

**Finance, Expenditure & Legal
Subcommittee Meeting Minutes
December 6, 2005**

A meeting of the Papio-Missouri River Natural Resources District's Finance, Expenditure & Legal Subcommittee was held at the Natural Resources Center, 8901 South 154th Street, Omaha, Nebraska, on December 6, 2005. The meeting was called to order by Director Jim Thompson at 8:00 p.m.

QUORUM CALL: Quorum call was taken. The following subcommittee members were in attendance.

Subcommittee Members Present	Subcommittee Members Absent	Other Directors Present	Others in Attendance
John Schwope ***	Dick Connealy **	Joe Neary	Steve Oltmans
Rich Tesar ***	Tim Fowler **		Marlin Petermann
John Conley			Paul Woodward
Dorothy Lanphier			Dick Sklenar
Jim Thompson *			Jennifer Anderson
			Trent Heiser
			Paul Peters
			Ralph Puls
			Jack Lawless
			Barb Nichols
			Jim Becic

- * Chairperson
- ** Excused Absence: Connealy and Fowler
- *** Alternate voting member.

ADOPTION OF AGENDA

- **It was moved by Director John Conley and seconded by Director Tesar that agenda be adopted.**

Roll call was taken on the motion. The motion carried on a vote of 5 to 0.

Voting Yea: Conley, Lanphier, Thompson, Schwope, Tesar
 Voting Nay: None
 Abstaining: None
 Excused Absence: Connealy, Fowler
 Absent: Connealy, Fowler

PROOF OF PUBLICATION: Public notice of the meeting was posted at all District offices and published in the Omaha World-Herald on 1 December, 2005.

AMENDMENTS TO DISTRICT POLICIES:

→ District Policy 14.1 Financial – Investments.

- **It was moved by Director John Conley and seconded by Director Tesar, that the Subcommittee recommend to the Board of Directors that the following amendments to District Policy 14.1 – Financial Investments be recommended for adoption and tabled pursuant to District Policy 1.5 with final consideration at the January 12, 2006 Board Meeting.**

14.1 Financial - Investments. The Treasurer of the District be, and is hereby authorized and directed to hold the funds of the District in the following manner:

A. The amount necessary for the immediate needs of the District shall be account at the Wells Fargo Bank Nebraska, N.A., or Dakota County Bank or their successors.

B. The remainder of the funds of the District shall be maintained in one or more of the following investment accounts, in such proportions or amounts as may be determined by the Treasurer, subject to the limitations hereinafter provided, to-wit:

1. In insured time certificates of deposit issued by any bank within the District.
2. In United States treasury notes or bonds ~~or the United States~~, on the best terms as may be obtainable and in such multiples, amounts and maturities as may be available on the open market. The Treasurer is authorized to hold such notes or bonds until the maturity thereof, or sell the same when he or she shall determine that the proceeds thereof shall be necessary for the payment of District obligations or when a greater return to the District can be obtained by investing said proceeds in one or more other investments authorized by these rules and regulations.

C. No funds of the District cumulating an amount in excess of the applicable FDIC insurance coverage shall be maintained on deposit or in certificates of deposit of any bank unless the excess is secured in the same manner as provided by statute for the deposit of public funds.

D. The Treasurer and General Manager, jointly; the Treasurer and the Assistant General Manager, jointly; the Assistant Treasurer and the General Manager, jointly; or the Assistant Treasurer and the Assistant General Manager, jointly, are authorized to issue written orders for the transfer of District funds between District deposit and investments accounts, issue checks against the District deposit accounts without prior approval of this Board for the purchase of such U.S. Treasury notes or bonds or time certificates of deposit as may be made by the Treasurer of the District pursuant hereto; and, redeem such instruments, and endorse such instruments for deposit in District deposit accounts.

E. The District Accountant is authorized to transmit verbal or electronic orders for the transfer of District funds between District deposit and investment accounts and for

the purchase, sale or redemption of U.S. Treasury notes or bonds or certificates of deposit pursuant hereto.

F. The Treasurer is authorized and directed to designate Wells Fargo Bank Nebraska N.A., or their successors as the Treasurer's agent for the safekeeping of any U.S. Treasury notes or bonds purchased pursuant to the authority granted herein.

[December 5, 1986; January 11, 1990; December 12, 2002; [January 12, 2006](#)]

Roll call was taken on the motion. The motion carried on a vote of 5 to 0.

Voting Yea: Conley, Lanphier, Thompson, Schwope, Tesar

Voting Nay: None

Abstaining: None

Excused Absence: Connealy, Fowler

Absent: Connealy, Fowler

➔ **District Policy 14.2 Financial – Disbursements**

- **It was moved by Director John Conley and seconded by Director Tesar, that the Subcommittee recommend to the Board of Directors that the following amendments to District Policy 14.2 – Financial Investments be recommended for adoption and tabled pursuant to District Policy 1.5 with final consideration at the January 12, 2006 Board Meeting.**

14.2 Financial - Disbursements. Checks, drafts and orders for payments of District funds on deposit any District depository, shall be made only as authorized by the Board and may be signed by the Treasurer and the General Manager, jointly; or by the Treasurer and Assistant General Manager, jointly; or by the Assistant Treasurer and the General Manager, jointly; or by the Assistant Treasurer and the Assistant General Manager, jointly. [Electronic funds transfer orders, except for those authorized by 14.1, shall only be made upon the written approvals required for check disbursements. A copy of the approvals shall become a part of the accounting records.](#)

[December 5, 1986; January 11, 1990; [January 12, 2006](#)]

Roll call was taken on the motion. The motion carried on a vote of 5 to 0.

Voting Yea: Conley, Lanphier, Thompson, Schwope, Tesar

Voting Nay: None

Abstaining: None

Excused Absence: Connealy, Fowler

Absent: Connealy, Fowler

- ➔ **District Policy 15.2 Purchasing – Professional Services:** Item 15.2 was discussed by the Subcommittee. Director Conley recommended approval of the change with the modification in the published recommendation that the last sentence would read: “The District shall obtain bids for auditing services at least every five years.”

- **It was moved by Director John Conley and seconded by Director Tesar, that the Subcommittee recommend to the Board of Directors that the following amendments to District Policy 15.2 - Purchasing be recommended for adoption and tabled pursuant to District Policy 1.5 with final consideration at the January 12, 2006 Board Meeting.**

15.2 Purchasing - Professional Services.

A. Statement of purpose. It is the purpose of this policy to provide a uniform procedure for advertising for and selecting firms for the award of contracts for professional services.

B. Definitions. As used throughout this policy, unless the context otherwise requires, the following terms shall have the following meanings:

1. Firm: Any person, partnership, association or corporation engaged in, and legally authorized to practice in the state, a professional service.
2. Professional services: Any one or more of the following services: architecture, engineering, land surveying, landscape architecture or land appraisal ~~or audit firms.~~
3. Auditing Services: Auditing Services are excluded from the requirements of Policy 15.2.B.2. and shall be obtained in accordance with Policy 15.6.C. Purchases by Formal Competitive Bidding. The District shall obtain bids for auditing services at least a minimum of every five years.

C. Selection Committee. The Ad Hoc Selection Committee responsible for selecting and negotiating with firms for these professional services shall consist of three Directors appointed by the Chairperson and one non-voting staff member appointed by the General Manager, or, as determined by the Chairperson, five Directors appointed by the Chairperson and two non-voting staff members appointed by the General Manager.

D. Request for Services. Projects that have been determined by the General Manager as requiring professional services shall be advertised at least once in the daily newspaper having the greatest circulation in the District. Written requests for professional services (requests for proposals) may be sent by Management to known qualified firms. Such requests for professional services shall indicate that those firms wishing to participate shall contact the District for a copy of the general scope of the professional services. All firms requesting a copy of the general scope of the professional services shall be given a uniform date by which to reply, and the name of the District staff member to contact for replies to any questions.

E. List of Firms. A list of all firms interested in providing professional services shall be developed and maintained by Management. Statements of qualifications and past performance data will be required to be filed by interested firms. Such statements should include the following:

1. Firm name, address, telephone number;
2. Years established and former names;
3. Type of services particularly qualified to perform;

4. Names of principals and states in which they are registered;
5. Names of key personnel to be utilized, experience of each and length of service with the firm;
6. Maximum number of the staff at any one time;
7. Outside consultants and associates that might be employed;
8. List of similar completed projects for which the firm was the principal professional;
9. Similar current projects of the firm and estimated construction costs of each; and,
10. History of professional negligence claims made against the firm during the past five years.

F. Reply by interested firms. After the firm has obtained a copy of the general scope of the professional services, then firm shall reply in writing to the General Manager to the following items:

1. Express if they are interested in the project;
2. Relate any changes in the firm's qualifications and past performance date from those previously submitted;
3. Express willingness and capability to meet time requirements;
4. Other additional material as may be outlined in the scope of the project, or as may be beneficial to the selection committee; and,
5. Provide a proposed plan of approach to the project.

G. Method of selection. The method of selection of a firm for professional services shall be in accordance with the following estimated fees, as established by the General Manager:

1. When the fee does not exceed twenty thousand dollars (\$20,000.00), the General Manager shall select the firm directly, giving consideration which shall include, but not be limited to, the following:
 - a) Firms which have sufficient professional manpower to meet project schedules;
 - b) Firms with a sound performance record for meeting time and budget requirements;
 - c) Firms which possess project experience and management ability;
 - d) Recent, current and projected work load with the District; and,
 - e) Any other specialized qualification which the firms might possess to benefit the project.
2. When the fee exceeds twenty thousand dollars (\$20,000.00), the Ad Hoc selection committee shall, where possible, select the three (3), or more at its discretion, best qualified firms in accordance with the considerations set out in subsection (a), above, and from the reply to the items set out in subparagraph F. The selection committee shall rank the firms first, second, third, etc. Where possible, the three (3) or more at its discretion, best qualified firms shall be given a time and place for a personal interview by the selection committee. After review of submittal materials and the

personal interview, the selection committee shall rank the firms first, second, third, etc.

H. Fee negotiations.

The firm ranked as first shall be notified to appear and negotiate with Management on the fee, detailed scope and schedule for the professional services requested. If Management and the firm selected as first cannot come to an agreement regarding the fee, the negotiations with that firm shall be terminated and the firm ranked second shall be contacted. If the factors which caused them to be ranked as such have not changed, negotiations shall be initiated with them. The procedure shall be repeated until an agreement is reached if it can be reached.

Where agreement is reached, the contract in final written form shall be submitted to the Ad Hoc selection committee for approval and be awarded an executed, if at all, in accord with all applicable provisions of these policies and applicable provisions of State Statutes.

I. Board authority not limited. Nothing in this policy shall be construed to abrogate, limit or amend the authority of the Board in the award or approval of contracts.

[December 5, 1986; June 13, 1991; January 9, 1992; [January 12, 2006](#)]

Roll call was taken on the motion. The motion carried on a vote of 5 to 0.

Voting Yea: Conley, Lanphier, Thompson, Schwope, Tesar
Voting Nay: None
Abstaining: None
Excused Absence: Connealy, Fowler
Absent: Connealy, Fowler

→ **District Policy 14.3 Financial – Accounting:** Amendments to 14.3 were discussed and the similarity to the previously approved item 15.2 was debated.

- **It was moved by Director Lanphier that the Subcommittee recommend to the Board of Directors that the following amendments to District Policy 14.3 – Financial - Accounting be recommended for adoption and tabled pursuant to District Policy 1.5 with final consideration at the January 12, 2006 Board Meeting.**

14-3 Financial - Accounting.

A. Accounting books and records for all financial transactions will be kept in accordance with generally accepted accounting principles. An audit of the District's books shall be made at the end of each fiscal year.

1. At least every five years the District will advertise for proposals for professional auditing services, using the procedure set out in Policy 15.2 Purchasing – Professional Services.

B. Expenses of the District employees and Directors will be reimbursed only upon the completion of an Expense Claim, Form 14.3.B., Manual of Standard Forms (Appendix E). The expense claim shall itemize and describe the nature of the expense. Receipts for expenses shall be attached to the claim as required by the claim form. Staff expense claims will be furnished to the District Accountant by Wednesday noon, a week prior to Board meetings. The Administrative Coordinator will forward monthly expense claims to each Director for review, signature and return to the office for payment with the next payroll.

Directors and District employees are eligible for a travel advance against the otherwise reimbursable expenses of any authorized out-of-District travel. Maximum amount for a travel advance shall be \$500.00. A written request for a travel advance must be submitted to the District Accountant at least five (5) days prior to the date of travel.

While conducting District business out-of-District, Directors and District employees shall be eligible for reimbursement for mileage. It shall be the policy of the District to pay the standard mileage rate allowed by the State of Nebraska Administrative Services Department, pursuant to Section 81-1176, R.R.S., 1943, for those Directors and District employees required to provide their own vehicles. However, if air travel is available, the District shall reimburse the lesser amount, i.e., if lowest available rate for air travel is \$200.00 and mileage is \$225.00 the District shall only pay \$200.00. If air travel is available and Directors or District employees choose to drive, they will be reimbursed for the reimbursable expenses for one travel day and Directors shall be paid for only one day of per diem. If air travel is available, additional housing expense will not be allowed as a reimbursable expense if road transportation is utilized as a matter of choice.

[December 5, 1986; February 4, 1988; [January 12, 2006](#)]

The motion died due to lack of a second.

→ **District Policy 14.4 Financial – Reports:** Item 14.4 was discussed by the Subcommittee. Director Conley recommended second to last sentence in Paragraph A read, “shall not be considered major changes and”

- **It was moved by Director John Conley and seconded by Director Tesar, that the Subcommittee recommend to the Board of Directors that the following amendments to District Policy 14.4 Financial – Reports be recommended for adoption and tabled pursuant to District Policy 1.5 with final consideration at the January 12, 2006 Board Meeting.**

14.4 Financial - Reports.

A. ~~The present chart of accounts and accounting system shall be used by the District in maintaining a record of the District’s financial conditions.~~ Major changes to the District’s accounting system or the replacement of the accounting system with a different system shall require the prior approval of the Board, except where required by law. Minor changes, such as adding new accounts, deleting obsolete accounts, renaming accounts, etc.; are not shall

not be considered major changes and may be made with the approval of the General Manager.

B. Management shall provide to the members of the Finance, Expenditure and Legal Subcommittee such periodic written itemizations of planned and pre-authorized disbursements of District funds as such Subcommittee shall request.

[December 5, 1986; July 9, 1992; January 12, 2006]

Roll call was taken on the motion. The motion carried on a vote of 5 to 0.

Voting Yea: Conley, Lanphier, Thompson, Schwope, Tesar

Voting Nay: None

Abstaining: None

Excused Absence: Connealy, Fowler

Absent: Connealy, Fowler

DISCUSSION REGARDING IMPLEMENTAION OF THE IMPROVEMENTS TO THE DISTRICT'S ACCOUNTING SYSTEM IDENTIFIED IN BLAND & ASSOCIATES MANAGEMENT LETTER: This was a discussion item only. No motions were made.

PURCHASE AGREEMENT WITH METROPOLITAN COMMUNITY COLLEGE FOR DAM SITE 13:

- **Motion by Director Schwope and seconded by Director Tesar to enter into executive session for the purpose of discussing the negotiations of land rights.**

Roll call was taken on the motion. The motion carried on a vote of 5 to 0.

Voting Yea: Conley, Lanphier, Thompson, Schwope, Tesar

Voting Nay: None

Abstaining: None

Excused Absence: Connealy, Fowler

Absent: Connealy, Fowler

The Subcommittee entered into Executive Session at 8:52 p.m.

The Subcommittee returned to Regular Session at 9:00.

- **It was moved by Director Schwope and seconded by Director Conley, to approve management recommendation that the Subcommittee recommend to the Board that the General Manager be authorized to execute the proposed Purchase Agreement with Metropolitan Technical Community College to acquire land rights needed for the Papio Dam Site 13 Project for the purchase price of \$357,927.08, subject to changes deemed necessary by the General Manager and approval as to form by District Legal Counsel.**

Roll call was taken on the motion. The motion carried on a vote of 5 to 0.

Voting Yea: Conley, Lanphier, Thompson, Schwope, Tesar

Voting Nay: None
Abstaining: None
Excused Absence: Connealy, Fowler
Absent: Connealy, Fowler

ADJOURNMENT: Being no further business, the meeting adjourned by acclamation at 9:02 p.m.

05dec_fel_minutes