft asked if the 911 Center could receive Twitter.
- Mr. Conrey said 911 is using Twitter to send out where an accident has occurred. The Center does not have dedicated staff to monitor all of social media.
- Mr. Kramer said there are analytics that scan social media-- software designed to flash an alert but there have to be personnel to monitor the analytics and there has to be funding to pay for software. Things like that are being developed, but they are not totally reliable.

Emergency Management

- Paul Johnson said the move to the Fitzgerald location provides close proximity to 911, the County Engineer, Sheriff's office and Environmental Services, key partners in the emergency planning process (See Attachment A). It is important that response and recovery efforts are consistent and coordinated. Emergency Management trailers are also located at the Fitzgerald site. They are used for deployment anywhere in the County. The trailers are used for communication of weather reports and homeland security for First Responders.

- The Fitzgerald location allows for ease of public access. Emergency Management does a lot with community stakeholders. The location is easier for people to get to and to park.
- Emergency Management has 120 sirens and this primary equipment is located at Maple Street. The move puts Emergency Management closer to those sirens.
- The Fitzgerald location also allows better interaction with rural partners.
- The cost is just the switch from downtown to the Fitzgerald Home. The floor space Emergency Management is requesting is minor. It is just an exchange of 4 offices from this building to offices out there. There is not a significant cost for the move, less than \$200,000.
- Commissioner Kraft said the sea level area in this building where Emergency Management is located is inadequate and inaccessible. The Board is willing to give tours to these offices, 911 and the Corrections facility as well.

Environmental Services

- Kent Holm said Environmental Services serves a couple of different emergency roles: from a damage assessment standpoint, Environmental Services would be deployed to assist with damage assessment primarily to rural areas but to other areas as needed. Environmental Services also has a management role in coordinating with the landfill and arranging immediate temporary holding sites for natural disasters. This would be in direct coordination with Emergency Management.
- Environmental Services is involved in Public Safety in administering building permits for construction, making sure that construction is done to code, that electrical and plumbing are not hazards.
- Another function related in a more indirect way to Public Safety is environmental compliance for storm water and landfills, but they are Public Safety in nature.

Corrections

- Amber Michalski said Corrections does not need a new facility; it just needs modifications and repairs. The Corrections Center was built in 3 phases. The original part of the facility was built in 1979; another major addition was built in 1988 and the latest revision came in 2004. The County is trying to focus on rehabilitation to the 1979 and 1988 areas. The general trend is that the overall population is declining, but currently there is a rise in the inmate population. On July 6, the population was 1336—an all-time high over 7 yrs. The Center was designed for 1453 inmates. But the facility is considered to be full. There are 41 first degree murder inmates in the facility, and these inmates must be housed separately. Currently Corrections is utilizing parts of the facility that they don't want to use. There are major safety issues in Corrections.
- Major issues include replacing doors in some of the older housing units. Officers do not have the ability to control the doors remotely. Each door needs to be keyed individually. If there was an

emergency, each door would have to be opened separately. Fire sprinkler systems also need to be updated. The glazing on interior windows needs to be replaced to improve lines of sight. Upgrading lighting for visibility is also a priority. Operating 7 days a week 365 days/year, use and abuse of the facility by inmates is accelerated.

- Commissioner Morgan said the County has a difficult challenge: the only source of revenue is property tax. The County does not have a restaurant tax or a sales tax. Douglas County continues to see properties taken off of the tax rolls. St. Joseph's Hospital, for example, paid property taxes on property that was assessed at about \$65 million before it was sold. HDR is being sold to a hospital—that goes off the tax rolls. The 7 % the State imposed does not start to get there when all of these properties are being taken off the County rolls.
- The total amount of construction and repair at the Corrections Facility is \$10 million. Radios, included in the 911 portion of the Bond are \$1.2 million.
- Commissioner Boyle said the Corrections facility is a merged facility. Mayor Fahey closed the City jail. The County jail is the City jail. The City of Omaha and County employees are there in one place.
- Commissioner Morgan said the County used to get money from the State for Corrections, but millions have been taken away even though the facility houses people charged with State crimes.
- Commissioner Boyle said Dr. Foxall , is a first-rate, dedicated Corrections director . The key word in his vocabulary is "respect." Dr. Foxall opened up a Veterans Unit at the Center, a military-like program with an emphasis on respect. Corrections also have mental health services available for inmates. 45% of inmates have mental health issues. The County is working on a psychiatric emergency room. The County is considering possibly using the former Greyhound bus station for a mental health unit sometime in the future. Douglas County is on the cutting edge of good corrections work.

Fitzgerald Home Renovation

- Jerry Leahy said the Bond idea evolved when 911 was in need of additional space. The infrastructure is there at 156th and Maple (Fitzgerald Home) including the fiber ring. The Sheriff is also there, and through some of the capital improvement needs that came up at Finance Committee meetings, Commissioners began to look at Correction Center needs as well for major capital improvements. The County has not been able to do those improvements because of restrictions on the budget. Mr. Leahy had an architect tour the Corrections facility with Dr. Foxall. Some of the issues like the doors at Corrections are a definite safety issue. The total for the Bond is \$45 million. The Finance Committee has been around this table for many months discussing these plans.
- Commissioner Boyle said most renovation would take place at the Fitzgerald Home. The Sheriff and 911 are already there and the City has been invited to house a new police precinct at the property.
- Commissioner Cavanaugh said no other group has a greater interest in Public Safety than the First Responders Foundation. The overwhelming portion of the Bond is directed at Public

Safety. The County is taking the far flung portions of Public Safety offices and consolidating them in one location. It works to have Emergency Management and Environmental Services on site with the Sheriff and 911 when there is a tornado, flood or other natural disaster. It is easier to communicate when all Public Safety entities are in one place; bringing them together under one roof makes sense.

- The technology the Bond is going to fund is essential to Public Safety. Public Safety is like a conveyor belt. It begins with a call to 911 and at the other end is the apprehension of a criminal and placement at Corrections. The conveyor belt needs to work efficiently. What the County is investing in is the portions of that system it knows need improvement and the space is there to make those improvements both at the Fitzgerald Home and the Corrections Center. The County now has to turn down I.C.E. (Immigration and Customs Enforcement) referrals because there is no more space.
- The County has owned the Fitzgerald Home for a long time and First Responders are invited to have a tour. The Bond plan takes the 911 cramped space and moves it across campus, giving them the space and technology they need in a completely renovated building the County owns. Two other Public Safety offices move from leased or obsolete space into space owned by the County. In a totally modern space, the County consolidates, saves in rent payments and upgrading obsolete buildings and will also generate some revenue. The annual savings for lease payments can go to pay off the Bond. The Bond issue comes at a good time. Douglas County has a AAA rating due to the fiscal responsibility of the Commissioners over the years. They maintained a good fiscal house with a limited tax base. Interest rates are at an all-time low. The County is taking an approach that you would take with your own home; the County is doing the same with its property. Few people are willing or able to pay cash for a home; they finance over a long period of time. If the County has to write a check for \$45 million for its needs (and all of the items in the Bond are needed), property taxes would have to be raised. The Bond is like a mortgage on a home. The financing for the Bond will be over 20 years without raising taxes. This is good fiscal management.
- Some of the things the Bond does involves non Public Safety offices. It will relocate the Treasurer's office and Department of Motor Vehicles, but the overwhelming majority is related to Public Safety.
- The Board would like to enlist the support of First Responders to help pass the Bond in November. The Board has provided First Responders with some background information and is happy to give any additional details. All of the major stakeholders are here today to answer questions. The Board appreciates First Responders' support and thanks them for coming.
- Commissioner Boyle said the Bond has support from Doug Kagan, Nebraska Taxpayers for Freedom (NTF), a good fiscal conservative. Representatives from NTF have been attending budget discussions and Mr. Kagan and his organization are supporting the Bond.
- Commissioner Boyle said public officials cannot use public facilities or resources to promote the Bond. It is forbidden by State law. Attorney David Kramer has been advising the Board on what the County can and cannot do to support the Bond.

- Joe Lorenz said it is a \$45 million bond. The County can get an average interest rate at 2% over 20 years. This would be about \$900,000/yr. in interest. The County would ladder the Bond in the beginning. Currently the County has about \$50 million of outstanding Bond debt. As this is paid off, larger principle payments would be made. The County would take advantage of its AAA bond rating, pay interest only in the first few years, and then move to larger payments. Overall the County budget is about \$400 million and the portion funded by property taxes is \$260 million. \$900,000 is not a big amount. The County will try to do this so there will not be a property tax increase driven by this Bond. The County could get attractive financing given its AAA Bond rating. The County just refinanced some Bonds and had a very good reception. By law, the Bond has to be approved by a vote of the people. This will not be a burden on the tax payer while adding a lot of value to the departments involved.
- Commissioner Morgan said Treasuries last week hit the lowest levels in history since 1790. The County has had one tax increase in 5 years. Getting this passed is not easy. The mood of the people because of the 7 % forced by the State is difficult. This will be a difficult task.
- Commissioner Boyle said there will be a public event to announce the Bond. He envisions First Responders and Nebraska Taxpayers for Freedom as a part of that event.
- Ray Somberg asked, what specifically are you asking First Responders to do?
- Commissioner Boyle said the Board is not going to cull First Responders' list; they are in the driver's seat. The County needs First Responders' support. He does not expect it to run the Bond campaign.
- Commissioner Morgan said he disagrees with Commissioner Boyle. Because of First Responders' reputation, he would like to pick out some names he would want First Responders to call--not a long list--10 or so. He would like First Responders to be co-chairs because of their reputation for doing good for the community. He said he is going a little further than Commissioner Boyle. The County needs First Responders because it is an uphill struggle to get this Bond passed. This is the most open finance meeting in all of local government.
- Bob Nelson asked about any other 501c3's the County has worked with in the past.
- Commissioner Cavanaugh said the closest parallel is the Omaha Public Schools (OPS) \$500 million Bond issue. The County is trying to copy success. They brought in Friends of OPS, Friends of Public Education and they successfully promoted a bond 10 times larger than this Bond. They succeeded with their bond by bringing interested people together just like the County is trying to pull together police, fire, labor, and interested groups.
- Charles Sederstrom said he assumes police and fire departments and their foundations and affiliates will be involved.
- Commissioner Cavanaugh said yes and also anyone who is touched by Public Safety including the labor organizations for sheriffs and corrections officers.
- Mr. Somberg said it would help significantly if First Responders could know what specific things the County would like them to do.
- Patrick Bloomingdale said when the Committee is established with representatives from throughout the community, it will decide the most appropriate way to approach this. Various aspects of strategy for the Bond campaign will be the responsibility of the Committee.

- Commissioner Morgan said the Board will put some specific requests together early next week for First Responders. If there is a request from a community organization for an appearance by a Board member, he would be happy to appear as long as it's not prohibited.
- Commissioner Rodgers said the First Responders mailing list could be a great tool. The County needs support through that list.
- Mr. Sederstrom said this is an opportune time because the First Responders' Board only meets quarterly and that meeting is next Wednesday. First Responders are very much behind Public Safety. Much of the money they have raised has been to support equipment for the police and fire departments. The presentation today has been valuable. It highlights things that support Public Safety. He sees some opportunities here as well; he talks to donors all the time who would like to pass on donations through his group. Mr. Sederstrom will take it up on Wednesday. The First Responders Board has been informed about the Bond; they know what's going on. First Responders could lend legitimacy to the Bond and earn levels of support. Part of it is planning and getting the word out. It's a matter of developing strategy to get people out to support the Bond.
- Mr. Nelson said he was surprised that the Bond went down 2 years ago. The public has a deeper attachment to 911. When he listened to discussions about the Natural Resource District Bond issue recently people were not excited. He sees exactly the opposite here-- an entirely different case—the difference between talking about a 500 year flood plain and talking about the ability of your kids to reach some help on 911. This strikes close to the passion of the community. On the other end, the ability to show how it will not lead to a tax increase and that cutting expenses can fund this is a plus.
- Commissioner Kraft said if the First Responders would like any board members to attend the First Responder meeting, they are available.
- Mr. Nelson said he and his colleagues can make the case. The Board is very cohesive and what you're talking about it very sellable for all the right reasons. People don't want to spend more money but they want to be safe.
- Commissioner Morgan said if we put the list together by Monday, will this work? Mark Foxall is not here today, but he is an outstanding individual and leader that we're lucky to have. Commissioner Morgan said he appreciates and respects the First Responder Foundation members who came today.
- Mr. Sederstrom said it would be helpful if we brought down some Board members to see some of the facilities. There is a lot of passion out there but there could be more. This is a sellable idea and it could be good for both organizations.
- Patrick Bloomingdale said he already sent the fact sheet to First Responders, but he would email what the County envisions their role to be-- an organization designating members to sit on a Committee that will make decisions about how to do marketing, raise money, etc.-- a list of responsibilities will be assembled on Monday.
- Commissioner Morgan said he would like to come in on Monday to give input into that list. All Board members are available to give input.

- Mr. Sederstrom said this whole thing is going to be very fluid; there will be additional ideas and opportunities as things move forward. It is not possible to get into specifics until the process begins. There are going to be a lot of opportunities as this moves forward.
- Commissioner Cavanaugh said today is about strategy, a general understanding of where this should go. The tactical, every day decisions about the campaign will be left to the Committee. He thanked the First Responders representatives for coming.
- Commissioner Boyle said the professionalism of the staff was also highlighted today. He thanked the First Responders for coming.

The meeting adjourned at 2:52 P.M.