Urban Affairs Committee January 22, 2013

[LB48 LB49 LB87 LB111 LB112 LB113]

The Committee on Urban Affairs met at 1:30 p.m. on Tuesday, January 22, 2013, in Room 1510 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB48, LB49, LB87, LB111, LB112, and LB113. Senators present: Amanda McGill, Chairperson; John Murante, Vice Chairperson; Brad Ashford; Colby Coash; Russ Karpisek; and Bob Krist. Senators absent: Scott Lautenbaugh.

SENATOR McGILL: All right, everybody. We're still missing a couple committee members, but I think we will go ahead and get started since we have a number of bills this afternoon. Thank you for coming to the first hearing of the year for the Urban Affairs Committee. I'm State Senator Amanda McGill and I represent northeast Lincoln. With us today we have, well, Senator Brad Ashford, who is there and about to open for us. Our newly elected Vice Chairman and new member of the Legislature, John Murante, from up in the Gretna area. Laurie Holman is our research analyst here on the committee. Senator Russ Karpisek is joining us for the first year here on the Urban Affairs Committee. Oh, and there is Senator Colby Coash, a fellow member from here in Lincoln. And then Katie Chatters is our committee clerk. If you plan to testify, please make sure to fill out one of the forms in the doorway so you can bring them up; that is for us to help keep track of you with our transcribers office so we get your spelling and everything right in there. Please take this time to turn off your cell phones or guiet them. If anything, we want to make sure that that's not being picked up on the audio recording. Makes it hard for them to write down everything we're saying then. And with that we'll go ahead and open our hearing up with one of Senator Ashford's bills, LB48.

SENATOR ASHFORD: (Exhibit 1) Thank you, Madam Chair, members of the committee. LB48 and LB49 both are bills that apply to housing authorities. LB49 specifically talks about the Omaha Douglas County Housing Authorities and LB48 is a general bill with provisions concerning housing authorities across the state. There are some amendments to LB48. I don't know if we have copies of those amendments. [LB48]

SENATOR McGILL: Yeah, we do have those amendments for the committee members. [LB48]

SENATOR ASHFORD: Okay. And the...LB48 is...actually is designed and it applies, primarily, to, I guess...does the amendment...let me look at the amendment here real quick here. Okay, yeah, it's making it clear that we're dealing with cities of the metropolitan class which is Omaha. [LB48]

SENATOR McGILL: Yes, that's what the amendment does. [LB48]

SENATOR ASHFORD: And I understand from talking to Don Wesely that there are

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representatives here from Grand Island and Lincoln. But these amendments, which I accept, are amendments that make certain that this bill applies only to cities of the metropolitan class, which would be Omaha. In the years I worked in the housing authority, both as a board member and as executive director, what I became very much aware of is the challenges that any housing authority across the state, but certainly a housing authority in a large metropolitan area has, the...HUD over the years, and I know Cliff Scott is here from OHA and he can...and George Achola, both from OHA, can talk to you about those challenges. But providing affordable housing to low-income Nebraskans is challenging for many reasons. One is, one of the most compelling reasons that was for me was how the rules change on a relatively frequent basis, sometimes even weekly. So to be aware of and conversant in the rules and regulations that HUD provides to these housing authorities is extremely important. Housing authorities are primarily federally funded, but in the past few years, I know at OHA when we were required under a court order to build and provide for 300 units of replacement housing for the old projects that had been torn down, the necessity of going to the private sector with low-income housing tax credits to help provide financing to develop these units was...is a very, very technical kind of financing and to have experts in that field with certificates, with competency in the various fields like real estate development, or some of the requirements we put in the amendment: accounting, banking, finance, real estate, brokerage, law or business management, are very, very critical. My colleagues, when I served at OHA on the board and as executive director, were fabulous citizens and did a great job for us. But I think that the housing authority in Omaha, and most likely across the state, would be very well served by having these kinds of expertise, people with these expert...individuals with this kind of expertise on the board. The other issue...and the certifications that we provided for, and there are a number of organizations in the country that provide these certifications to board members. Paragraph 3 provides, in the amendment, "no elected official shall be a member of a housing authority in a city of the metropolitan class or a county which contains a city of the metropolitan class". There's certainly nothing wrong with the commitment of elected officials on a housing authority board, but it is difficult at best to have an elected official on the board because of the many, many conflicts arising, especially if you have somebody who is a city council member. You are...you're not...you're representing a particular group of people on the city council and then you're representing a similar group of people on the housing authority board. It is very stressful for that member, I think, of the board to sometimes to be able to just divorce yourself from the city council role and try to decide the housing authority role. It's just too much to ask, I think, of anybody who has been elected in a city the size of Omaha to also serve on the housing authority board. So we're asking that we take care of that issue. I believe, and Cliff Scott from OHA or George Achola can talk about this, but I believe HUD is now recommending to OHA, and all other housing authorities across the country, that elected officials, certainly city council members, not be...not sit on the boards. I think these reforms for Omaha OHA and Douglas County will be very positive; will be...help those housing authorities keep up with the various changes in the rules

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and regulations that HUD puts forward and will help develop more affordable housing which is the goal. I would just conclude by saying that I've worked with both housing authorities, obviously at OHA, but Douglas County Housing Authority which does a magnificent job in providing affordable housing and vouchers in Douglas County and parts of Omaha. So this is not a condemnation of them in the least bit. But it is really, I think, an opportunity to provide some little more professional guidance on the board. [LB48]

SENATOR McGILL: Thank you, Senator Ashford. [LB48]

SENATOR ASHFORD: Thank you. [LB48]

SENATOR McGILL: Sounds like there's been a lot of work put into this. So are there any questions for Senator Ashford? All right, thank you. [LB48]

SENATOR ASHFORD: Thank you, Madam Chair. [LB48]

SENATOR McGILL: First proponent. Welcome. Say and spell your name. [LB48]

CLIFFORD SCOTT: Good afternoon. My name is Clifford Scott, C-I-i-f-f-o-r-d S-c-o-t-t. I am the chief executive officer for the Omaha Housing Authority. Just briefly, very briefly, my background, this is my fourth housing authority. I've worked at the New York State Housing Authority. I've ran the housing authority in Youngstown, Ohio, as well as Kansas City, Missouri's, housing authority. So I probably have as much experience, other than Senator Ashford, in housing authority operations; having an understanding of housing authority governance; and the various HUD...my read of HUD rules, regulations and programs. Omaha Housing Authority is the largest housing authority in the state of Nebraska. We have roughly 4,400 Section 8 housing choice voucher units. We have 2,800 public housing units. We're the largest landlord in the state of Nebraska. As many of you know, probably, as well as I do, we've had some challenges within the organization. In the fiscal year-end 2009 and 2010, the Omaha Housing Authority was deemed a troubled housing authority by HUD. To date currently, as of December 2012, we were taken off that troubled housing authority designation which allows us to better manage and have less oversight over our organization. To be frank with the committee, we still have a long way to go. But with the help of our board of commissioners, our current board of commissioners, with the help of the Omaha City Council, social service organizations, and community groups, we think we're on the right path. As it pertains to LB48 there are many items in the bill that are very favorable, will help strengthen the governance structure for all housing authorities, irrespective of if it's in this county or in any state. Better governances creates a better operation and it creates more integrity and transparency within any government entity. I think that as this committee or as this bill moves forward, a favorable review of the bill and the contents of the bill should move forward. And I think that any time bills that strengthen the integrity and transparency of

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an entity as large and as important as the housing authority is a good thing. So I stand in support of this bill. [LB48]

SENATOR McGILL: Thank you, Clifford, for being here. How does the board feel about this particular bill? [LB48]

CLIFFORD SCOTT: I haven't gauged the support or opposition on our current board. I think it's obvious that, you know, better training with commissioners, diversity within an organization is always a good thing. You know, any time when there is a reduction in board members, there's always going to be some heartache, if you will, or some angst about that. But, you know, Omaha has...the Omaha Housing Authority has such a vital role in this community with poverty rates and issues that we face in large central cities. More information, better oversight, a better understanding of what we do is something that is always needed and should continue to be strengthened. [LB48]

SENATOR McGILL: I forgot to recognize Senator Krist came in from the Omaha area. [LB48]

CLIFFORD SCOTT: Good afternoon. [LB48]

SENATOR McGILL: Are there other questions from the committee? Senator Krist. [LB48]

SENATOR KRIST: Thanks. Tell me specifically what you think this...what positive events are going to be brought about by this change in governance? And you have a plethora of experience, and having been to Youngstown and watching some of the things that happened there, you've had a diverse experience as well. [LB48]

CLIFFORD SCOTT: Very much. [LB48]

SENATOR KRIST: What is this going to do for your board? [LB48]

CLIFFORD SCOTT: I think at the end of the day it provides a certification to board members. Sometimes when you get on public boards you serve as a volunteer. And as Senator Ashford testified, HUD rules and regulations governing our entity are like no other in the country. We have just regulations that are cumbersome, that are...kind of overlap, and, you know, a layperson may not have that understanding or the commitment, the time commitment, to make informed decisions. So when you get in a situation where someone has to have that certification from a nationally recognized organization, it's always important for them to be armed with information. And that could be from a procurement standpoint, procurement and contracting; it could be from a standpoint of eligibility; obviously, financial management. So, at the very least, this bill provides that any member of a board of commissioners has that and has to get that

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within a year. You know, some of the other contents of the bill, if it's five or seven board members, you know, how many commissioners on a board is, for me personally, is important. But, you know, I think the biggest component of this bill is having a wide diversity of folks from different fields and really making them...mandating that...and I know that's not a good word in any governmental entity, mandate, but requiring them to be certified nationally is extremely important. [LB48]

SENATOR KRIST: And then finally just one other quick question. Do you see this as a hindrance for getting good people because they have to actually do some work to sit on the board? [LB48]

CLIFFORD SCOTT: No, I don't. I think...as the bill talks about having certain disciplines on the board, no, I don't. We run a business, quite frankly, and I run...I try to run our operation like a private-sector business. So this bill allows for various disciplines within the board. So I don't necessarily think at all that there would be problems with folks wanting to serve. We touch so many different people. We give \$3 million a month to landlords in west Omaha. You know, we provide coats for kids; we're almost up to 800 coats for folks throughout the city. You know, our units go as far as 153rd Street out west to downtown. We have a presence in south Omaha with the YMCA. And, obviously, we have a reach and scope in north Omaha. So, you know, we have the largest senior...we serve the largest amount of seniors in Omaha. So everybody...or this bill...the contents of this bill allows for various disciplines, and I think anyone who is willing to serve would, hopefully, benefit from having training and...ongoing training, very important. [LB48]

SENATOR KRIST: Thank you for your service. Thanks for your good work. Thank you, Chair. [LB48]

CLIFFORD SCOTT: Thank you. [LB48]

SENATOR McGILL: Yeah. Thank you. Other questions? I'm not seeing any. Thank you very much, Clifford. [LB48]

CLIFFORD SCOTT: All right. [LB48]

SENATOR McGILL: Next proponent. Are there any other folks here to testify in favor? Hello and welcome. [LB48]

PHILIP WAYNE: Hello. I didn't ache like this while I was exercising; it's only the day after. [LB48]

SENATOR McGILL: (Laugh) Been there. [LB48]

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PHILIP WAYNE: My name is Philip, with one "I", Wayne, W-a-y-n-e; and by profession I am a property manager. But I also come to you as the past chairman of the board of commissioners for the Omaha Housing Authority, as well as the current chairman of the board of commissioners for the Douglas County Housing Authority. And very much in favor and proponent of the bill, and I appreciate Senator Ashford's good work in putting this together because it is much needed. I have just a few comments, one of which is for your consideration is that in the list of expertise it combines...let me turn to the page so you can see it, page 5, it talks about...it combines the various disciplines that make the board. And I would like for your consideration to think about, number one, real estate development or management. While we're in the same field, one builds the apartments and the other one manages it, there is a vast difference in the level of expertise between the two. And I found that being on both boards that to anyone's recollection or history I was the first property manager to ever be on one of those boards. And that expertise, particularly, aligns itself with the day-to-day operations and the machination that a HUD-sponsored authority would go through. So I would plead with you to possibly separate those two and put management at the top. (Laugh) So...and with that, I have no other further comments other than the fact that this bill is very much needed and very much desired and we appreciate, again, the efforts that you're going through to pass it. [LB48]

SENATOR McGILL: Well, thanks, Philip. Any questions? Nope, I don't see any. Thank you very much. [LB48]

PHILIP WAYNE: Okay, thank you. [LB48]

SENATOR McGILL: And Katie has asked me to remind folks to fill out a green sheets, by the way, so just useful for us. Anyone else here in favor of this bill? Anyone here opposed? Neutral? All right, Senator Ashford. [LB48]

SENATOR ASHFORD: Thank you. I just want to make a couple quick comments. It's good to see Phil Wayne again. He did a terrific job at OHA during a time of great transition when the housing authority was required to add 300 units, very difficult to do into a housing authority. And Phil's expertise was critical and I'm sure, as well, at the Douglas County Housing Authority, really a true citizen board member who put...as did his colleagues, a tremendous amount of time in doing a task which, at least when I left in '06, seemed very, very challenging. And secondarily, Cliff Scott, his comments are right on. We're extremely fortunate to have him in Nebraska, in Omaha. As I said, it's a very, very difficult job to do. And I just would say, you know, Phil mentioned this and also Cliff, that I can recall in the challenges of dealing with the population in Omaha, 50 percent of our young people are born into poverty...of our live births are born into poverty every year and those people need to be housed. And, you know, 40 percent of our babies are born to moms who are unwed and who are single. And many of those societal issues fall upon the housing authority. And I know Cliff has had this experience,

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and Phil as well, I can recall going to...there was a wonderful story in the World-Herald about the "Impact One" Director and going to the...all the shootings and trying to stop retaliatory shootings, Jannette Davis (sic - Taylor), and I second that, because I know Cliff has been in this boat, and Phil, any of us who have been in public housing going to scenes of violence and, you know, I recall a case where a young girl was shot in her bed, sleeping in her bed on 29th and Burdette, and those other children in that public housing unit, the four or five other children that as I believe that's the number, are traumatized for life. And it's the housing authority director, the staff, the board members who have to deal with these kinds of things, and I'm just incredibly impressed by the work that's being done at OHA and at Douglas County Housing Authority, so thank you. [LB48]

SENATOR McGILL: Thank you, Senator Ashford. And with that, we'll end the hearing on LB48 and you can go ahead and open on LB49. [LB48]

SENATOR ASHFORD: Thanks. Thanks, Madam Chair, members of the committee. LB49 is a bill that asks the housing authorities from Douglas County and the city of Omaha to see if they can work out an agreement to merge into one regional housing authority effective January 1, 2014. The Douglas County Housing Authority has an excellent track record and Cliff Scott...the OHA under Cliff Scott's management has, as he suggested, no longer is OHA in troubled status. I believe his budget is in the \$60-million range, but he is...and they are well-positioned cashwise which was not the situation when he took over. It's a stronger housing authority. Douglas County Housing Authority is clearly a strong housing authority. And I know when I was at OHA we tried on several occasions to see if we could find a way to merge the two housing authorities. The Douglas County Housing Authority is a creature of the Legislature. I believe it was in the early '80s that the Douglas County Housing Authority was formed. At this point in time the rules and regulations from HUD are identical; the missions are identical. They, obviously, have taken different tax a little bit, the housing authority of Douglas County has a different...somewhat of a...strategies are slightly different, but they both serve very much the same population. And as the city and the county really merge into one, I think there are an awful lot of good reasons to...and I believe in talking to Joan Bertolini at Douglas County, and certainly Cliff at Omaha Housing Authority, that they both have an interest in working to see if they can come up with a unified regional housing authority. So with that, I would urge the members to...for their support on LB49. [LB49]

SENATOR McGILL: All right, thanks. Are there any questions from the committee? No? First proponent of this bill, is there anyone here in favor? Oh, Cliff, is coming back up? [LB49]

CLIFFORD SCOTT: Very briefly. [LB49]

SENATOR McGILL: All right. We like brief. [LB49]

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CLIFFORD SCOTT: Yeah. Do I have to state my name again? [LB49]

SENATOR McGILL: Yes. Yes, say your name and spell it again, please. [LB49]

CLIFFORD SCOTT: Clifford Scott, C-I-i-f-f-o-r-d S-c-o-t-t, chief executive officer Omaha Housing Authority. As the Senator spoke, it's important to note that the housing authority has roughly a \$60-million budget, as Senator Ashford talked about. Any time a merger of this nature is proposed, it's very important that we all look at all aspects of a merger, economies of scale, how it impacts constituencies and people. So I think that it's important for this particular bill to make sure that from the housing authority's perspective that OHA does take the lead in any kind of merger, discussion, and plan. The housing authority would have liked to have seen some more comprehensive language in the bill in relation to who is the lead agency. Prior to that, we would look to move forward and something of this nature. But regionalism in many communities is taking much more hard...much harder looks at, and in the event this bill moves out of this committee, we would certainly hope and advocate that the housing authority be the lead entity in any kind of merger discussion. [LB49]

SENATOR McGILL: All right, thanks, Cliff. Questions? I don't see any. Thank you very much. Anyone else here in favor? [LB49]

SENATOR KRIST: (Inaudible) stop now. [LB49]

SENATOR McGILL: (Laugh) Familiar faces. [LB49]

PHILIP WAYNE: Thank you. Again, my name is Philip, with one "I", Wayne, W-a-y-n-e, and I am currently the chairman of the board of commissioners for the Douglas County Housing Authority. And I forgot to mention in the previous bill, but as with this one, too, our board unanimously is very much in favor of both of these bills. Bringing these two agencies together is going to be touchy, because immediately there will be territorialism. And there are, I think, ways to handle that without getting into that kind of battle. And it would be our thinking that both boards would go their way and a new agency would be brought to fore and established on neutral ground with a new board, new director...not new director...well actually it would be new directors that would be voted by this new board so it would be a fresh and clean beginning. Because without that, I'm afraid that we're going to quickly dissolve into unnecessary conflict in putting the program together. So I would ask that there be no lead, that there be a new beginning, and perhaps language could be formulated that would address how this would be put together because it's not in the bill now and I think needs to be structured in a way that we're told what to do. And it would be my voice that we would have a new beginning with a new board and the existing boards would work together to accomplish what the direction of the new board should be. There would be new elections, new nominations, new

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everything; because that way we would start off fresh and we don't worry about bringing any baggage along with us. Not an easy task, Senator, but I think needs to be language in that regard for us to be, ultimately, successful. [LB49]

SENATOR McGILL: All right, thank you, Philip. Any questions? Senator Krist. [LB49]

SENATOR KRIST: Hi. Do you have a CEO associated with the Douglas County? [LB49]

PHILIP WAYNE: Yes, we do. [LB49]

SENATOR KRIST: Okay. Obviously you did a talent search and you brought that person in, you have all confidence in his or her ability...his or her... [LB49]

PHILIP WAYNE: Her. [LB49]

SENATOR KRIST: ...her ability? [LB49]

PHILIP WAYNE: Yes. [LB49]

SENATOR KRIST: What is the budget for Douglas County? [LB49]

PHILIP WAYNE: I want to say \$38 million, but I'm not positive, I'm...I just don't...I don't have that number, that's what I think it is, but I'm not sure. [LB49]

SENATOR KRIST: Okay. It's not very often that local political subdivisions come to us and tell us that they want us to tell them what to do. (Laughter) So you can understand how confused I am. But I'll make this comment, I really honestly believe that if we told you that we would like to have a new organization made up of the best talent that currently exists, that's about as far as this senator wants to go, because I think you've got all the talent in the world and all the...the communication skill is going. I was just reminded by Senator Ashford that this conversation wasn't even possible several years ago. So I would have to be convinced, I guess, that you want to be told and when the bill...and I understand your comments, I'm very respectful of those comments, because you've been there, done that, worn that T-shirt, but for me I certainly would be much more comfortable if Douglas County and the Omaha (Housing) Authority came together and said this is what we want to do, here is our plan. Of course, then we can always come back next year, if you haven't worked it out, and tell you what to do, but, you know, feel free to comment on that. [LB49]

PHILIP WAYNE: No, and I appreciate where you're coming from, I do; I possibly offered an impossible task. But if there can be some structure... [LB49]

SENATOR KRIST: Sure. [LB49]

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PHILIP WAYNE: ...that would be helpful because we as a board and our executive director realized that what we are attempting to do is much greater than each individual organization. The important thing is that we have a combined constituency that covers the entire metropolitan area. They need to be served and we are not convinced that it's being served best by having these fractional organizations working. Number two, there's a sea change that occurred in HUD, and as a consequence housing authorities and how they operate, we are seeing changes that we never envisioned that would have occurred, and we're seeing constraints on our finances. Just a snapshot, you know, we are supposed to have at the end of the year made zero money, we're nonprofit. And we submit a HUD...a budget to HUD and say this is what we need to operate. Then through the magic of their computers and so on, they redefine the budget and bring it back to us and say, no, this is what you really need to break even. Oh, and incidentally, we're only going to give you 80 percent of what you asked for. So we walk into this knowing that we're at a deficit. I know OHA and we have well have closed our offices a day a week; we have put people part-time; we have let people go. We are not doing the kinds of management that we need for the long-term survival of the physical plant, much less to the benefit of our tenancy. This is not going to change. So we've got to come together for the economy of scale that this will afford and have the brightest and best be able to manage this organization so that we can withstand the rigors of what's happening to us through HUD and...it's a vis-a-vis Washington. And so there's no question that this has got to happen. We want it to happen in the best way possible, and we're willing to give up chairmanships, boardships; our CEO has said, if I'm done, I'm done, if it's for the value...or the greater good which is so critically in front of us right now. [LB49]

SENATOR KRIST: Thanks for your service. [LB49]

PHILIP WAYNE: Yes. [LB49]

SENATOR KRIST: And thanks, Chair. [LB49]

SENATOR McGILL: That's great. Senator Ashford. [LB49]

SENATOR ASHFORD: Yeah. Philip, I...I honestly in my years of being involved in government, in all the years that I was in housing, I have never been so impressed by testimony in my life. Both you and Cliff are bringing to us the kind of collegiality and collaboration that we need to do in government throughout. And I'm just amaze...it's just amazing to me what you guys have accomplished, and Joan, and George, and everybody else. Affordable housing is tough. And I can't recall...we have 4,200 vouchers at OHA, Cliff, and how many are there at...about 1,200 at... [LB49]

PHILIP WAYNE: 1,700. [LB49]

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SENATOR ASHFORD: Seventeen hundred, those are vouchers. Those people go throughout the community to find housing and to make sure that that housing is adequate, it's a challenge to both agencies. And then to develop other housing as a housing authority, you know, keep it new and fresh and enough units is something that...well, we certainly don't appreciate the work you do to the degree we should and this discussion about finding a way to come together is very, very...very, very refreshing. And I commend you with all my strength here, because I lived it and there was nothing more I can say that...this is a terribly difficult job here, (laugh) but the job at OHA was quite something. So thank you very much for what you do. [LB49]

PHILIP WAYNE: Thank you. [LB49]

SENATOR McGILL: Thank you very much, Philip. Don't see any more questions, so. Is there anyone else here in favor of LB49? Anyone here opposed? Anyone neutral? Senator Ashford, would you like to close? [LB49]

SENATOR ASHFORD: I'll waive except just to thank everybody for all their hard work. Thanks, Madam Chair. [LB49]

SENATOR McGILL: All right. Now we'll move into a string of bills that I'm introducing, so John will get his first...it's not only his first hearing day, but first day to get to chair, if you will, so.

SENATOR KRIST: He'll be buying beers at the end of the day (inaudible). (Laughter)

SENATOR MURANTE: Kind of like a hole-in-one I guess.

SENATOR KRIST: That's right. (Laughter)

SENATOR MURANTE: We'll start with LB87, Senator McGill to open. [LB87]

SENATOR McGILL: All right, thank you very much, colleagues. I'm, of course, Amanda McGill and I'm here introducing LB87. This bill would modify the term of office when a vacancy is filled on a city airport authority for cities of the primary, first, and second classes and for villages. Under our current law, a vacancy appointment is made by the mayor and confirmed by the city council until the next election. This bill changes that so that the vacancy appointment is made for the entire remainder of the unexpired term. This will make a vacancy appointment to the city airport authority for these municipalities consistent with the vacancy appointment to the city council, in cities of the first and second class, and to the city airport authority in a city of the metropolitan class. Under current law, these appointments are for the remainder of the term. So the issue is that some cities are having trouble filling these vacancies on the airport authority because the members don't want to be appointed and have to turn around and run for

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office right away. So serving the remainder of the term will make the appointment more attractive and provide stability to the airport authorities in these areas. And this is a bill we've been working on with the League of Municipalities. [LB87]

SENATOR MURANTE: Okay, are there any questions for Senator McGill? Seeing none. [LB87]

SENATOR McGILL: All right. I'm just going to stay up here since it shouldn't take too long. [LB87]

SENATOR MURANTE: All right. [LB87]

LYNN REX: Thank you, Senator. [LB87]

SENATOR MURANTE: Proponents? Looks like Lynn. [LB87]

LYNN REX: Yes. Senator, members of the committee, my name is Lynn Rex, representing the League of Nebraska Municipalities, L-y-n-n R-e-x. And we do appreciate Senator McGill introducing this legislation for us. And there will be an individual here from Crete, Nebraska, who will explain the particular importance of this measure to them. If you turn to page 2 of the bill, you'll note that the operative language is on lines 21 to 24. And what it is simply doing is striking language to make it clearer that any vacancy on such board should be filled by appointment by the mayor with the approval of the city council to serve the unexpired term, as Senator McGill already noted. So this is an important measure, especially for cities who are trying to make sure that there are people that will serve in these key positions. And I'd be happy to answer any questions that you might have. [LB87]

SENATOR MURANTE: Are there any questions? Senator Krist. [LB87]

SENATOR KRIST: Thanks for coming, Lynn; and thanks, Chair. This does not relate to cities of the metropolitan class? [LB87]

LYNN REX: No. If you look on lines...page 2, line 15, it basically applies to everybody except a metropolitan-class city. [LB87]

SENATOR KRIST: Can I ask why? [LB87]

LYNN REX: Because they have their own set of statutes. [LB87]

SENATOR KRIST: Okay. So we're only talking about...how many airport authorities are we talking about across the state, do you know, have any idea? [LB87]

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LYNN REX: Oh gosh, I don't know offhand. [LB87]

SENATOR KRIST: Next guy will answer that? [LB87]

LYNN REX: I think one of our testifiers will be able to address that, Senator. [LB87]

SENATOR KRIST: All right. Thanks, Lynn. [LB87]

LYNN REX: Thank you. [LB87]

SENATOR MURANTE: Are there additional questions? Seeing none, thanks for

testifying. [LB87]

LYNN REX: Thank you very much. [LB87]

SENATOR MURANTE: Are there additional proponents? [LB87]

JERRY WILCOX: Thank you [LB87]

SENATOR MURANTE: Can you please say and spell your name? [LB87]

JERRY WILCOX: Yes, my name is Jerry Wilcox, J-e-r-r-y W-i-l-c-o-x. I'm the city clerk, treasurer at the city of Crete. Vice Chair and committee members, thank you for having me here. Thank you, Senator McGill, for introducing this. I'm not sure exactly how many airport authorities are in the state. I'm guessing there is probably at least one in each county. There are some county airport authorities, I think. But anyway, in my case every two years on the even years for the elections, we have five airport authority members. They don't get paid; they're volunteers. It's kind of hard to get them to sign up to be reelected, not because they don't want to, but they're just not used to running for office, it's not something they do. We can fill all the paperwork out for them, but they still have to go to the courthouse and...so when it comes time to certify the election, the county clerk has to call and get that all straightened out, and I think they would really appreciate this kind of action also. [LB87]

SENATOR MURANTE: All right, are there any questions? Thank you for your testimony. [LB87]

JERRY WILCOX: Certainly, thank you. [LB87]

SENATOR MURANTE: Further proponents. [LB87]

RODNEY STORM: Chairman, committee members, my name is Rodney Storm, R-o-d-n-e-y S-t-o-r-m. I'm the city manager...city administrator for the city of Blair,

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Nebraska. I also have the honor of serving as the airport manager amongst a whole bunch of other titles. I'm here today to support LB87 on behalf of the city of Blair, the Blair Airport Authority, and the Nebraska Association of Airport Officials. As you've heard, across the state, as you well know, our airports are a vital part of the infrastructure for the state's economy; they provide the services necessary for the communities to be able to stay competitive in today's world. And it will continue to get harder to try to get people to serve on your...I want to say special purpose entities such an airport, and to be able to provide the time necessary to become informed, to be able to take on the responsibilities not only to manage an airport from a financial standpoint, but also for managing that airport to make sure that it is safe for the pilots, the tenants that are utilizing that airport, and the (inaudible) the public as well as the citizens in the surrounding area. LB87, of course, would be, we think, a big step in helping us secure good qualified candidates that once they have made that appointment they don't have to, as earlier testified, worry about be turned around and run for election immediately and give them time to be able to get acclimated to the responsibilities and the needs of the airport. So we would encourage you to consider support for this LB87. [LB87]

SENATOR MURANTE: Thank you very much. Are there any questions? [LB87]

SENATOR KRIST: Thanks for all your good work at Blair. [LB87]

RODNEY STORM: Thank you. [LB87]

SENATOR KRIST: I have occasion to use your airport and it's lovely. [LB87]

RODNEY STORM: Thank you. [LB87]

SENATOR MURANTE: All right, thank you very much. Are there additional proponents? Are there any opponents? Are there any neutral testifiers? Seeing none, Senator McGill to close. [LB87]

SENATOR McGILL: (Laugh) I'm not neutral, I support this bill. [LB87]

SENATOR MURANTE: That's good to know. [LB87]

SENATOR McGILL: (Exhibit 2) Real quick, just to end, I do have a letter of support from the city of Lincoln that I forgot to share at the beginning, so. With that I close. [LB87]

SENATOR MURANTE: All right, and we are closed on LB87. We'll move to LB111, Senator McGill to open. [LB111]

SENATOR McGILL: Thank you, Vice Chairman. Good afternoon again, I'm still Amanda McGill and I'm here to introduce LB111. This bill amends the state budget act beginning

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in Section 13-501 to authorize cities of the first and second class and villages to switch to biennial budgets if the city council so chooses. Budgeting for two years rather than one will give these cities the opportunity to do more long-range fiscal planning to stabilize their expenditures and taxes. The Legislature gave the authority to adopt biennial budgets to cities of the metropolitan and primary classes in 2000. And this bill is actually very familiar to those of us who were on the committee last year. I brought it before us and we unanimously sent it out to the floor, but we just never got to it on the agenda. So I ask for your consideration this year passing this forward. [LB111]

SENATOR MURANTE: Thank you, Senator McGill. Are there any questions? Seeing none, we'll move to proponents. Welcome back. [LB111]

LYNN REX: Thank you. Senator, members of the committee, my name is Lynn Rex, L-y-n-n R-e-x, representing the League of Nebraska Municipalities. And we appreciate Senator McGill introducing this measure as well. If you look on page 4 of the bill, you'll note that on line 14, as Senator McGill stated, page 4, line 14, primary metropolitan-class cities already have this authority which was granted back in 2000, as she noted, with passage of LB1116. And then we would add: first-class cities, second-class cities, or villages. And last year when LB868 was introduced before this committee, that also was a League bill and a committee bill and it only would have applied to first-class cities and I think, Senator Krist, you were the one that said, gosh, what about second-class cities and villages, why not just put them all into one. And so that was done. And in addition, the bill that we had in, LB868, last year would have also required a vote. And this committee very dutifully indicated that that's something that's administrative in character and that's something the city council itself should be able to do. So this bill was advanced out unanimously with standing committee amendments to add second-class cities and villages, delete the requirement for a vote of the people, only require a vote of the city council. And as Senator McGill stated, this bill was not considered due to lack of time last year. You'll note that everything in here is basically harmonizing language. I would ask you to turn to page 8 of the measure. This is also harmonizing, but so that you can get a sense of what this would do; right now if your operating budget does not exceed \$10,000; I'm on page 8 of the bill, lines 5 through 10; if your budget does not exceed \$10,000, then you can go ahead and post. This would just make it \$20,000 if you're going to do a biennial budget. So everything else in the bill is simply harmonizing language for a biennial budget. And the mayor of Crete is here to talk about this because they're interested in this. And I would be happy to respond to any questions that you might have. [LB111]

SENATOR MURANTE: Thank you very much. Are there any questions? Seeing none, thank you, Lynn, for your testimony. [LB111]

LYNN REX: Thank you, Senator. [LB111]

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SENATOR KRIST: Who is actually running the city of Crete while you two are out? [LB111]

ROGER FOSTER: (Exhibit 3) Mr. Vice Chair and members of the Urban Affairs Committee, my name is Roger Foster, R-o-g-e-r F-o-s-t-e-r. I have the pleasure of serving as Crete's mayor. I'm here to testify in favor of this bill. Last year I testified that moving to a biennial budget cycle would help us save time, allow us to do more long-term planning, give us greater purchasing power, and protect against inflation on expenses we know we'll incur throughout the budget and I feel the same today. As you all well know, we're all being asked to do more with less, so any small changes we can get to make the most of our resources, I feel is our responsibility to find. I thank you for your consideration and would answer any questions you may have. [LB111]

SENATOR MURANTE: Thank you, Mr. Mayor. Are there any questions? Senator Karpisek. (Laughter) [LB111]

SENATOR KARPISEK: Thank you, Senator Murante. Welcome, Mayor. Just...because I have to do it to you, of course, (laughter) but you'd be able to go in and amend anything if it didn't work out right, correct? [LB111]

ROGER FOSTER: Correct. Just like we do now. I think the biggest advantage would be with some of those large purchases that we have made for years and years and years that we could maybe have a little more buying power if we purchased for a two-year period, or if we had...just say that we had two cruisers over a two-year period for the police department to be replaced. We could purchase those under the state contract from the first year as opposed to the second year and just protect against that average of 3 to 5 percent inflation. [LB111]

SENATOR KARPISEK: Well, and I think we do a two-year cycle here, so it would make sense. Thank you for coming, Roger. [LB111]

ROGER FOSTER: Thank you. [LB111]

SENATOR KARPISEK: Thank you, Senator Murante. [LB111]

SENATOR MURANTE: Thank you. Any more questions? Thank you very much. [LB111]

ROGER FOSTER: Thank you. [LB111]

JOE KOHOUT: Vice Chairman Murante and members of the Urban Affairs Committee, my name is Joe Kohout K-o-h-o-u-t, appearing today in capacity as lobbyist for the United Cities of Sarpy County. Last year LB...in the previous version of this bill that is

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brought this year as LB111, it was the exact concern that Senator Krist raised that two of our cities wanted to take advantage of this and the committee, rightfully, amended the bill and sent it out. And so we appreciate in this year's drafting that we were...that those two cities were included. So with that, I'll try to answer any questions you might have. [LB111]

SENATOR MURANTE: Are there any questions for Joe? Joe, I have one question for you. Of the cities in Gretna, do you know if the new...or the cities in Sarpy county, do you know if the new administration in Gretna plans on taking advantage of this bill? [LB111]

JOE KOHOUT: I don't know if they...I know in previous administrations that they had a concern that they wanted to be included. And so I can't tell you if the plan is to do it other than to say we have the authority and if this is the way it's going to be, we'd like to go down this road. [LB111]

SENATOR MURANTE: All right. Thank you very much. [LB111]

JOE KOHOUT: Um-hum. [LB111]

SENATOR MURANTE: All right. [LB111]

JOE KOHOUT: Thank you. [LB111]

SENATOR MURANTE: Are there any additional proponents? Are there any opponents? Is anyone here in the neutral? Senator McGill. [LB111]

SENATOR McGILL: All right, I will just waive closing on that. [LB111]

SENATOR KRIST: I smell an ornament on a Christmas tree, don't you? (Laughter) [LB111]

SENATOR McGILL: Yes, well, I've got a couple more. (Laughter) [LB111]

SENATOR MURANTE: And with that we have LB112. Senator McGill. [LB112]

SENATOR McGILL: Yes, yes, I am, yet again, still Amanda McGill. I'm here to introduce LB112. And this is, again, is a bill that comes from the greatest hits of 2012 that didn't actually get all the way to the floor...or didn't...we ran out of time to hear on the floor. This is the bill that transfers certain duties that are currently the responsibility of the city clerk to the city treasurer. These duties relate to keeping records and reporting on the outstanding bonds of the city or village and the information that is needed by the city clerks for the reports is kept and generated by the city treasurer and it would be much

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more efficient for the treasurer to keep the records and create those reports. So this expands the duties of the treasurer to require that the treasurer prepare lists, then collect all special assessments, and currently our state statutes only require the treasurer to prepare lists of paving and curbing...curbing tax. So like I said, this was a bill we advanced out of committee last year, but we never...we didn't have time for on the floor. [LB112]

SENATOR MURANTE: All right, are there any questions for Senator McGill? Seeing none, are there any proponents to LB112? [LB112]

GARY KRUMLAND: Senator Murante, members of the committee, my name is Gary Krumland, it's G-a-r-v K-r-u-m-l-a-n-d, representing the League of Nebraska Municipalities appearing in support of LB112. I want to thank Senator McGill for introducing this bill again and thank the committee for putting it on General File last year. As she mentioned, it applies to cities of the first class, second class, and villages, and basically transfers duties from the clerk to the treasurer. There is some reporting duties now that the clerk has to do. If you have a separate clerk and treasurer, basically the clerk has to go to the treasurer to get the information to do the report. They both do annual reports, so it's just as simple to have the treasurer just do it up-front rather than transfer the information and do that. There are two minor substantive changes, other than transferring, the current law has an antiquated reference to schools that if you kept school money you had to have certain amount of bond...or city and school money and cities don't keep school money anymore so we just strike that. I think that was the committee amendment last year. And then as Senator McGill mentioned, current law says that treasurers have prepared lists of paving and curbing special assessments and this basically says the list would apply to all special assessments. So basically it's just a transfer of duties. And to be real honest, in a lot of the smaller communities, one person holds both the clerk and treasurer positions so it's really not going to have much of a change. But in the larger cities where they do have separate duties and separate offices, it will be a big help, so. [LB112]

SENATOR MURANTE: All right, thank you for your testimony. Are there any questions? Seeing none, thank you for your testimony. Are there further proponents? [LB112]

KAY DAMMAST: Vice Chairman and Senators, thank you for allowing me to appear before you again. I was here last year when we introduced this bill. I am Kay, K-a-y, Dammast, D-a-m-m-a-s-t, and I'm the city clerk for the city of Bellevue. The purpose of the bill is to transfer the bond recording duties that are outlined in statute from the city clerk to the city treasurer. I'm only the city clerk, only the city clerk in Bellevue. The city treasurer is in full accord with this bill. It's not anything that he isn't doing already, it just gives him the responsibility rather than me, he has the records. I don't want you to get the impression that we don't get along, we do. Our offices are side by side in city hall and we interact on a daily basis. Eleven years ago when I was appointed to the position

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of city clerk in the city of Bellevue. I had served as...before that time. I had served for 19 years as the city clerk-treasurer for Nebraska City. So I had this ingrained in me already. I was doing this as part of my job; I thought nothing of it, until I got to Bellevue and realized I don't have access to these records. And it was just...I then went to the statutes and said where is this coming from? Is this just in city code or is this in statute? And it was. And I thought, with the city treasurer's backing for it, perhaps we could just transfer those duties so that I'm...it doesn't appear that I am not doing my job, but he is much better prepared to be able to do it. He'll continue with the reports; won't be any problems whatsoever with that. The little minor things that are clearing up as far as the school district, we don't have the funds of the school district anymore, might as well get that out of there. And we...it also clears up...just clarifies a section of the Records Management Act, it doesn't change anything. I will tell you that it caused a little stir among the city clerks and treasurers in the state when they first read the one-liner explanation of the bill and I started getting lots of e-mails saying, what is this? One clerk even asked me if I would outline all of the duties of the city clerk that were mentioned in statute. I don't have enough time in a year to mention all of those. This is just for bond recordings. I take care of all the paperwork for bonds issuing up until the time they are issued. But once they are issued, they get transferred to the finance department and the city treasurer makes the semiannual payment of the interest and principal on those bonds. And that's literally the entire bill. I think it's noncontroversial. I thank you for giving it attention and hope you'll pass it on. Thank you. [LB112]

SENATOR MURANTE: Thank you. Are there any questions? Seeing none, thank you, Kay. Are there additional proponents? Are there any opponents? Is anyone here neutral? Senator McGill to close. [LB112]

SENATOR McGILL: I will waive closing. [LB112]

SENATOR MURANTE: All right, then we're closed on LB112 and move to LB113. [LB112]

SENATOR McGILL: All right, I am state Senator Amanda McGill and this is not a repeat bill. This bill makes changes regarding when a mayor of a city of a second class can vote on an issue that is before a city council. So under current law, a mayor in a city of the second class may vote when the city council is evenly divided. So in most second-class cities, they are four-member councils, they can break a tie. So if it's a two-to-two vote, they can go ahead and cast their vote and get a majority. But this bill would authorize that the mayor could vote when that vote would be required to create a majority of the elected officials that are there. So, in first-class cities if you, for instance, a member is missing, so you have a two-to-one vote on an issue. But in order for ordinances, contracts, and other matters to pass, they need three votes. So...because a city council is not evenly divided, the mayor cannot vote as a...well, now I'm getting myself all confused. So this would allow...instead of it sitting open at a two-to-one vote

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for that mayor to go ahead and participate in the vote to make it the three needed for...to pass a contract or get approval. This is the same thing that happens with a mayor in a city of the first class. So just trying to make them the same there. And I guess if you have any questions, I think I kind of jumbled that explanation, but hopefully you get the gist of what I'm saying. [LB113]

SENATOR MURANTE: Senator Coash. [LB113]

SENATOR COASH: Thank you, Senator Murante. Senator McGill, is this going to be the same kind of thing where next year you'll be adding third class and villages? [LB113]

SENATOR McGILL: I don't know, that is a good question, because you're right, if we're going to do it, we may as well, once again, do it that way. This is a bill brought to me by the League of Municipalities. So they will follow me here testifying and perhaps they can share if those other sizes are interested in that. [LB113]

SENATOR COASH: Okay. [LB113]

SENATOR MURANTE: Are there any other questions for Senator McGill? Thank you very much. [LB113]

SENATOR McGILL: All right, thanks. [LB113]

SENATOR MURANTE: All right, are there proponents to LB113? [LB113]

GARY KRUMLAND: Senator Murante, members of the committee, my name is Gary Krumland, G-a-r-y K-r-u-m-l-a-n-d, representing the League of Nebraska Municipalities appearing in support of LB113. And Senator McGill, I appreciate her introducing this and she did a good job of explaining what it does. (Laughter) No, I think she did. And just to repeat, the city of the second class is a city with a population between 800 and 5,000. So it's the smaller cities with a mayor-council form of government. If you get below that, you get a village form of government and they don't have a chief executive officer that they elect separately, they have a village board and the board elects the chair. So they act as both administrative and executive branch, so they...this does... [LB113]

SENATOR COASH: Can't go any lower. [LB113]

GARY KRUMLAND: Yeah, can't go any...it doesn't do that, and then the other two primary metro classes, Lincoln and Omaha, are governed by charter and home rule. So this is basically standardizing the procedure in statutes for the two cities that are covered by statute. And as she mentioned, there are situations...well, the law requires that a lot of things...resolutions, ordinances, appropriations of money, contracts, be

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approved by a majority of those elected. So if you have a six-member body, that would mean four; if you have a four-member body that would mean...oh, excuse me, there would be five...four-member body you would have to get three votes. And you have a situation very often where if you have one person gone with four council members and it's a two-to-one vote, you don't have the necessary votes to pass it, even though the majority is in favor of it. So this would say in those situations, the mayor can vote, the mayor's vote would be the necessary vote to get the three votes and they could pass it. And this is what the city of the first class have been doing for quite a few years and this clarifies it just for the city of the second class. [LB113]

SENATOR COASH: (Inaudible.) Thanks. [LB113]

GARY KRUMLAND: I'd be happy to... [LB113]

SENATOR MURANTE: Are there any questions? I have one, actually. [LB113]

GARY KRUMLAND: Yeah. [LB113]

SENATOR MURANTE: So Gretna, at least for the moment, is a second-class city; although I think we'll be moving up fairly soon. As I read how the bill is written, it doesn't require any absence. It just requires if there is one vote necessary to make a majority. [LB113]

GARY KRUMLAND: Right. [LB113]

SENATOR MURANTE: So the vote could be two to two. [LB113]

GARY KRUMLAND: Yeah, and right now the law says if the vote is two to two, if they're evenly divided, the mayor can vote. It's just that there are situations where it ordinarily would be two to two, but one...or maybe three to one, but one person is absent, so it's two to one, or somebody has declared a conflict and is abstaining so it's two to one. [LB113]

SENATOR MURANTE: Okay. [LB113]

GARY KRUMLAND: So it just kind of puts everything in limbo because the majority supports it, but it just didn't get enough votes under the state law that would be...need to pass the ordinance or the contract, or whatever. [LB113]

SENATOR MURANTE: Okay. Are there any additional questions? All right, thank you very much. Are there additional proponents? [LB113]

DOUG WALKER: Senator Murante and members of the committee, I thank you for the

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opportunity to testify. My name is Doug Walker, D-o-u-g W-a-l-k-e-r, I'm the city attorney for Alma, Nebraska. We're a second-class city. I have represented first-class cities in my career, second-class cities and villages, and primarily second-class cities though. And I can tell you this has been a source of great problems for the second-class cities, especially for Alma over the years, because we've been very blessed to have some really good members of our city council. Right now we have the director of the Lower Republican NRD who has to be gone frequently with the Nebraska-Kansas litigation issues for maybe two or three weeks at a time. We have our superintendent of schools, we have a Chartered Life Underwriter that writes credit life insurance for banks all over the state of Nebraska. We have really good people, but this also necessitates that they are going to miss some meetings. And when you have that happen right now, everything has to be unanimous at every meeting or we don't have a full city council. And it has definitely created problems for us in the past. And this is very necessary to have this so that the mayor can vote and create a majority in those instances. I've seen it work very well in its first-class city situations where, maybe, you have a ten-member council, one member is missing, it goes to a five-to-four vote and then the mayor puts the vote on to let something pass. The second-class cities are just asking for this same ability to do the same thing the first-class cities have done. And as Gary Krumland explained in the villages, the village board system, you never have this question come up because the chairman of the board votes with everybody else. So this just unifies things and allows the second-class cities to have the same situation that the first-class cities and the villages do. And having represented all those classes, I would really urge the committee to advance this and pass it. [LB113]

SENATOR MURANTE: Thank you very much. Are there any questions? Seeing none, thanks for making the drive in from Alma. [LB113]

DOUG WALKER: Yep, you're welcome. [LB113]

SENATOR MURANTE: Are there additional proponents? Are there any opponents? Is anyone here neutral? Senator McGill to close. She waives closing. And I believe that is it. [LB113]

SENATOR McGILL: That will end the hearing. [LB113]

SENATOR MURANTE: That will end the hearing. [LB113]