

Agenda Item: 7.

MEMORANDUM

To: Finance, Expenditures and Legal Subcommittee
Subject: Accounts over 110% - Service Awards & Leave Paid Out
(01-01-00-4154) and Attorney Fees & Legal Costs (01-01-000-4392)
Date: June 6, 2013
From: John Winkler, General Manager



In FY 2013, staff estimated the budgeted amounts of \$62,000 for Service Awards and Leave Paid Out and \$40,000 for Attorney Fees and Legal Costs. Expenditures in the Service Awards and Leave Paid Out account include the annual service awards to staff and 100% of all annual leave and 25% of sick leave upon retirement/resignation (in good standing). Items budgeted for in the Attorney Fees and Legal Costs are for legal services pertaining to the District, but not related to a specific project.

The unexpected issues that occurred during the year that caused the Service Awards and Leave Paid Out account to go over 110% include:

- The proposed implementation of a new timesheet software program which required parameters to be set for a cutoff time for accumulations of sick leave and annual leave and required the payout of annual leave which totaled \$17,067.28. Accumulated sick leave balances over 180 days were not paid out, which resulted in the recoupment of 390 days of sick leave.
- The unexpected resignation of the District's IT Manager and unexpected retirement of the District's Project Manager which created an expenditure of \$65,657.57.

District Policy states that, "Employees will be paid for all accrued but unused vacation upon termination from employment" and "Each full time employee will be compensated for unused sick leave upon retirement, termination/resignation in good standing, or death at the rate of 25% of salary." With the service awards paid out (\$1,962.08), annual leave reimbursements (\$17,067.28), and the annual and sick leaves paid to departed staff (\$65,657.57), the total expenditures for this account is \$84,686.93.

The District also incurred unexpected legal fees in connection with required legal opinions and responses concerning the District's work environment, responding to various letters as requested by the State Attorney General's Office and Nebraska State Auditor's Office. This account is currently at \$44,818.64 with another month to go. The budgeted amount was \$40,000.

It is staff's recommendation that the FEL Subcommittee recommend to the Board of Directors that accounts 01-01-000-4154 Service Awards & Leave Paid Out and 01-01-000-4392 Attorney Fees & Legal Costs be allowed to exceed 110% of the budgeted amounts.

Paul F. Peters, P.C., L.L.O.
Suite 640 Omaha Tower
2120 South 72nd Street
Omaha, NE 68124-2374
(402) 391-3712 FAX (402) 391-3714
E-mail: paul.peters@mindspring.com

To: John Winkler, General Manager
Papio-Missouri River NRD

Date: June 6, 2013

Subject: Japp letter of April 22, 2013

The following is an invoice of my charges in connection with Director Japp's apparently defamatory letter to the Nebraska Attorney General of April 22, 2013.

<i>Date</i>	<i>Client</i>	<i>Task</i>	<i>Hours</i>	<i>Rate</i>	<i>Charge</i>
31-May-2013	Board of Directors	Phone conference, review and analysis of Japp accusations	1.40	\$175.00	\$245.00
1-Jun-2013	Board of Directors	Legal research and began preparation of memo	4.00	\$175.00	\$700.00
2-Jun-2013	Board of Directors	Phone conference and Completion of memo	1.70	\$175.00	\$297.50
		Totals	<u>7.10</u>		<u>\$1,242.50</u>