

**Finance, Expenditure & Legal  
Subcommittee Meeting  
June 6, 2006  
7:00 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 Amendments to Agreement for Missouri River Trail Crossing Bridge – Marlin Petermann, Jim Becic and Larry Foster, City of Omaha
6. Review of FY 2007 Budget – Draft 1 – Marlin Petermann
  - a. Review and Recommendation of 1% Increase to the Budgeted Restricted Funds for Lid Calculation for FY 2007 Budget

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. Review and Recommendation on Accounts Over 110%:
  - a. Acct. 01 01-00 4333 – Office Equipment Maintenance – Trent Heiser
  - b. Acct. 01 01-00 4570 – Salaries: Administrative – Jack Lawless
8. Review and Recommendation on Purchase Agreement for Floodway Buyout at Elbow Bend – *[Executive Session, if needed]* – Paul Woodward
9. Adjourn

## MEMORANDUM

Memo To: FEL Subcommittee  
Re: Interlocal Agreement – Missouri River Pedestrian Bridge  
From: Jim Becic  
Date: 31 May, 2006

The attached Interlocal Agreement for Missouri River Trail Crossing Bridge was approved by the NRD Board in October, 2000.

The agreement has a five year (“approximately”) duration and commits the NRD to fund \$1 million over a three year period for this bridge project. A final payment was made to the City of Omaha in FY-2005. These funds were utilized for the design, environmental, geotechnical, engineering and other studies leading up to the letting of bids for the project.

A design/build process was initiated by the City of Omaha when the customary design and bid process hit a significant set-back nearly two years ago after the construction bids that were received, were considerably higher than the engineers’ \$22 million estimate. This subsequent, design/build process has resulted in a contractor being selected in April of 2006, that guarantees the completion of the project for the original \$22 million dollar estimate.

It is at the City of Omaha’s request that, to facilitate the bridge construction the attached FIRST AMENDMENT TO AGREEMENT FOR MISSOURI RIVER TRAIL CROSSING BRIDGE be adopted by the Papio-Missouri River NRD.

**Management recommends that the FEL Subcommittee recommend to the Board that the acting General Manager be authorized to execute the proposed FIRST AMENDMENT TO AGREEMENT FOR MISSOURI RIVER TRAIL CROSSING BRIDGE.**

# MEMORANDUM

TO: Finance, Expenditure and Legal Subcommittee

SUBJECT: FY 2007 Budget – Draft 1

DATE: May 31, 2006

FROM: Marlin Petermann, Acting General Manager

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Attached is a copy of the first draft of the P-MRNRD FY 2007 budget. As you are aware, a budget document is a guide or working plan for each fiscal year. The following are some items I would like you to consider when reviewing the attached draft FY 2007 budget:

Draft Budget Assumptions:

- ✪ 5% increase in valuations has been used to calculate the tax levy. This is an estimated figure. Final valuation from the counties will not be available until mid August. Last year's valuation increase was 9.14%.
- ✪ \$500,000 has been budgeted for Necessary Cash Reserve. This is less than one month of operations for the District.
- ✪ \$5,100,000 has been estimated for General Cash on Hand as of June 30, 2006.
- ✪ The expense and revenue figures used are as of May 31, 2006 or an approximate 10 1/2-month period. Please note the figures in the column titled "MGR Proj" (Manager's Projection). These figures have been calculated to show the end of year total expenditure based on the percentage of budget that has been spent or the project manager's estimated expenditure figures for the end of the fiscal year. This column will drop out of the report when we have final figures.

**As noted above there are still several unknowns, i.e., final revenues/expenditures, cash on hand, Treasurer's balance, valuations, etc. The budget figures shown in the first draft hopefully will get us in the ball park for compliance with state statutes.**

Attached is a Fact Sheet regarding the FY 2007 P-MRNRD budget and the budget worksheets for your review.

# FACT SHEET

## FY 2007 BUDGET – 1<sup>st</sup> DRAFT

|   | <b>FY 2006</b>  | <b>FY 2007</b>  |
|---|-----------------|-----------------|
| <b>TOTAL OPERATING BUDGET</b> (General) | \$31.12 million | \$34.32 million |
| <b>PROPERTY TAX LEVY</b>                | 0.039094        | 0.039084 *      |
| <b>PROPERTY TAX</b>                     | \$15,730,401.58 | \$16,512,708.68 |
| <b>PROPERTY VALUED AT \$100,000</b>     | \$39.09         | \$39.08         |

\* Reflects an overall 5% increase in property tax revenues. This is an estimate. Final valuations will not be available from the County Assessors Offices until mid August. Last year’s final valuations were an overall 9.14% increase.

This first draft budget puts us in the ball park to be in compliance with provisions of Nebraska state statutes regarding the lid. The District is limited to a 2.5% increase in restricted funds plus growth, if the growth exceeds 2.5%. The Board can also exceed the limit by 1% with a ¾ vote of the members. The following items are lid exceptions that would apply to the District:

1. Capital Improvements (acquisition and improvements to real property)
2. Interlocal Agreements/Joint Public Agency Agreements
3. Repairs to infrastructure damaged by a natural disaster.

The 2.5% lid applies to General expenditures such as the Directors’ per diem and expenditures, District’s insurance coverage, equipment/vehicles, salaries, etc.

The total requirements for FY 2007 are:

|   |
|---|
| \$34,322,386.02 – general               |
| \$ 50,000.00 – uninsured liability fund |
| \$34,372,386.02 – Total                 |

The budget worksheets are divided into 8 major budget categories: General Administration, Information and Education, Flood Prevention, Erosion Control, Water Quality, Recreation, Forestry, Fish and Wildlife and Improvement Project Areas. Each major project is shown on a separate sheet in the budget document detailing revenues and expenses for specific projects.

## BUDGET SUMMARY (Major Programs and Projects):

### FLOOD CONTROL:

- ◆ West Branch Papio Creek Flood Improvement (36<sup>th</sup> to I-80) – includes construction of 7 tributary crossings \$1,728,000
- ◆ Flood Control – Nonstructural (Flood warning system and Ice Jam Contract) \$173,500
- ◆ Floodway Purchase Program (District all hazard plan, floodplain mapping of West Papio Creek basin, Cole Creek in Omaha and acquisition of floodway properties in Douglas and Sarpy Counties) \$1,252,000
- ◆ Western Sarpy/Clear Creek Project \$1,110,000
  - ❖ Professional Services – Cabin raise ROW and appraisal services - \$80,000
  - ❖ Construction – Cash contribution to Corps - \$300,000
  - ❖ Land Rights – Levee easements and utility relocations for levee - \$700,000
  - ❖ Legal - \$30,000
- ◆ General Project Maintenance – includes S-27, S-31 and S-32 dam rehab and on-going maintenance for District projects, i.e., Union Dike, Elkhorn River, Little Papio, R-613, PL 566 dam sites, etc. \$1,162,000
- ◆ Papio Dam Sites – Private/Public Partnerships that provide joint flood control and rec benefits. Flood control/multi purpose reservoir(s) are of the utmost importance to the Greater Omaha Area. The Papio Watershed has a very high potential for loss of life and property damage from flooding. As urban development continues at a rapid pace, the NRD needs to be more aggressive on achieving the construction of more flood control reservoirs. \$7,940,000
  - ❖ Professional Services – \$1,250,000
    - Design & construction observation DS-13 - \$100,000
    - DS 15 - \$200,000
    - Design review for Shadow & Midland Lake - \$50,000
    - Prelim design of DS 1 and 3C - \$500,000
    - DS-7 - \$120,000
    - DS-8 - \$120,000
    - WPT East - \$100,000
    - Zorinsky Basin #2 - \$60,000
  - ❖ Construction - 2,340,000
    - Payment to Dial for construction of DS-13 - \$1,200,000
    - 75% construction cost share for Shadow Lake and 100% construction cost share of Midland Lake (2<sup>nd</sup> of 3 payments) - \$1,140,000
  - ❖ Land Rights - \$4,250,000
    - DS-7 - \$1,000,000
    - DS 8A - \$1,000,000
    - DS 15A - \$1,250,000
    - WPT East - \$500,000
    - Zorinsky Basin #2 - \$500,000
  - ❖ Legal - \$100,000

### EROSION CONTROL:

|   |             |
|---|-------------|
| ◆ Small Dam Program   | \$22,000    |
| ◆ Urban Conservation Assistance Cost Share Program  | \$46,320    |
| ❖ Papillion - \$22,320  |             |
| ❖ Bellevue - \$24,000   |             |
| ◆ Elk/Pigeon Creek – Construction of Elk Creek structure  | \$ 35,000   |
| ◆ Urban Drainageway Cost Share Program  | \$694,797   |
| ❖ Papillion (final payment of 2) – \$80,000   |             |
| ❖ LaVista – (final payment of 2) - \$94,000   |             |
| ❖ Omaha Tribe - \$149,909   |             |
| ❖ Elkhorn - \$53,541  |             |
| ❖ LaVista - \$84,000  |             |
| ❖ Ft. Calhoun - \$88,920  |             |
| ❖ Omaha Tribe - \$144,427   |             |
| ◆ Conservation Assistance Program (Soil conservation/water quality cost-sharing with landowners. Includes Silver Creek Sites 6, 11, 35, 36, 30, 23, 24, 25 and 31.) | \$1,600,000 |
| ◆ Pigeon/Jones Recreation Site  | \$550,500   |
| ❖ Professional Services - \$450,000   |             |
| ❖ Land Rights - \$90,500  |             |
| ❖ Legal Services - \$10,000   |             |

#### **WATER QUALITY:**

|  |           |
|--|-----------|
| ◆ Papiio Creek Watershed Partnership (Partnership w/communities Within the watershed to address water quality and quantity concerns) | \$520,800 |
| ◆ Clean Lakes Construction – Savannah Shores (carry over)  | \$100,000 |
| ◆ Lower Platte River Corridor Alliance   | \$102,083 |
| ◆ Water Quality Grants   | \$425,000 |
| ❖ Arlington (1 <sup>st</sup> of 2 payments) - \$175,000  |           |
| ❖ Kennard - \$250,000  |           |
| ◆ Water Monitoring Programs  | \$ 62,500 |

#### **OUTDOOR RECREATION:**

|  |           |
|--|-----------|
| ◆ Recreation Development and general O&M and improvements for Chalco Hills, Walnut Creek, Prairie View, Platte River and Elkhorn River Rec Sites, development of Elkhorn River Access Site at West Dodge Road; repair to Chalco Hills boat ramp; MoPac trail maintenance/improvements. | \$585,000 |
| ◆ Recreation Area Development Program:   | \$247,425 |
| ❖ Omaha (Kiwanis Park) - \$82,150  |           |
| ❖ Omaha (Zorinsky Trail) - \$50,000  |           |
| ❖ Dakota City - \$37,500   |           |
| ❖ Bellevue (2 projects) - \$77,775   |           |
| ◆ Omaha Neighborhood Parks Program (3rd of 4 payments)   | \$250,000 |

|  |             |
|--|-------------|
| ◆ Trails:  |             |
| ❖ Professional Services                                    | \$325,000   |
| • MoPac–(Platte Lied Bridge– Hwy 31 to Hwy 50) – \$100,000 |             |
| • Western Douglas County – \$150,000                       |             |
| • Pedestrian Bridge Inspection – \$5,000                   |             |
| • Quad States Trail - \$5,000                              |             |
| • MoPac Equestrian Trail - \$15,000                        |             |
| • MoPac Trail (Hwy 50 – Chalco) - \$50,000                 |             |
| ❖ Construction   | \$2,323,762 |
| • MoPac (Hwy 50 to Lied Bridge) – \$1,700,000              |             |
| • Springfield (carry over) - \$14,170                      |             |
| • Arlington (carry over) - \$26,983                        |             |
| • Waterloo (carry over) - \$43,104                         |             |
| • MoPac Equestrian Trail - \$71,000                        |             |
| • Omaha - \$26,000   |             |
| • South Sioux City – \$11,975                              |             |
| • Blair - \$43,202   |             |
| • Winnebago - \$40,569                                     |             |
| • Ralston - \$61,819                                       |             |
| • Ft. Calhoun - \$61,179                                   |             |
| • Winnebago (carry over) - \$23,761                        |             |
| • Western Douglas - \$200,000                              |             |
| ❖ Land Rights: Hwy 50 to Chalco                            | \$25,000    |

**FORESTRY, FISH AND WILDLIFE:**

|   |             |
|---|-------------|
| ◆ Wetland Banking   | \$400,000   |
| ◆ Missouri River Corridor Project   |             |
| ❖ Professional Services –   | \$220,000   |
| • Missouri River Trail Design Phase 2 and construction engineering - \$196,000            |             |
| • Misc. surveys, appraisals, monitoring Gallup and Washington County mitigation - \$7,500 |             |
| • NRD/Omaha Tribal agreement at Blackbird Site - \$2,500                                  |             |
| • California Bend – four season biological inventory - \$14,000                           |             |
| ❖ Construction  | \$4,360,500 |
| • Lower Decatur Bend - \$627,000  |             |
| • Miller Land Park (4 <sup>th</sup> of 5 payments) - \$200,000                            |             |
| • Bellevue Riverfront Development (2nd of 4 payments) - \$334,000                         |             |
| • O&M for Back to the River sites – \$9,500   |             |
| • Missouri River Trails - \$2,350,000   |             |
| • Wetland Reserve Enhancement Program (NE Env. Trust funded) - \$840,000                  |             |
| ❖ Land Rights – ROW for Lower Decatur Bend  | \$115,000   |

If you have any questions regarding this material, please feel free to contact me.

# MEMORANDUM

To: FEL Subcommittee  
Subject: FY 2007 Budget – Lid Computation (1% Resolution)  
Date: May 31, 2006  
From: Marlin Petermann, Acting General Manager

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State statutes require that no governmental unit shall adopt a budget containing a total of budgeted restricted funds more than the last prior year's total of budgeted restricted funds plus allowable increases. All political subdivisions have the ability to increase their base restricted funds by 2.5%. If a political subdivision has allowable growth due to improvement to real property as a result of new construction, additions to existing buildings, any improvements to real property, and any increase in valuation due to annexation and any personal property valuation over the prior year above 2.5%, you can use the amount over the 2.5% increase as the base of restricted funds. Additional growth used for FY 2006 budget was 1.13%. Growth numbers are provided by the County Assessors on the Certification of Valuation. These numbers are not available until mid-August.

The Board approved the additional 1% increase for the FY 2006 budget. At least 75% of the governing body is required to approve the additional 1% increase (this is 75% of the authorized board [9 votes] and not just 75% of those present). FY 2006 total allowable percentage increase was 4.63% (see attached chart).

|   |              |
|---|--------------|
| Base Limitation                             | 2.50%        |
| Additional Growth (3.63% - 2.5% =<br>1.13%) | 1.13%        |
| Additional 1% Approved by Board             | 1.00%        |
| <b>Total Allowable Percent Increase</b>     | <b>4.63%</b> |

There is no special hearing or notice required to consider the additional 1% increase. Following is a history showing the Board's actions in allowing for the additional 1% increase:

|         |     |
|---------|-----|
| FY 1998 | Yes |
| FY 1999 | Yes |
| FY 2000 | No  |
| FY 2001 | Yes |
| FY 2002 | No  |
| FY 2003 | Yes |
| FY 2004 | No  |
| FY 2005 | No  |
| FY 2006 | Yes |



The following items are lid exceptions that would apply to the District:

- Capital Improvements (acquisition and improvements to real property)
- Interlocal Agreements/Joint Public Agency Agreements
- Repairs to infrastructure damaged by a natural disaster.

The 2.5% lid applies to General expenditures such as:

- Directors' per diem and expenditures
- District's insurance coverage
- Equipment/vehicles
- Salaries
- Gas, oil and vehicle repairs
- Utilities

It would be beneficial to the District if the Board approves the additional 1% to help cover increases to those general costs and to help build the base for restricted funds for the FY 2008 budget.

**It is the management's recommendation that the Subcommittee recommend to the Board that the following resolution be adopted:**

**BE IT RESOLVED THAT the Board of Directors of the Papio-Missouri NRD approves an additional increase of 1% in the Total Funds Subject to Limitation, pursuant to Neb. Rev. State. §§ 13-518 through 13-522.**

Agenda Item: 7.a.

To: Finance, Expenditures and Legal Subcommittee  
From: Trent Heiser  
Date: June 7, 2006  
Re: Account over 110% - Acct. # 01 01-00 4333 Office Equipment Maintenance

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Account number 4333 Office Equipment Maintenance is over 110% because our color copying /printing usage is way over what was planned for the year. We plan about 4000 pages of color per month and have been using about 10,000 per month. With this increased usage we have to pay for the toner and supplies associated with this difference. This accounts for an additional \$1000 - \$2000 per quarter.

**It is recommended that the Subcommittee recommend to the Board that Account #01 01 00 4333 be allowed to exceed 110% of the budgeted amount.**

Agenda Item: 7.b.

To: Finance, Expenditures and Legal Subcommittee  
From: Jack Lawless  
Date: June 7, 2006  
Re: Account over 110% - Acct. # 01 01-00 4570

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Account number 010100 4570 Salaries Administrative is over 110% for the year. This is due to the movement through Steve Oltmans' payroll of \$18,000 of previously earned deferred compensation. This is offset by miscellaneous income received last year from Jackson Life. It is likely that there will be a final payroll to Steve Oltmans that will push this account slightly higher.

**It is recommended that the Subcommittee recommend to the Board that Account #01 01-00 4570 be allowed to exceed 110% of the budgeted amount.**

Agenda Item: 8.

Memo for Agenda Item 8 is posted under “Confidential” on the District’s website at [www.papionrd.org](http://www.papionrd.org).

Agenda Item #7      Review and Recommendation on Purchase  
Agreement for Floodway Buyout at Elbow Bend