

Transcript Prepared by Clerk of the Legislature Transcribers Office
Government, Military and Veterans Affairs Committee January 23, 2020

BREWER: Good afternoon, ladies and gentlemen. Welcome to the Government, Military and Veterans Affairs Committee. My name is Tom Brewer, I am representing the 43rd Legislative District of western Nebraska. We will go ahead and start by introducing committee members, starting on my right with Senator Hilgers.

HILGERS: Mike Hilgers, District 21: northwest Lincoln and Lancaster County.

La GRONE: Andrew La Grone, District 49: Gretna and northwest Sarpy County.

KOLOWSKI: Rick Kolowski, District 31: southwest Omaha.

HUNT: I'm Megan Hunt, District 8: midtown Omaha.

BREWER: I've got several senators that are introducing in other committees, Senator Blood, Senator Hansen. And Senator Lowe is just AWOL, I don't know where he is. To my right is legal counsel Dick Clark, Senator La Grone is the Vice Chair, and to my left is Julie Condon, who is the committee clerk. Our page today is-- hold it, it changed. Michaela, correct?

MICHAELA McBRIDE: Yes.

BREWER: Yes. All right, you're no longer AWOL. Welcome. John, you want to introduce yourself real quick?

LOWE: John Lowe, District 37.

BREWER: Kearney. I'll help you with that. All right, today we've got two public hearings. LB890 and LB763. A couple administrative things that we need to run through real quick. Make sure that your cell phones are muted and any other electric, electronic devices that you have. Just be aware that the, the senators will be using their computers during the hearing. Don't take offense to that. That's just how things are nowadays. If you wish to record your attendance, there's a white sheet. If you wish to testify, please fill out one of the green sheets. If you have materials to hand out, be sure that you provide at least 12 copies. If you want letters to go before the committee here, be sure they're in before 5:00 on the day before the public hearing. Letters must include your name, address, the bill number and your position on the bill either for, against, or neutral. No mass mailings will-- mass e-mailings will be accepted. The

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testifier will be seated in the front of the room. We'll ask that you state your name and then spell it, and speak clearly in the microphone so it is recorded properly. After the Senator's opening statement we'll have proponents, opponents, and those in the neutral capacity, and then it will be open to the senator to close if they're available. Today, we'll use the five-minute time limit on the light system. You'll have a green light to start, your amber light will come on with a minute to go, and then your red light. And because some people don't pay attention, I also have an alarm set here. So one way or the other, you will stop after five minutes. With that said, Senator Hilgers, welcome to the Government Committee. You may begin whenever you're ready.

HILGERS: Thank you, Chairman Brewer and fellow members of the Government, Military and Veterans Affairs Committee. My name is Mike Hilgers, M-i-k-e H-i-l-g-e-r-s, I represent District 21, which is northwest Lincoln and Lancaster County. I'm opening today on LB890. I'll be fairly brief. This is the latest step in a multi-year effort to expand the use of design-build in the state of Nebraska. Design-build is, is a means of designing and constructing large construction-- or construction projects that are meant to save money through that process. So the typical way that this goes is you have a design-bid-build. And so in a design-bid-build process you have essentially three steps. That step, each step has to be done sequentially. And because they're sequential, that takes time to complete each one. It makes for a longer process. When you have design-build, some of those steps are done in parallel. And so you save time, and a larger project can save a significant amount of money. But as I said, this is the latest step in an effort to expand this. There's actually been a pretty significant history of this type of concept being approved by the Legislature over the last five years. In 2015, LB960 was a bill that introduced the concept for this Department of Transportation. It allowed, it permitted from-- Senator Smith, introduced the bill, permitted the state Department of Transportation to have design-build contracts. It passed the Legislature. Last year in front of this committee I brought LB583. When I introduced the bill, it was to permit counties over a certain size, I believe 150,000 was the green copy of the bill, to also have design-build capabilities. We amend-- this committee amended it, I believe unanimously, to include the city of Omaha. On the floor, LB583 was amended again to include all counties, so not just-- there was no population threshold. So that passed. I don't recall the vote count, but I believe it was-- I don't believe there was any opposition either

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in the committee or on the floor last year. That was passed into law, signed into law. And LB890 is to expand that to allow cities, other than Omaha has the authority already, to allow cities to use it in the construction for water, wastewater, utility, or sewer construction. So it's, ultimately this is another tool in the toolbox for not that many projects, frankly, will probably qualify for design-build. The ones that do are the ones that, where this will save, we think will save money by reducing the time to completion, reduce your construction inflation costs, get these projects done faster, and get them done and in a quicker timeline. There are-- I'm happy to answer any questions. There are at least one testifier behind me who, from the city of Lincoln, who can answer additional questions. But with that, I'll cease my opening and entertain any questions if the committee has any.

BREWER: All right, questions for Senator Hilgers? All right, you'll stick around for closing?

HILGERS: Yes, sir.

BREWER: Good. Welcome to the Government, Military and Veterans Affairs Committee.

TOM CASADY: Good afternoon, Senator Brewer and members of the committee, and thank you very much for this opportunity to testify. My name is Tom Casady, T-o-m C-a-s-a-d-y, I'm testifying on behalf of the City of Lincoln in support of LB890. I'm the interim director of Lincoln Transportation and Utilities Department, and I want to thank Senator Hilgers for bringing this bill. LB890 broadens the use of design-build and construction manager risk methods of project delivery to include water, utility, and sewer construction projects. The current law in Nebraska excludes these types of projects from those where design-build and construction manager risk contracts may be employed. We believe that this flexibility would be helpful to us in certain kinds of projects, as it has been in other construction projects. As Senator Hilgers mentioned, design-build is a process that allows a single contractor to bid, and if they are selected, to execute both the design and construction phases of a project. This is contrasted with design-bid-build where a contract is bid for the design of the project, followed by a second bid and selection process for the construction phase of the project. The use of design-build procurement has accelerated greatly in the United States in recent years because of the potential cost and time savings that may arise from its features. The shortening of the procurement and project calendar, the efficient phasing of projects, and more opportunity to

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encourage value engineering. We've used design-build and construction manager risk for many projects here in Lincoln. Most recently, I was involved in the construction of five fire stations for the city in which we used construction manager risk and found it to be very helpful, and I believe it saved us a considerable amount of money. We would hope to have that same option for consideration with projects such as water and sewer main construction if LB890 were to be enacted. Last year the Legislature enacted LB583, the Transportation Innovation Act, which authorizes design-build and construction manager risk for road and street construction. We'd like to have the same alternative available for our water and wastewater utilities in Lincoln so that we can consider that as an option in circumstances where it is appropriate. We believe this option will help us to provide our customers with the best service at the lowest rates. Thank you very much. I'd be happy to answer any questions.

BREWER: All right, thank you, Tom. All right, questions? Questions?

KOLOWSKI: I'll ask one.

BREWER: Go ahead, Senator Kolowski.

KOLOWSKI: Thank you, sir. Yes, sir. I appreciate your testimony. And would you go back as far as the design process you were using or what you called it before this one? Would you elaborate on that?

TOM CASADY: Well, yes, certainly. Thank you, Senator, for the question. In the traditional design-bid-build process, the city would let a bid specification for the design of a project. Let's, let's say it was one of those fire stations that I was involved in. We'd take proposals from architectural firms, we would select the firm with the the best proposal, that firm would design the fire station and produce the construction documents. After that was completed, we would let another bid and that would be for the actual construction of the project. And construction companies would look at that specification and prepare bids. We would select a construction company and the construction company would, would build the design that was presented to them by the architectural firm. You can probably see, just from my description, that that would be a lengthier process than if we had selected a single firm that both designed and built the project. But there are a lot of other advantages. The one that I found very compelling was the ability to work with the successful bidder to change the design as it was unfolding. And we used that for what's called value engineering. We made changes to save money that had, had

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the builder simply built what an architect presented, we would not have had that opportunity to make those changes on the fly.

KOLOWSKI: How many firehouses have you built in the last number of years?

TOM CASADY: We've done five in the past four years.

KOLOWSKI: How many of those were different companies?

TOM CASADY: There are--

KOLOWSKI: Five different companies?

TOM CASADY: No, two--

KOLOWSKI: Four different companies?

TOM CASADY: Two, two different companies.

KOLOWSKI: Two different companies?

TOM CASADY: Yes.

KOLOWSKI: Here in town?

TOM CASADY: Yes.

KOLOWSKI: And they bid on that process?

TOM CASADY: Yes, it's still a bid process. So there's still competitive bids listed, reviewed, evaluated, scored, and the decision is made based on those submittals from the, from the companies that have bid on the project.

KOLOWSKI: Thank you.

BREWER: All right, any additional questions? Seeing none, Tom, thank you for your testimony.

TOM CASADY: Thank you.

BREWER: All right. There we go. Mission is never done until the completion of the paperwork there.

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CHRISTY ABRAHAM: Thank you. Good afternoon, Senator Brewer and members of the Government Committee.

BREWER: Welcome back.

CHRISTY ABRAHAM: Thank you. My name is Christy Abraham, C-h-r-i-s-t-y A-b-r-a-h-a-m, I'm here representing the League of Nebraska Municipalities, and happily today, the city of Omaha. I just wanted to let you know that the League has recently been contacted by a municipality who is interested in doing a utility project using design-build. This community is a first-class city, so one of our larger communities. But they did feel that design-build would help on this project in terms of creating efficiency and letting them do the project in a more timely way. So I just wanted to let the committee know that it isn't just Lincoln who would benefit from this. There are communities across the state who I think would be interested in this and use it and have it just be another tool in their toolkit, if I can use that cliché. So thank you very much for your time today.

BREWER: All right, questions for Christy? Yes, Senator Kolowski.

KOLOWSKI: Thank you, sir. Is there a cash amount or dollar amount that you look at as a cut-off line one way or the other as far as the size of these projects?

CHRISTY ABRAHAM: You know, Senator Kolowski, that's a good question. I don't think the bill itself contemplates, you know, a dollar value in terms of, you know, a project that you can use design-build. I'm guessing there is some price point somewhere where using the traditional, as Mr. Casady said, the bid-build, the more traditional bidding works better than design-build. But apparently this utility project that this community was looking at was of such a price point that they really thought design-build might be helpful for them.

KOLOWSKI: OK, thank you.

BREWER: Additional questions? All right, seeing none, thank you, Christy.

CHRISTY ABRAHAM: Thank you so much.

BREWER: Don Wesely.

DON WESELY: Hey.

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BREWER: Welcome--

DON WESELY: Senator.

BREWER: --to the Government, Military and Veterans Affairs Committee.

DON WESELY: Mr. Chairman, members of the committee, for the record, my name is Don Wesely, D-o-n W-e-s-e-l-y. I am here representing the Greater Nebraska cities, that's Hastings, Grand Island, Kearney, Lexington, Minden, Holdrege, and Aurora. And they see this as an option they'd like to have. They may or may not use it, but if it's there and the project works, they'd like the chance to utilize it. Senator Kolowski, I actually am familiar with a firm called Ayars and Ayars, and they are design-build. That's all, that's really all they do. They don't bid on other projects that are the design-bid, bid, bid-build. And, and what happens is, so you have an architecture firm, they design something, or an engineering firm. Then you go back and you bid, put out a bid. Then you come back and the construction company is bid. By doing design-build, and I know this from this one company, they have their architects inside the firm. So they work with the construction guys, so they kind of know as they're working on the proposal and putting the plans together, already they know that this is going to save money, this is going to cost more. This is going to be better, this could be worse. So not only do you take a step out in the bid process, you actually kind of save money and get it done in a way that, overall, I think is a good value. But it's not for everybody. You don't have to do it this way. But the option might save some tax dollars and it's worth trying, I think. So we're here in support of the bill.

KOLOWSKI: Thank you.

BREWER: All right, more questions? All right, Don, you're going to get off easy.

DON WESELY: There you go. Thank you.

BREWER: Thank you. OK, any additional testifiers in support of LB890? Any in opposition? Come on up.

MATT BEVINGTON: Thank you.

BREWER: Welcome to the Government Committee.

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MATT BEVINGTON: Thank you, Chairman, members of the committee. My name is Matt Bevington, M-a-t-t B-e-v-i-n-g-t-o-n, and I am the owner and-- I am the owner of Valley Corporation from Valley, Nebraska. We are a midsized general contractor that performs underground utility excavating projects in the Omaha, Lincoln, and surrounding areas. I also serve as the president of the National Utility Contractors Association of Nebraska. Our organization represents nearly 90 utility contractor and associate members. Now I'm here on behalf of NUCA testifying in opposition to LB890. First of all, I'd like to to start by thanking Senator Hilgers and this committee for all the work that you guys have done, and, and gals, passing innovative legislation that has sped up the build time of some of our larger and complex projects while also saving the taxpayers money. I'm concerned, however, that LB890 has the potential to have the opposite effect if passed as written. My first concern is that the savings to the taxpayer would not be realized and our smaller communities would see a net negative benefit. This legislation would allow for the design-build process to be utilized on whatever size or type of project the entity would want and leave the door open for interpretation on contractor selection criteria. The competitive bid process currently has the advantage of providing a clear winner that is, that is low bid, which results in savings to the taxpayer. Design-build projects would also great, greatly reduce the number of contractors that could provide proposals and favor larger companies while putting our smaller and mid-sized firms at a competitive disadvantage. Most of the contractors in the state fit into the small to midsize category and do not have the capital or resources required to undertake this type of project delivery method. Our membership is spread all over this great state and they employ and invest in their community. By favoring larger contractors our small local communities will ultimately suffer. While design-build can prove to save the taxpayer money and shorten build time for large, complex projects, I've seen no evidence to support the fact that it is scalable down to the small and midsized project level. Simply put, where is the benefit? My second concern would be transparency. The current system allows for multiple bidders which are opened publicly and awarded fairly to the responsible low bidder. This transparency ensures again that the work is awarded to the lowest qualified bidder and not the bidder with the best marketing department. We hold ourselves to, to a higher standard and work hard to do things the right way. The sheer volume of projects this legislations opens up would hinder the checks and balances we currently have in place and create opportunities for misuse in a system that is already working. We believe there is a place for

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design-build projects and they should be reserved for the larger and more complex projects. NUCA of Nebraska prides itself on bringing positive solutions to the table and has a proven record of working with the Legislature. We'd like the opportunity to work with your committee and improve LB890 so it can better serve our small communities, businesses, and taxpayers. Thank you, committee, and I'll open up for questions.

BREWER: All right, thank you, Matt. All right, questions? Senator Kolowski.

KOLOWSKI: Thank you, sir. I just wanted to check on distance traveled outside of Lincoln or Omaha if we have a project going on, a project being bid in those locations. And how-- you're talking about a group that's all across the state?

MATT BEVINGTON: Yeah, our members are, are clear-- they, they occupy the Panhandle clear to, clear to Omaha. So to the north, to the south, we're, we're spread all over, all over the state, our different contractor members are.

KOLOWSKI: And if they have major projects in Lincoln or Omaha that you wanted to do bid on, would there be a problem as far as distance and time? And with your, with your staff and, and all those that you have working on a particular project?

MATT BEVINGTON: No. Most, most likely our, our members bid work that is regional to them specifically. So you'd have a group of contractors on the eastern side of the state that would, that would most likely bid on, bid on the work in Omaha and Lincoln.

KOLOWSKI: OK, thank you.

BREWER: All right, additional questions? Senator Lowe.

LOWE: Thank you, Chairman. Thank you, Mr. Bevington, for being here. You say that you may want to work to see this bill better?

MATT BEVINGTON: Yes.

LOWE: What would, what might you do to the bill to make it better?

MATT BEVINGTON: I think our recommendation would be to better defined what would qualify as a project underneath this, this bill. Right now, the design-build process could be utilized for a, a \$100,000 project.

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It really doesn't limit the government agency at all in, in what they could undertake. And our, our big concern there is that you could have a potential to where you're all of a sudden have a community that, or a government that, that teams up with, with one specific contractor to do several projects and it eliminates the competitive advantage and the, the the value to the taxpayer. So I, I think defining that, that level with possible, possibly a dollar amount or a floor to where we say, you know, a project at X is considered a large project. We don't know what that number is yet. Our-- we've been polling our members, and that number is somewhere between \$20 to \$50 million. So there would be some work that we'd have to do to, to work with you to, to, to get a floor put on that.

LOWE: All right. Thank you very much.

MATT BEVINGTON: You're welcome.

BREWER: All right, any additional questions? All right, seeing none, thank you, Matt.

MATT BEVINGTON: Thank you.

BREWER: All right, we are still on opponents. Anybody here in a neutral capacity? All right, then Senator Hilgers, if you would close, please.

HILGERS: Thank you. Thank you, Chairman. I'll be brief. I want to first thank the testifiers that came in support: Director Casady, Ms. Abraham, and former Senator, Mayor Wesely. But one point I think is worth emphasized, emphasizing from the testimony was not just the value and its cost savings, but at the idea of having the designers and the builders working collaboratively, collaboratively throughout the project could add some additional value, not just from a cost savings but be getting the project done right. So I thought that was, that was good value. And I appreciate the testimony in opposition. They were very courteous and reached out to me this week. We've had a couple of good conversations and certainly open to making the bill better. I will, since we're making a record, I do want to respond to a couple of the substantive points and I'll sort of revert-- go in backwards, reverse order. Two points were made in terms of whether or not it would-- this could somehow erode the low-bid system that we have in Nebraska. As I understand it, these built-- these projects are still low-bid projects and so a low bid wins, I mean. And then the sort of the companion, I think, criticism was that this might erode

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the transparency that we have in the process. And I'm not-- I'm certainly willing to have a dialogue to better understand that objection. I don't-- these, it's the same type of bidding process that you would have. You just would have a design element, just like you would have any other element that's incorporated as part of this process. So I don't think this changes any of the transparency that we would have on these types of projects. The last piece, which I think goes to the heart of the matter, is whether or not this opens it up to smaller projects in a way that might maybe make it unavailable to certain contractors in Nebraska. So one thing I'll say about that is that that's not a-- and I think he even mentioned it's not a wholesale objection to design-build. It just might be design-build at a, at a certain threshold, I think, in answer to your question, Senator Lowe. And I would make at least one observation, which is I would agree with the point made that these tend to not be scalable down. So it's-- in other words, these are-- design-build works really well for large projects, which is a reason to, I think we've seen it anecdotally from the state, that these design-build is not going to be used for small projects. The ones I think of the greatest concern that maybe the testifier discussed. In other words, the, the cities-- the state now is not finding value cost savings in doing design-build for small projects, which they could do at the state level. So I think there's strong reason to think that the cities won't also do the same thing. There's just not the same value from a design-build. Although, in the instance where they could, we, and I think we still ought to be able to give the cities the tool in their toolbox that they can save money, get a better product faster for their community. We ought to give them that tool if they think that it makes sense. So I will certainly have a conversation, open dialogue with the, with NUCA. Is that right, NUCA?

MATT BEVINGTON: Yes, that's correct.

HILGERS: NUCA. And we'll have a conversation. If we can make the bill better, I'm always open to that. Certainly we'll work with them. But I ultimately think, even in the green copy form, it's a good bill that will expand, I think, a good, a good system we already have in Nebraska that will give another tool for our communities to save money and deliver services faster. So happy to answer any last questions. But with that, I'll close.

BREWER: All right, thank you, Senator Hilgers. All right, questions? All right, seeing none, thank you. Oh, sorry.

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KOLOWSKI: If you don't mind. Appreciate it. Thank you for your presentation. My, my main concern is one of, and I was, I was the principal of high school being built in the Millard area. The \$80 million high school took two years to put it all up and put it all together. That's a, it's a major project. And if we had anything as far as slippage, it was where we didn't have a full crew on board with someone doing this, a major part before they could get something else done, so that had to be done. And those things do slow things down. And so I'm concerned over the number of people we might be able to find that would have the contingency to you have the number of people working for them that would make that work. Whether union or nonunion or, or wherever they're coming from. The main thing is get the job done.

HILGERS: Um-hum.

KOLOWSKI: Let's get it done. Get, get it on time and, and delivered to the public that we're dealing with. So I have concerns from that perspective and, and I think if it's that new, it will even itself out over time. Somebody would not want to bid on a project that they're going to be making errors on or mistakes on. And that would really be a hazard to the project that they're working here.

HILGERS: Sure, I appreciate that--

KOLOWSKI: Thank you.

HILGERS: --Senator Kolowski. I think, as I understand it, at least with the design-build, and this could, I think this is correct, but someone may correct me if this is not right. That at least the design aspect doesn't add a material personnel component, at least on the building of the project. I mean, I don't know how many architects it might take in a particular project. So if it's going to be slowed down doing the work, it may just be the whatever, whoever, whatever contractor won the job, design-build or not, they're going to be slowed down because they don't have the right subs in place. I don't know if that's a factor on the design-build. But I, you are certainly correct that those delays, I think, I think many, many of us, certainly myself included, maybe foremost, don't fully appreciate the ways that construction can slow down and the cost that is incurred. Two years, \$80 million key to, what is it, shovel the key? Is that what, how you say it? It's pretty impressive.

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KOLOWSKI: Thank you.

HILGERS: Thank you.

BREWER: All right, one more time on questions. Before we close, we do have one letter of support from Sarpy County Board of Commissioners and no other letters. With that, we will close on LB890. Thank you, Senator Hilgers.

HILGERS: Thank you.

BREWER: All right, now we'll swap out our number here. Senator Dorn, you know how to empty a room. Welcome.

DORN: Ready?

BREWER: Come on over and have a seat.

DORN: Thank you.

BREWER: Welcome to the Government, Military and Veterans Affairs Committee. You may begin whenever you're ready.

DORN: We're ready. Thank you. Good afternoon, Chairman Brewer and members of the Government, Military and Veterans Affairs Committee. My name is Senator Myron Dorn, M-y-r-o-n D-o-r-n, from District 30. LB763 is a straightforward bill. Under existing statutes 23-1601 the county treasurer on or before the fifteenth day of each month pays to each city, village, school district, ESU, county agri-- county agricultural society, and rural or suburban fire protection districts located within the county the funds collected for those prospective political subdivisions. This bill simply adds townships to that list. In Nebraska there are 22 counties with townships, and that is the map that we handed out there. This summer it was brought to my attention that a township has to submit a paper warrant every time they wanted money transferred from the county to their township account. These funds are township funds, but only townships right now have to submit the warrants and request the funds. It is more streamlined to give them their monthly allotment like the other entities listed in the statute. There is no fiscal impact to the state and very minimal cost to counties. I would also like to thank the Nebraska Association of County Officials who have been working with me on this bill. Thank you, and I would be glad to entertain any questions.

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BREWER: All right, first question is, what is the number of this bill?
Seven--

DORN: LB763

LOWE: LB763.

BREWER: OK.

DORN: Is that right?

HUNT: Yeah.

KOLOWSKI: Yeah. It was just on the white sheet.

BREWER: Oh, OK. It was, we had a typo on the white sheet. I was
worried we had it all wrong.

DORN: OK.

BREWER: You're good to hook there. All right, questions for Senator
Dorn before we let him go? Yes, Senator Hunt.

HUNT: Thank you, Senator Dorn. I see Adams County recently voted to
discontinue its township. Can you tell me why you introduced this bill
and what, how this, how this problem arose to your attention?

DORN: It was the county treasurer in Gage County visited with me this
summer about this. The county treasurer is allowed to disburse funds
after the first of the month by the fifteenth of the month and
transfer those funds to all those government entities there I talked
about: the schools, the fire departments, and all of those. Those are
property taxes that are collected. When this statute came about about,
I don't know, 15, 20 years ago, townships were not included in that.
So townships are still go by the fact that they have to sign a
warrant. It's called a warrant. It's a piece of paper they have to
fill out and request their funds that have been set aside for them in
the county treasurer's office by, from the property tax collected. So
all this would do would be adding that so that now they wouldn't have
to fill out that warrant or paperwork to get those funds. In other
words, it brings them in line with everyone else in how they are going
about their process.

HUNT: Thank you.

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DORN: So for the county, for the townships, it would streamline it. In Gage County, we have 24 townships. So every one of them needs to, whenever they want some funds to put in their account, they have to go into the treasurer's office, fill out the form, or they have to have one mailed to them and then they mail it back and so on. So this would streamline that process whereby the funds that have been deposited from the month before can then be transferred out in the next month.

BREWER: Quick question for you. And I think you mentioned in the opening the designation of township is how many people? Is there a less than, more than?

DORN: No. Well, I don't, I can't speak for everyone. Jon with the NACO will talk a little bit later here. Gage County, or if you look on that map, they, they have to have seven board members, seven county board supervisors, then they can have townships. There are 22 that have townships. in Gage County we have 24 townships. Every six-by-six mile district or whatever, six miles by six miles is a township. I do not know if every one is the exact same makeup in every town, county. I don't know that.

BREWER: OK. So I had township in mind that was different than the survey township.

DORN: No.

BREWER: OK.

DORN: I don't know. I know if you, if you ever go look at a plat book or whatever. If you get a Gage County or some of those plat books, in Gage County all of ours are exactly the same, every one of our townships because they're six-by-six. So every time you flip through the page it's six miles by six miles. And then those are, those are a township in Gage County, they each have their own form of government. They can, Gage County allows them to have up to 7 and a half cents of levy. Right now, because of the budget res-- budget limits or whatever, nobody in Gage County is using 7 and a half cents of levy, but they could use up to that. So they each have their own budget, they each have their own Road Rater in Gage County, so they have their own form of government with three board members.

BREWER: All right.

DORN: And they all fall under the county's umbrella.

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BREWER: Additional questions? Senator Kolowski.

KOLOWSKI: Yes, sir, thank you. Senator, just are there any other structures or names within the counties that would need to be looked at or worked on as we're doing this one request on your part? Did you come across anything else that would be better if we did it differently?

DORN: I did not. Now, Jon with NACO here, he will maybe can address that question also. This came from our county treasurer, because this one here, she must have when, when I happened to drop in the office, she must have had some of them come just lately and do this and fill it out. And I know they've talked to me, when I was on the county board they talked to me quite often about the fact why did they have to come in and do the warrants every time or basically just fill out the paperwork so the money could be transferred.

KOLOWSKI: So there might be some structural changes that could happen in other areas?

DORN: I don't know if there's others or not. I am, I am not aware of any others that we could maybe add to this list. I don't know. The county treasurer in Gage County did not inform me of any other one. She just wanted to know if we could do this one.

KOLOWSKI: Just trying to ask a question of efficiency and effectiveness.

DORN: Yeah, yeah. If there was somebody out or some other entity or whatever that would fall underneath this, that would be, this would be a good time to add that too or whatever.

KOLOWSKI: Yes, sir.

DORN: If that's possible.

KOLOWSKI: Thank you.

DORN: Yeah.

BREWER: All right, any additional questions? Will you be sticking around for closing?

DORN: You bet.

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BREWER: Good. All right, thank you. OK, we will start with the proponents of LB763. Proponents? Opponents? Those in the neutral capacity? Come on up. You've been kind of committed here.

JON CANNON: Apparently.

BREWER: And you have a lot of knowledge.

JON CANNON: Hope so.

BREWER: Yeah, we do, we do too. Welcome the Government Committee.

JON CANNON: Thank you, Senator Brewer. Distinguished members of the Government, Military and Veterans Affairs Committee, my name is Jon Cannon, J-o-n C-a-n-n-o-n. I'd like to thank you for the opportunity to testify neutral on LB763. And this will be really neutral-plus. The Nebraska Association of County Officials board has not yet met to take its legislative positions and so I really don't feel that I have the authority to, you know, make the executive decision, since I'm just the deputy, to decide that we're going to come in, in support of the bill. However, this is the sort of good government solution that NACO is generally in favor of. I'm certain that we will have it in front of our NACO board tomorrow for our preliminary discussions as to our legislative positions. Our recommendation will be to support this bill retroactively. And we've worked with Senator Dorn's office over the summer and during the interim, we circulated this amongst our county treasurers. No objections amongst those that have township form of government in their counties. You know, like I said, this is, this is just a good government idea that streamlines a process, makes sure that the treasurer is not treating any political subdivision differently than the rest. And with that, I'd be happy to take any questions.

BREWER: All right, I'll hold off my questions here and we'll run through the table. Questions? When we're talking about-- he, he mentioned the number of townships is, is that literally it, is it's the survey size of a township? Or do you have to have a community of a certain size to be considered a township?

JON CANNON: It's not of a certain size. However, you do have to have members that are willing to serve on the board. There are, there are actually multiple examples of defunct townships. And so you'll-- you could go up to a county that, that in theory could have 24 townships

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just like Gage County does, and you really only have 5 or 6 active townships in that county.

BREWER: That's, you answered my question there. Thank you.

JON CANNON: Yes, sir.

BREWER: So what would happen then is this money is already being sliced out and identified. Now all it's going to do is it will electronically get moved to an account instead of having to do a piece of paper and then moving it?

JON CANNON: Yes, sir.

BREWER: Geez, that does seem logical. All right, questions? All right, well, thank you for being neutral-plus.

JON CANNON: Thank you, sir. You all have a great day.

BREWER: OK. Do we have any other neutral or neutral-plus? All right, Myron, come on up.

DORN: Well, I learned something new today, too, because I-- the only form of township government I was familiar with was the size of the townships from Gage County. I wasn't familiar with all the others in the state, other than knowing that we had, like I said, 22 townships, 22 countships [SIC] that have a township form of government also. So thank you very much. Appreciate your time for, and your interest for this bill. And with that, unless there's other questions, thank you.

BREWER: Oh, hang on, hang on. Don't be going anywhere. We got to do one more run around for questions. I got to compliment you that you, you found a bone that looks like a really good one. I mean, this is, this is so logical. I don't know why we haven't done it before. But it's a good thing you found it.

DORN: Well--

BREWER: Thank you.

DORN: --it-- I thank my county treasurer, because like I said, when I sat on the county board, I heard it multiple times. Why do we have to do that? Not knowing what the process ever is and now learning part of the process, realize what we need to go through. So thank you.

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BREWER: And now you fixed bad government. Thank you. All right, let's see. That will complete-- we have no letters on LB763. And with that, that will complete all of our business for today.