



## MEMORANDUM

TO: Finance, Expenditure and Legal Subcommittee

SUBJECT: FY 2009 Budget – 1st Draft

DATE: June 4, 2008

FROM: John Winkler, General Manager

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Attached is a copy of the first draft of the P-MRNRD FY 2009 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 draft FY 2009 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 9.23%.
- ✪ \$500,000 has been budgeted for Necessary Cash Reserve. This is less than one month of operations for the District.
- ✪ \$8,750,000 has been estimated for General Cash on Hand as of June 30, 2008.
- ✪ The expense and revenue figures used are as of May 31, 2008 or an approximate 10 1/2-month period. Please note the figures in the column titled "Mgr Est" (Manager's Estimate). 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.
- ✪ The draft budget shows an expenditure of \$8 million to be transferred out of the general fund to establish the Flood Control and Water Quality Programs and Projects Special Reserve Fund. The fund was established by the Board of Directors at their May 8, 2008 meeting. The Flood Control and Water Quality Projects and Practices Special Reserve Fund was created to enable the District to set aside and accumulate District general funds to finance the future establishment, construction, operation and maintenance of flood control and water quality projects and practices, including but not limited to low-impact development best management measures, flood plain buyouts, dams, reservoir basins and levees. These funds will not be available for expenditure for any other purposes. The draft budget shows a \$4 million expenditure to be transferred out of the general fund into the special reserve fund in FY 2009.

**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.**

I would ask that each Director carefully review this document and if there are any questions or concerns, please contact me.

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

## FACT SHEET

### FY 2009 BUDGET – 1<sup>st</sup> DRAFT

	<b>FY 2007</b>	<b>FY 2008</b>
<b>TOTAL OPERATING BUDGET</b> (General)	\$44.19 million	\$40.21 million
<b>PROPERTY TAX LEVY</b>	0.034848	0.036664 *
<b>TOTAL PROPERTY TAX REQUIREMENT</b>	\$16,444,611.41	\$18,166,620.88
<b>PROPERTY VALUED AT \$100,000</b>	\$34.84	\$36.66

\* 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 9.23% 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  $\frac{3}{4}$  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 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 materials, fencing, utility replacement, etc. \$561,000
- ◆ Flood Control – Nonstructural (Flood warning system and Ice Jam Contract) \$210,000
- ◆ Floodway Purchase Program – \$1,665,000
  - ❖ Professional Services – \$800,000 - Misc. title searches, appraisals, etc. - \$35,000; All-hazard mitigation plans - \$35,000; Douglas and Sarpy Co. floodplain re-mapping - \$100,000; Dakota Co. floodplain mapping - \$80,000; Washington Co. floodplain mapping - \$150,000; levee certification studies: Waterloo - \$200,000 and Missouri River - \$200,000
  - ❖ Construction Costs - \$60,000 – Demolition and cleanup costs.
  - ❖ Land Rights - \$800,000 – Omaha Cole Creek buyout and channel maintenance program (7<sup>th</sup> or 8 payments) - \$250,000; acquisition of floodway properties in Douglas and Sarpy Counties - \$100,000; King Lake - \$350,000; and LaVista (Thompson Creek, 1<sup>st</sup> of 3 payments) - \$100,000
- ◆ Western Sarpy/Clear Creek Project \$1,090,000
  - ❖ Professional Services – Appraisal services, title searches, etc. - \$70,000
  - ❖ Construction – Cash contribution to Corps - \$300,000
  - ❖ Land Rights – Levee easements and utility relocations for levee - \$700,000
  - ❖ Legal - \$20,000
- ◆ General Project Maintenance – Includes expenditures for on-going maintenance for District projects, i.e., Union Dike, Elkhorn River, Little Papio, R-613, PL 566 dam sites, etc. \$2,661,000
  - ❖ Professional Services - \$295,000 – Bridge area drainage 0 \$20,000; W-2 repairs; Turtle #2 construction - \$35,000; Silver Creek monitoring - \$10,000; Whitted Creek repair - \$200,000; other - \$10,000.
  - ❖ Materials - \$140,000 – Crushed rock for levees and rec sites - \$30,000; Seed and herbicides - \$25,000; riprap for small erosion areas at dams and creeks - \$60,000 and other - \$25,000.
  - ❖ Contract Work - \$1,930,000 – Papio Creek Bank Stabilization (riprap and hauling) - \$410,000; trail area drainage work - \$20,000; Big Papio/Little Papio brush spraying - \$15,000; W-2 repairs - \$40,000; S-27, S-31, S-32 and Turtle Creek #2 dam rehab - \$1,445,000

- ◆ 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. \$5,430,000
  - ❖ Professional Services – \$400,000
    - WP RB 5 – 200,000
    - Zorinsky Basin #1 or 2 - \$140,000
    - DS-13 monitoring - \$20,000
    - West Papio levees - \$20,000
    - Other Papio dams - \$20,000
  - ❖ Construction - 0
  - ❖ Land Rights - Zorinsky Basin #2 - \$1,000,000
  - ❖ Legal - \$30,000
  - ❖ Special Reserve Fund - \$4,000,000 - The draft budget includes an expenditure of \$8 million to be transferred out of the general fund to establish the Flood Control and Water Quality Programs and Projects Special Reserve Fund. The fund was established by the Board of Directors at their May 8, 2008 meeting. The fund was created to enable the District to set aside and accumulate District general funds to finance the future establishment, construction, operation and maintenance of flood control and water quality projects and practices, including but not limited to low-impact development best management measures, flood plain buyouts, dams, reservoir basins and levees. These funds will not be available for expenditure for any other purposes.

#### **EROSION CONTROL:**

- ◆ Urban Conservation Assistance Cost Share Program \$47,440
  - ❖ Papillion - \$22,440
  - ❖ South Sioux City - \$25,000
- ◆ Elk/Pigeon Creek – Construction of Elk Creek structure \$ 85,000
- ◆ Urban Drainageway Cost Share Program \$1,088,923
  - ❖ Omaha Tribe - \$99,150 (Carry Over)
  - ❖ Brookhaven SID - \$499,500
  - ❖ Papillion - \$54,900
  - ❖ Valley - \$38,850
  - ❖ Bellevue - \$54,073
  - ❖ Omaha (Cambridge Oaks) - \$70,800
  - ❖ Omaha (Keystone East) - \$71,650
  - ❖ Omaha (Cole Creek – 1<sup>st</sup> of 2 payments) - \$200,000
- ◆ Conservation Assistance Program - Includes soil conservation/water quality cost-sharing with landowners - \$500,000; Silver Creek Site11 professional services - \$200,000; and, Silver Creek sites 42 and 9 construction - \$120,000. \$820,000

**Erosion Control Continued:**

- ◆ Pigeon/Jones Recreation Site – \$1,000,000
  - ❖ Professional Services – Design of dam, roads, tie back levee and storage area - \$250,000
  - ❖ Land Rights - \$750,000

**WATER QUALITY:**

- ◆ Papio Creek Watershed Partnership (Partnership w/communities Within the watershed to address water quality and quantity concerns) – Omaha reimbursement - \$276,000; engineering - \$187,000 \$463,000
- ◆ Clean Lakes Construction – D-4 dredging \$250,000
- ◆ Lower Platte River Corridor Alliance \$111,450
- ◆ Lower Platte River Vegetation Management – Removal of invasive species from the Platte River valley. \$200,000
- ◆ Water Quality Grants \$950,000
  - ❖ Arlington - \$350,000
  - ❖ Kennard - \$250,000
  - ❖ Ft. Calhoun - \$300,000
  - ❖ Cost share program for stormwater BMP projects - \$50,000
- ◆ Water Monitoring Programs – Well monitoring - \$152,000; Omaha Creek gauge - \$6,000 and rain gauges - \$700 \$ 158,700

**OUTDOOR RECREATION:**

- ◆ Recreation Development and general O&M and improvements for Chalco Hills, Prairie View, Platte River and Elkhorn River Rec Sites - \$175,000, development of Elkhorn River Access Site at West Dodge Road - \$375,000; MoPac trail maintenance/improvements - \$20,000; Green Initiative - \$10,000. \$580,000
- ◆ Recreation Area Development Program: \$350,918
  - ❖ South Sioux City - \$15,125
  - ❖ Papillion - \$35,793
  - ❖ Blair - \$50,000
  - ❖ Omaha (Cunningham Lake Marina) - \$250,000
- ◆ Trails: \$7,569,270
  - ❖ Professional Services - \$920,000
    - MoPac–(Platte Lied Bridge– Hwy 31 to Hwy 50) – \$200,000
    - Western Douglas County – \$400,000
    - Pedestrian Bridge Inspection – \$15,000
    - Quad States Trail - \$5,000
    - MoPac Trail (Hwy 50 – Chalco) - \$100,000
    - Keystone Connector Trail - \$200,000
  - ❖ Construction - \$5,200,000
    - MoPac (Hwy 50 to Lied Bridge) – \$1,700,000
    - Western Douglas - \$3,500,000

**Trails continued:**

- ❖ Trails Assistance Program - \$519,270
  - Winnebago (Carry Over) - \$25,000
  - LaVista - \$52,370
  - Bennington - \$41,500
  - South Sioux City - \$16,900
  - Springfield - \$56,500
  - Omaha (Keystone) - \$200,000
  - Papillion - \$49,900
  - Ft. Calhoun - \$17,100
  - Omaha (Turner) - \$60,000
  
- ❖ Land Rights – \$920,000
  - Keystone Connector Trail - \$320,000
  - West Papio (UPRR) - \$500,000
  - Western Douglas County Trail - \$100,000
- ❖ Legal - \$10,000

**FORESTRY, FISH AND WILDLIFE:**

- ◆ Urban Celebrate Trees – Celebrate Trees - \$30,000 and Keep Omaha Beautiful (72<sup>nd</sup> and Center Streets) - \$20,000 \$50,000
- ◆ Wetland Banking \$478,000
  - ❖ Professional Services - \$100,000 - Design of Silver Creek - \$20,000; Glacier Creek - \$20,000; Rumsey Station monitoring - \$20,000; and Rumsey West design - \$40,000
  - ❖ Construction - \$75,000 – Silver Creek and other sites
  - ❖ Land Rights - \$300,000 – lands rights for next banking site (Glacier Creek/Alwine Prairie Project)
  - ❖ Legal - \$3,000
  
- ◆ Missouri River Corridor Project \$3,514,500
  - ❖ Professional Services – \$195,000
    - Missouri River Trail - Phase 2 construction engineering - \$180,000
    - Misc. surveys, appraisals, monitoring Gallup and Washington County mitigation - \$7,500
    - NRD/Omaha Tribal agreement at Blackbird Site - \$2,500
    - Back to the River; River clean up, etc. - \$5,000
  
  - ❖ Construction - \$3,312,000
    - Bellevue Riverfront Development - \$334,000
    - O&M for Back to the River sites – \$30,000
    - Missouri River Trails – Phase 2 - \$2,500,000
    - Wetland Reserve Enhancement Program (NE Env. Trust funded) - \$448,000
  - ❖ Land Rights - \$2,500
  - ❖ Legal - \$5,000

## Memorandum

**To:** Finance, Expenditure & Legal

**From:** John Winkler, General Manager

**Date:** June 9, 2008

**Re:** Special Reserve Fund Operating Procedures

Per Board of Director direction at the May 8, 2008 Board meeting I have formulated the attached Special Reserve Fund Operating Procedures. The purpose of these procedures is to establish guidelines for the organization, maintenance and operation of the Flood Control and Water Quality Special Reserve Fund which was approved by the Board of Directors at the May, 8, 2008 Board of Directors Meeting.

- **Management recommends that the subcommittee recommend to the Board of Directors that the Special Reserve Fund Operating Procedures be adopted and that the General Manager be authorized to execute the necessary steps outlined in the Special Reserve Fund Operating Procedures to establish the fund account and to transfer eight million (\$8,000,000) dollars from the general fund into the special reserve fund by the June 30, 2008 as the fund beginning balance.**

## **Special Reserve Fund Operating Procedures**

Except as otherwise ordered by the Board from time to time, the following regulations shall govern the Flood Control and Water Quality Projects and Practices Special Reserve Fund (“the Special Reserve Fund”), created by the May 8, 2008, resolution of the Board that provided as follows, to-wit:

“WHEREAS, it is necessary that the Papio-Missouri River Natural Resources District (“the District”) provide for the timely availability of sufficient funds for future expenditures required for the establishment, construction, operation and maintenance of flood control and water quality projects and practices, including but not limited to low-impact development best management measures, flood plain buyouts, dams, reservoir basins, and levees; and,

WHEREAS, it is foreseeable that the District’s requirements for such funds in future years will exceed the amounts available from the current tax levying authority, and that, in order to have sufficient funds for such purposes available when needed, it is necessary that the District establish a special reserve fund, as authorized by Section 13-503(9), R.R.S., 1997, enabling the District to set aside and accumulate District general funds for such purposes, that will not be available for expenditure for any other purposes except as determined by the Board of Directors.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Papio-Missouri River Natural Resources District that, the Papio-Missouri River Natural Resources District Flood Control and Water Quality Projects and Practices Special Reserve Fund is hereby created for the purpose of enabling the District to set aside and accumulate

District general funds to finance the future establishment, construction, operation and maintenance of flood control and water quality projects and practices, including but not limited to low-impact development best management measures, flood plain buyouts, dams, reservoir basins and levees, and that such funds will not be available for expenditure for any other purposes.”

1. **Account.** A bank account (“the Special Reserve Fund Account”) shall be maintained and employed by the District as the depository of a revolving fund account for the receipt and expenditure of those District general tax funds (“Special Reserve Funds”) that have been set aside by the Board in and for the Special Reserve Fund.

2. **Annual budget.** Each fiscal year’s budget, proposed to and adopted by the Board for the District, shall designate for setting aside and accumulation in the Special Reserve Fund Account the general tax funds of the District that the Board anticipates and determines will be necessary to enable the District to finance in a timely manner the future establishment, construction, operation and maintenance of flood control and water quality projects and practices.

3. **Permissible projects and practices.** Allocations to and appropriations from the Special Reserve Fund will be made only for the establishment, construction, operation and maintenance of flood control and water quality projects and practices, including but not limited to low-impact development best management measures, flood plain buyouts, dams, reservoir basins and levees. Special Reserve Funds will not be accumulated or available for expenditure for any other purposes.

4. **Annual Allocations.** Each fiscal year’s budget for the District, proposed to and adopted by the Board, shall reflect the amount of District general funds that the Board determines necessary to allocate and add to the Special Reserve Fund for the immediately ensuing fiscal year; and, may also reflect any priorities for expenditures from the Special Reserve fund, for

previously adopted and approved projects and practices, that the Board determines necessary to adopt for such immediately ensuing fiscal year.

5. **Deposit of Special Reserve Funds**. Prior to the end of each fiscal year; District general funds that are allocated as Special Reserve Funds shall be deposited in the Special Reserve Fund Account

6. **Investment of unexpended funds**. Unexpended funds in the Special Reserve Fund shall be invested in accordance with law and in such manner as the Board determines appropriate for general funds of the District. Interest earned on unexpended Special Reserve Funds shall be paid into and accounted for as part of the Special Reserve Fund.

7. **Monthly fund status**. Management shall provide a written report to the Board on the status of the Special Reserve Fund with the monthly financial statements.

8. **Other District funds**. Except as otherwise provided by the Board, Special Reserve Funds may be expended for projects or practices in supplementation of, in substitution for, or in conjunction with the expenditure of other funds of or administered by the District.

9. **Leftover funds**. Any District general tax funds, and any interest earned thereon, remaining in the Special Reserve Fund upon termination of such fund, shall be expended as the Board determines necessary and only for the establishment, construction, operation and maintenance of flood control and water quality projects and practices, including but not limited to low-impact development best management measures, flood plain buyouts, dams, reservoir basins and levees.

## MEMORANDUM

**TO:** Finance, Expenditure and Legal Subcommittee

**SUBJECT:** Tekamah-Mud Creek Watershed Structure 5A (Summit Lake)  
Ingress-Egress Easement Request

**BY:** Martin P. Cleveland

**DATE:** June 5, 2008

Tekamah-Mud Creek Watershed Structure 5A (Summit Lake) is located west of Tekamah, as shown on the attached location map. Enclosed is information provided by, C. Lloyd Kjeldgaard and Keith Kjeldgaard's attorney, related to their request that the District provide an ingress-egress across the District's Tekamah-Mud Creek Watershed Structure 5A project property (Parcel B) from Burt County Road 29 to gain access to their 11 acre land-locked parcel of property. The ingress-egress strip (see Exhibit C) is at the location of a driveway connecting to County Road 29 that they built and have been using for many years without proper permission from the District. They desire to sell their property (Parcel A), but are not able to do this without providing access to a public road. The Kjeldgaard attorney (Mark Bubak) has indicated that they believe that access to Parcel A was cut off when the Middle Missouri Tribes NRD (now merged into Papio-MRNRD) acquired property for the Tekamah-Mud Creek Watershed Structure 5A project.

The granting of an ingress-egress easement would grant the Kjeldgaards and the subsequent property purchaser of their property full-time use of the access corridor and as such it is Management's recommendation that the Kjeldgaards be granted the proposed easement for the approximate property value. Based on a land value of \$4,000 per acre the easement fee would be \$400 (0.09 acres x \$4,000/acre). This easement should not affect the operation of the Summit Lake or the Tekamah-Mud Creek Watershed Structure 5A Dam, as it is in the upstream reach of the Summit Lake area (south of dam and east of lake).

- **It is Management's recommendation that the Subcommittee recommend to the Board that the General Manager be authorized to execute the proposed Ingress-Egress Easement in favor of C. Lloyd Kjeldgaard and Keith Kjeldgaard for the payment of \$400, subject to changes deemed necessary by the General Manager and approved as to form by the District Legal Counsel.**