

**Finance, Expenditure & Legal  
Subcommittee Meeting  
July 11, 2006  
8:30 p.m.  
Agenda**

**Finance, Expenditure & Legal Subcommittee Members:**

Dick Connealy, Chairperson  
Tim Fowler, Vice-Chairperson  
John Conley  
Dorothy Lanphier  
Jim Thompson

Alternate Members:     John Schwope                     Staff Liaison:     Jim Becic \*  
                                  Rich Tesar   Jerry Herbster  
   Jack Lawless  
   Trent Heiser

1. Meeting Called to Order – Chairperson Connealy
  2. Quorum Call
  3. Adoption of Agenda
  4. Proof of Publication of Meeting Notice
  5. Review and Recommendation on Accounts Over 110%
    - a. Acct. # 01 01 00 4051 – Vehicle/Equipment (Gas & Oil) – Martin Cleveland
    - b. Acct # 01 01 00 4090 – Directors Per Diem – Pat Teer
    - c. Acct # 01 01 00 4171 – Staff Travel and Expenses – Pat Teer
    - d. Acct # 01 01-00 4311 – Public Notices – Pat Teer
    - e. Acct. #01 01-00 4392 – General – Attorney Fees – Pat Teer
    - f. Acct. # 01 05-00 4485 – Water Monitor Programs – Gerry Bowen
  6. Review and Recommendations on FY 2007 Budget – Marlin Petermann
- NOTE: Dates to Remember for P-MRNRD FY 2007 Budget:
- Public Input Meeting at July 13, 2006 Board Meeting
  - Budget Hearing and Adoption of FY 2007 Budget at August 10, 2006 Board Meeting
  - Set Tax Levy for FY 2007 at September 14, 2006 Board Meeting
7. Adjourn

Agenda Item: 5.a.

## Memorandum

To: Finance, Legal, and Expenditure Subcommittee

Subject: Account Over 110% - 01-01-00-4051

Date: July 10, 2006

From: Martin P. Cleveland

The budgeted amount for Account #01-01-00-4051 (Vehicles/Equipment – Gas and Oil) was \$95,000. The current expenditures for this account are \$107,890.20, or 113.6% of budget. The account is used for fuel (gasoline and diesel) and oil supplies for District vehicles and equipment. This includes the District's construction and maintenance equipment, such as tractors, scrapers, excavators, dump trucks.

The Fiscal Year 2006 Budget was set in July 2005, based on prior year gas and oil expenditures. Since that date gasoline and diesel prices have increased at least \$1.00/gallon (about 33% increase) and subsequently increased this account expenditures.

**It is the staff recommendation that the Subcommittee recommend to the Board that Account #01-01-00-4051 "Vehicles/Equipment – Gas and Oil" be allowed to exceed 110% of the budgeted amount of \$95,000.**

Agenda Item: 5. b, c, d and e.

## Memorandum

To: Finance, Legal, and Expenditure Subcommittee

Subject: Accounts Over 110%

- 01-01-00-4090 – Directors Per Diem
- 01 01 00 4171 – Staff Travel and Expenses
- 01 01-00 4311 – Public Notices
- 01 01-00 4392 – General Attorney Fees

Date: July 10, 2006

From: Pat Teer

There are three general accounts over 100%. There following are the explanations:

**Acct. #01 01-00 4090 – Directors Per Diem:** The budgeted amount for this account is \$24,000. The current expenditure for this account is \$31,973 or 133.2% of budget. There were two Special Board Meetings held during this fiscal year and numerous individual meetings of Directors during the January – April, 2006 timeframe where per diem was claimed.

**Acct. #01 01-00 4171 – Staff Travel and Expenses.** The budgeted amount for this account is \$50,000. The current expenditures for this account are \$56,701.46 or 113.4% of budget. Expenditures for everything from conference registrations to medical supplies required for first aid stations in work places are posted to this account. This year the District paid the NARD \$1,781.32 and Willnerd and Associates, LLC \$375.00 for the District's share of the audit and review of the NARD Retirement Plan. The District was not aware of this expense when preparing FY 2006 budget; therefore, this item was not included in the budget.

**Acct. #01 01-00 4311 – Public Notices.** The budgeted amount for this account is \$15,000. The current expenditures for this account are \$23,726.89 or 158.2% of budget. The following expenditures were incurred during the month of June to advertise the General Manager's position:

Chicago Times	3,500.00
Career Links	295.00
Des Moines Register	1,575.05
Kansas City Star	1,825.14
Denver Post	1,618.22
	8,813.41

The District has not yet received billings from the Omaha World Herald, Lincoln Journal Star or the Minneapolis Star Tribune.

**Acct. #01 01-00 4392 – General – Attorney Fees.** The budgeted amount for this account is \$50,000. The current expenditure for this account is \$87,622.63 or 175.2% over budget. The overage is a payment of \$50,630.46 to McGrath North Mullin and Kratz for services rendered.

**It is the staff recommendation that the Subcommittee recommend to the Board that the following accounts be allowed to exceed 110% of budgeted amount:**

- **01-01-00-4090 – Directors Per Diem**
- **01 01 00 4171 – Staff Travel and Expenses**
- **01 01-00 4311 – Public Notices**
- **01 01-00 4392 – General Attorney Fees**

Agenda Item: 5.f.

## **Memorandum**

To: Finance, Legal, and Expenditure Subcommittee

Subject: Account Over 110% - 01-05-00-4485 Water Quality Monitoring

Date: July 3, 2006

From: Gerry Bowen

The budgeted amount for Account #01-05-00-4485 (Water Quality Monitoring) was \$62,700. The current expenditures for this account are \$75,464, or 120% of budget. The account is used for water quality monitoring, stream gauge, and rain gauges. The District contracts with the US Geological Survey to test groundwater from the well nests and for the routine monitoring of irrigation wells, as well as operation and maintenance of the Omaha Creek gauge at Homer. The account overage occurred because an incorrect figure was put in the FY 2006 budget. The amount should have been \$75,464.

The agreements with USGS for these services cover portions of two federal fiscal years, but only one of the District's. The budgeted amount did not take into consideration that some billings for FY 07 were received in FY 06 for payment.

**It is the staff recommendation that the Subcommittee recommend to the Board that Account #01-05-00-4485 “Water Quality Monitoring” be allowed to exceed 110% of the budgeted amount of \$62,700.**

# MEMORANDUM

TO: Finance, Expenditures and Legal Subcommittee

SUBJECT: FY 2007 Proposed Budget

DATE: July 6, 2006

FROM: Marlin Petermann, Acting General Manager

Since the June 8, 2006 Board meeting there have been some changes to FY 2007 revenue and expenditure numbers. I have listed these adjustments separately for your review:

**Adjustments**  
*Italized = Revenue Accounts*  
**Regular print = Expense Accounts**

	<i>Acct #</i>	<i>Description</i>	<i>Cuts (-) Adds (+)</i>
Page 3	#3000	<i>General – Cash on Hand \$5,680,000 vs. \$5,100,000 This is an estimate. Final cash on hand will be determined when final revenues and expenditures are available.</i>	+ 580,000
Page 3	#3010 (Rev)	<i>State Aid – Notification received from State. FY 2007 amount \$562,727.53 vs. 610,000 estimate</i>	- 47,272.47
Page 3	#4052 (Ex)	Vehicle/Equipment Repair - \$110,000 vs. \$100,000 FY 2006 expenses will total \$106,000. We will have to purchase 2 scraper tires in July; therefore, the budget has increased by \$10,000	+ 10,000
Page 3	#4151 (Ex)	Health, Life, Disability, Dental - \$371,500 vs. \$585,000. Original budget figure was projected at 10% increase. NARD Board took action to increase premiums by 28% (additional \$48,500). Nebr. Department of Insurance has determined that the NARD falls under the Nebraska Intergovernmental Risk Management Act, which requires us to have a minimum reserve of 20% of yearly premiums (\$600,000). NARD has not determined how this will be addressed – but we are looking at approximately \$3,700 per employee or \$165,000. This would be a loan - not an assessment. The NARD is looking at the possibility of issuing bonds – NARD will pay back the money. (See attached information)	+213,500

Page 4	#4351 (Ex)	Social Security – 160,500 vs. 150,000. Increased to pay District’s portion of FICA underpayment on retirement contributions for FY 2003 and FY 2004	+ 10,500
Page 4	#4354 (Ex)	Medfica - \$40,000 vs. \$36,500. Increased to pay District’s portion of Medfica underpayment on retirement contributions for FY 2003 and FY 2004.	+ 3,500
Page 4	#4398 (Ex)	Special Planning/Engineering/Recycling - \$240,000 vs. \$185,000. \$50,000 added for GM search and \$5,000 added for Flatwater Metroplex.	+55,000
Page 7	#4400 (Ex)	West Branch – Professional - \$200,000 vs. \$120,000 Tributary crossing design was delayed 6 months by contract negotiation. Work planed for FY 06 has been delayed to FY 07.	\$80,000
Page 7	#4430 (Exp)	West Branch – Land Rights - \$20,000 vs. \$30,000 Revised estimate due to less expected land rights impact.	-10,000
Page 7	#4479 (Ex)	West Branch – Contract Work - \$1,099,000 vs \$1,109,000 – Revised estimate by tributary crossing consultant resulted in a lower budget.	- 10,000
Page 9	#3010 (Rev)	<i>Floodway Purchase Program – State \$380,000 vs. \$225,000 – Grant from NEMA for the District All-Hazards Mitigation Plan was submitted, but payment will not be received until FY 2007.</i>	+155,000
Page 11	#4479 (Ex)	Project Maintenance – Contract Work - \$303,000 vs. \$258,000 – Added \$45,000 due to required OPPD power pole relocation at PL 566 Papio Creek structure S-31 site. Discovered during final design in June.	+ 45,000
Page 12	#4410 (Ex)	Papio Reservoirs – Construction - \$3,480,000 vs. \$2,340,000 – The first of three payments for Shadow and Midland Lakes was not eligible in FY 2006 as anticipated, therefore, two payments totaling \$2.8 million will be made in FY 2007.	+1,140,000
Page 12	#4430 (Ex)	Papio Reservoirs – Land Rights - \$3,500,000 vs. \$4,250,000. Dam site 15A right of way acquisition reduced \$750,000.	- 750,000
Page 13	#4383 (Ex)	Urban Drainageway Projects - \$605,877 vs. \$694,797 Ft. Calhoun notified the District that the construction of their detention basin project would not occur during the next 12 months.	- 88,920

Page 15	#3010 (Rev)	<i>State – NRWQ Funds - \$32,110 vs. 41,000 – The initial budget number was based on last year’s amount. Recent correspondence from NDNR indicates a lower amount would be the District’s share of the fund.</i>	- 8,890
Page 15	#4485 (Ex)	Water Monitoring Programs - \$95,175 vs. \$62,500. Estimated number was used for draft. The new number reflects the correct amounts for water quality monitoring, primarily with USGS for well nest and grid network sampling and testing.	+ 32,675
Page 16	#3010 (Rev)	<i>Recreation – State Grant – Dodge Site - \$100,000 vs. \$150,000. – Re-evaluation based on grant scheduling.</i>	- 50,000
Page 16	#3134 (Rev)	<i>Recreation – Misc. – Campground Fees - \$66,000 vs. \$60,000. FY 2006 revenue was approximately \$66,000. Increase \$6,000 to better reflect actual income.</i>	\$ 6,000
Page 16	#4385 (Ex)	NRD Recreational Development - \$485,000 vs. \$585,000 – Re-evaluation based on grant scheduling for Elkhorn River Access Site at W. Dodge Road.	- 100,000
Page 17	#3010 (Rev)	<i>Trails – Federal Awards - \$908,600 vs. 836,600 – Reflects increased reimbursement based on additional expenditures to meet the design schedule of Western Douglas County Trails project.</i>	+ 72,000
Page 17	#3130 (Rev)	<i>Trails – Misc. Income - \$59,800 vs. \$49,000 - Reflects increased reimbursement based on additional expenditures to meet the design schedule of Western Douglas County Trails project.</i>	+ 10,800
Page 17	#4400 (Ex)	Trail – Professional - \$415,000 vs. \$325,000 – Additional funds needed to meet design schedule of Western Douglas County Trails Project.	+ 90,000
Page 19	#3000 (Rev)	<i>Wetland Mitigation Banking – Cash on Hand - \$191,000 vs. \$285,000 – Anticipated sale of wetland bank credits did not occur in FY 2006.</i>	- 94,000
Page 19	#3130 (Rev)	<i>Wetland Mitigation Banking – Misc. Income - \$109,000 vs. \$110,000 –Income adjusted to reflect interest projection.</i>	- 1,000
Page 19	#4400 (Ex)	Wetland Mitigation Banking – Professional Services - \$48,000 vs. 73,000 – Expenses adjusted to balance Wetland Mitigation Bank income. This is a self-sustaining program.	- 25,000

Page 19	#4410 (Ex)	Wetland Mitigation Banking – Construction - \$55,000 vs. \$125,000 – Expenses adjusted to balance Wetland Mitigation Bank income. This is a self-sustaining program.	- 70,000
Page 21		<i>Improvements Project Areas:</i>	
	#3723 (Rev)	<i>Thurston County Rural Water - \$263,475 vs. \$262,975 – Better figures now available.</i>	+ 500
	#3729 (Rev)	<i>Washington Co Rural Water #2 - \$1,045,866 vs. \$500,000 – Majority is mandated reserves by lenders.</i>	+545,866
Page 21		<i>Improvements Project Areas:</i>	
	#4723 (Ex)	Thurston County Rural Water - \$263,475 vs. \$262,975 – Better figures now available.	+ 500
	#4729 (Ex)	Washington Co Rural Water #2 - \$1,045,866 vs. \$500,000 - Majority is mandated reserves by lenders.	+545,866

### **Budget Assumptions:**

- ✪ 5% increase in valuations is used to calculate the tax levy. The District has received a preliminary valuation from Sarpy County reflecting a 10.93% increase. Final valuations are not available until mid August. Last year’s valuation increase was 9.14%.
- ✪ \$500,000 budgeted for Necessary Cash Reserve.
- ✪ \$5,680,000 estimated for General Cash on Hand as of June 30, 2006.
- ✪ The expense and revenue figures used are as of June 29, 2006 and do not reflect final figures. Final figures will not be available until after the July 13<sup>th</sup> Board meeting when June expenditures are approved.

**Once again, I would like to point out that there are still several unknowns, i.e., final revenues/expenditures, cash on hand, Treasurer’s balance, valuations, final IPA budgets, etc.**

Dates to Remember for P-MRNRD FY 2007 Budget:

- Public Input Meeting at July 13, 2006 Board Meeting
- Budget Hearing and Adoption of FY 2007 Budget at August 10, 2006 Board Meeting
- Set Tax Levy for FY 2007 at September 14, 2006 Board Meeting



**It is management's recommendation that the Subcommittee recommend to the Board that the proposed FY 2007 budget be forwarded for review at the August 10, 2006, Budget Hearing with the provision that the Acting General Manager be authorized to make necessary adjustments once final figures are available to achieve compliance of state statutes regarding the lid.**