

Memorandum

To: Board of Directors

From: John Winkler, General Manager

Date: December 29, 2020

Re: NARD Risk Pool Dividend Transfer

The current NARD and NARD Intergovernmental Risk Management Pool (Risk Pool) office was destroyed by a fire on May 30, 2020. The NARD staff has been without an office since that time and has been working out of their homes. However, the NARD Board does not want to ask districts to contribute tax proceeds toward purchasing a building but use reserve funds from three sources instead.

Consequently, at the September 29, 2020 NARD and NARD Risk Pool Board meetings, the boards approved the following combination of funds:

- NARD General Operations (\$200,000)
- NARD Foundation (\$100,000)
- NARD Risk Pool (\$900,000).

The funds would be combined in the NARD Foundation to purchase a building and a \$900,000 loan will be obtained for the balance of the building to close on December 30, 2020. There is a current tenant in part of the building with a lease through 2028, which will be transferred to the NARD Foundation upon closing. That lease income will assist in making the payments on the building the NARD will own.

The NARD staff has been working with the Nebraska Department of Insurance to insure we are accounting for the proceeds under the Nebraska Intergovernmental Risk Act. Furthermore, the NARD Board wants to properly account for the combination of funds in order to eventually pay back all three entities for the contribution made toward the purchase of the building. Communication began with the Department in July 2020 and it was asked if the transfer should be treated as a dividend, loan or donation. On December 1, 2020, the Department determined the best course of action to account for the funds would be to treat the transfer of funds from the Risk Pool as a dividend with each district assigning the dividend on the same day to the NARD Foundation for the purposes of buying a building. Therefore, the attached resolution needs to be approved by the Board of Directors to ratify the actions of the NARD Risk Pool Board.

**ACKNOWLEDGMENT AND ATTESTATION FORM
for the
Papio-Missouri River Natural Resources District**

The Board of Directors of the Nebraska Association of Resources Districts Intergovernmental Risk Management Pool Association ("NARD Risk Pool") declared a dividend totaling \$900,000 to be evenly distributed to the 23 Natural Resources Districts ("Districts") on December 11, 2020 with the intention that the Districts will assign their full portion of the dividend to the Nebraska Association of Resources Districts Foundation ("NARD Foundation") for the purpose of purchasing a building. The building will be occupied by the NARD General Operations, the NARD Risk Pool and the NARD Foundation.

I confirm and attest that the district has duly elected me to be the representative of the district for all three organizations/entities.

I confirm and attest that the district has duly elected me to be the representative of the district and authorized and directed me to take whatever actions may be necessary to effectuate actions taken by the NARD Risk Pool on their behalf.

I confirm and attest that as the representative of the district, as a Participating Employer in the NARD Risk Pool, the district hereby consents to the assignment of its pro rata share of the dividend to the NARD Foundation.

I confirm and attest to the dividend distribution date of December 28, 2020.

Dated this 11th day of December, 2020.

Papio-Missouri River Natural Resources District

By: 

Title: NARD Risk Pool Board Representative

**Resolution of the Board of Directors of the
Papio-Missouri River Natural Resources District**

WHEREAS, the current NARD and NARD Risk Pool office was destroyed by a fire on May 30, 2020.

WHEREAS, the NARD Board does not want to ask districts to contribute tax proceeds toward purchasing a building but use reserve funds from three sources instead.

WHEREAS, at the September 29, 2020 NARD and NARD Risk Pool Board meetings, the boards approved the following combination of funds: NARD General Operations (\$200,000), NARD Foundation (\$100,000) and NARD Risk Pool (\$900,000). The funds would be combined in the NARD Foundation to purchase the building. A \$900,000 loan will be obtained for the balance of the building.

WHEREAS, there is a current tenant in part of the building with a lease through 2028, which will be transferred to the NARD Foundation upon closing. That lease income will assist in making the payments on the building.

WHEREAS, the NARD staff has been working with the Nebraska Department of Insurance (department) to make sure we are accounting for the proceeds under the Nebraska Intergovernmental Risk Act. Further, the NARD Board wants to properly account for the combination of funds to eventually pay back all three entities for the contribution made toward the purchase. Communication began with the department in July 2020 and was asked if the transfer should be treated as a dividend, loan or donation.

WHEREAS, on December 1, 2020, the department determined the best action to account for the funds would be to treat the transfer of funds from the Risk Pool as a dividend with each district assigning the dividend on the same day to the NARD Foundation for the purposes of buying a building.

WHEREAS, on December 11, 2020 the Board of Directors of the Nebraska Association of Resources Districts Intergovernmental Risk Management Pool Association ("NARD Risk Pool") declared a dividend to be issued December 28, 2020 totaling \$900,000 to be evenly distributed to the 23 Natural Resources Districts ("Districts") with the intention that the Districts will ratify and assign their full portion of the dividend to the Nebraska Association of Resources Districts Foundation ("NARD Foundation") for the purpose of purchasing an office building.

WHEREAS, the NARD Risk Pool Representative of the district, as a Participating Employer in the NARD Risk Pool, has attested and consented to the assignment of its pro rata share of the dividend to the NARD Foundation.

THEREFORE, LET IT BE RESOLVED, that the District Office, as a Participating Employer in the NARD Risk Pool, hereby ratifies and consents to the assignment of its pro rata share of the dividend to the NARD Foundation for the purposes of purchasing an office building.

Dated: _____ Papio-Missouri River Natural Resources District

By: _____ Title: _____