

**Finance, Expenditure & Legal
Subcommittee Meeting
June 7, 2011
7:00 p.m.
(Or immediately following the PPO Subcommittee meeting)
Agenda**

Finance, Expenditure & Legal Subcommittee Members:

Rich Tesar, Chairperson
Jim Thompson, Vice-Chairperson
Larry Bradley
John Conley
Dorothy Lanphier

Alternate Members: Fred Conley
Rick Kolowski

Staff Liaison: Jim Becic
Jerry Herbster
Carey Fry
Brian Henkel
Lori Laster *

1. Meeting Called to Order – Chairperson Tesar
2. Notification of Open Meetings Act Posting and Announcement of Meeting Procedure – Chairperson Tesar
3. Quorum Call
4. Adoption of Agenda
5. Proof of Publication of Meeting Notice
6. Review and Recommendation on Pigeon/Jones Site 15 Project Right of Way Purchase Agreements [Executive Session] – Marlin Peterman, Paul Peters and Chris Pawloski, Midwest Right of Way
7. FY 2012 Budget – Draft 1 – John Winkler
 - a. Review FY 2012 Budget – Draft 1
 - b. Review and Recommendation of 1% Increase to the Budgeted Restricted Funds for Lid Calculation
8. Adjourn

Agenda Item 6

6. Review and Recommendation on Pigeon/Jones Site 15 Project Right of Way Purchase Agreements [*Executive Session*] – Marlin Peterman, Paul Peters and Chris Pawloski, Midwest Right of Way

Update will be given at the FEL Subcommittee.

MEMORANDUM

TO: Finance, Expenditure and Legal Subcommittee

SUBJECT: FY 2012 Budget – 1st Draft

DATE: June 3, 2011

FROM: John Winkler, General Manager

Attached is a copy of the first draft of the P-MRNRD FY 2012 budget. As you are aware, a budget document is a guide or working plan for each fiscal year. The following is a quick overview of the draft budget:

	FY 2011	FY 2012- 1st Draft
TOTAL OPERATING BUDGET (General)	\$59.5 million	\$80.8 million
PROPERTY TAX LEVY	0.032753	0.036145*
TOTAL PROPERTY TAX REQUIREMENT	\$16,728,178.86	\$18,552,810.06
PROPERTY VALUED AT \$100,000	\$32.75	\$36.15

* Reflects an overall 10.36 % 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 0.37% increase.

The following are some items I would like you to consider when reviewing the draft FY 2012 budget:

Draft Budget Assumptions:

- ⊛ \$500,000 has been budgeted for Necessary Cash Reserve. This is less than one month of operations for the District.
- ⊛ \$7,000,000 has been estimated for General Cash on Hand as of June 30, 2011.
- ⊛ Potential FY 2012 Bonding Requirements:

Zorinsky Basin #1	\$2,196,407
DS 15	\$15,319,756
WPRB-5	\$11,398,052
TOTAL	\$28,914,215

- ⊛ The expense and revenue figures used are preliminary as of April 30, 2011. Please note the figures in the column titled 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.

As noted above, this is the **1st draft**. 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 2012 Budget:

- FEL Subcommittee Meeting, Review 2nd Draft of FY 2012 Budget
- Public Input Meeting at July 14, 2011 Board Meeting
- Budget Hearing and Adoption of FY 2012 Budget at August 11, 2011 Board Meeting
- Set Tax Levy for FY 2012 at September 8, 2011 Board Meeting

Agenda Item 7.b

MEMORANDUM

To: FEL Subcommittee
Subject: *FY 2012 Budget – Lid Computation (1% Resolution)*
Date: June 1, 2011
From: John Winkler, General Manager

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. Growth numbers are provided by the County Assessors on the Certification of Valuation. This information is not available until mid-August.

We have just completed the first draft of the FY 2012 budget. There are still several unknowns, i.e., final revenues/expenditures, property tax receipts, etc., needed to determine the total unused restricted funds authority for the FY 2012 budget.

The Board can also exceed the limit by 1%. Approval would require a super majority of the Board. That is, at least 75% of the governing body is required to approve or 9 affirmative votes - not just 75% of those present.

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
FY 2007	No
FY 2008	No
FY 2009	No
FY 2010	Yes
FY 2011	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 future budgets.

- **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 Unused Restricted Funds Authority, pursuant to Neb. Rev. State. §§ 13-518 through 13-522.