Finance, Expenditure & Legal Subcommittee Meeting
July 8, 2008
6:30 p.m.

Agenda

Finance, Expenditure & Legal Subcommittee Members:
Dick Connealy, Chairperson
Tim Fowler, Vice-Chairperson
John Conley
Dorothy Lanphier
Richard Patterson

Alternate Members: John Schwope
Rich Tesar

Staff Liaison: Jim Becic
Jerry Herbster
Trent Heiser *

1. Meeting Called to Order – Chairperson Connealy

2. Notification of Open Meetings Act Posting and Announcement of Meeting Procedure – Vice-Chairperson Fowler

3. Quorum Call

4. Adoption of Agenda

5. Proof of Publication of Meeting Notice

6. Review and Recommendation on FY 2009 Budget – John Winkler

   NOTE: Dates to Remember for P-MRNRD FY 2009 Budget:

   - Public Input Meeting at July 10, 2008 Board Meeting
   - Budget Hearing and Adoption of FY 2009 Budget at August 14, 2008 Board Meeting
   - Set Tax Levy for FY 2009 at September 11, 2008 Board Meeting

7. Adjourn
MEMORANDUM

TO: Finance, Expenditures and Legal Subcommittee

SUBJECT: FY 2009 Budget – Draft 2

DATE: July 1, 2008

FROM: John Winkler, General Manager

Since the June 12, 2008 Board meeting there have been some changes to FY 2009 revenue and expenditure numbers. I have listed these adjustments separately for your review:

Adjustments

*Italicized = Revenue Accounts*

Regular print = Expense Accounts

<table>
<thead>
<tr>
<th>Page #</th>
<th>Acct #</th>
<th>Description</th>
<th>Cuts (-)</th>
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<tbody>
<tr>
<td>Page 3</td>
<td>#3010  (Rev)</td>
<td>State Aid – Notification received from State. FY 2009 amount $469,808.52 vs. $525,000 estimate</td>
<td>- 55,191.48</td>
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<tr>
<td>Page 3</td>
<td>#4071 (Ex)</td>
<td>Directors Travel and Expense - $34,000 vs. $32,000 – To cover mileage reimbursement increase</td>
<td>+ 2,000</td>
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<td>Page 3</td>
<td>#4153 (Ex)</td>
<td>Workers Compensation - $85,000 vs. $92,000. Premium lower than originally estimated.</td>
<td>-7,000.00</td>
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<td>Page 3</td>
<td>4171 (Ex)</td>
<td>Staff Travel and Expense - $49,000 vs. $47,000 – To cover mileage reimbursement increase</td>
<td>+ 2,000</td>
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<td>Page 5</td>
<td>4634 (Ex)</td>
<td>Maintenance – O&amp;M Headquarters - $30,000 vs. $19,000 – Work on roof, cover for diesel storage, and improvement to parking lot.</td>
<td>+ 11,000</td>
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<td>Page 5</td>
<td>4802 (Ex)</td>
<td>Machinery and Equipment - $38,000 vs. $88,000. Deleted Mini Track Excavator - $50,000</td>
<td>- 50,000</td>
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<td>Page 5</td>
<td>#4803 (Ex)</td>
<td>Automobiles &amp; Trucks - $60,000 vs. $75,000 – Carry over 2008 Ford Escape hybrid - $20,000 and deleted 2009 1 ton chassis cab w/box - $35,000</td>
<td>- 15,000</td>
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<td>Page 9</td>
<td>#3010 (Rev)</td>
<td>Floodway – State Grants - $150,000 vs. $300,000. Cut $250,000 from King Lake project – lowering revenues by $150,000</td>
<td>- 150,000</td>
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<td>Page 9</td>
<td>#4430 (Ex)</td>
<td>Floodway – Land Rights - $550,000 vs. $800,000 – acquisition of floodway properties in King Lake lowered from $350,000 to $100,000</td>
<td>- 250,000</td>
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<td>Page 12</td>
<td>4430 (Ex)</td>
<td>Papio Reservoirs – Land Rights – 0 - $1,000,000 – Zorinsky Basin #1 deleted.</td>
<td>-1,000,000</td>
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<td>4902</td>
<td>(Ex)</td>
<td>4383</td>
<td>(Ex)</td>
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<td>Special Reserve Fund – Transfer out of General Fund - $4,650,000 vs. $4,000,000</td>
<td>+ 650,000</td>
<td>Urban Drainageway Projects - $789,423 vs. $1,088,123. Brookhaven SID reduced $299,500</td>
<td>- 299,500</td>
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<td>Trails Assistance Program - $666,890 vs. 519,270 – add carry over projects – City of Blair - $43,202 and South Sioux City - $104,418.</td>
<td>+147,620</td>
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Budget Assumptions:

- 5.44% increase in valuations is used to calculate the tax levy. The District has received a preliminary valuation from Sarpy County reflecting a 7.06% increase. Final valuations are not available until mid August. Last year’s valuation increase was 9.23%.

- $500,000 budgeted for Necessary Cash Reserve

- $8,750,000 estimated for General Cash on Hand as of June 30, 2008.

- The expense and revenue figures used are as of June 27, 2008 and do not reflect final figures. Final figures will not be available until after the July 10th 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.

NOTE: Dates to Remember for P-MRNRD FY 2009 Budget:

- Public Input Meeting at July 10, 2008 Board Meeting
- Budget Hearing and Adoption of FY 2009 Budget at August 14, 2008 Board Meeting
- Set Tax Levy for FY 2009 at September 11, 2008 Board Meeting

It is management’s recommendation that the Subcommittee recommend to the Board that the FY 2009 budget, as presented, be forwarded for review at the August 14, 2008, Budget Hearing with the provision that the General Manager be authorized to make necessary adjustments once final figures are available to achieve compliance of state statutes regarding the lid.