

**Finance, Expenditure & Legal  
Subcommittee Meeting  
May 6, 2008  
6:45 p.m.  
(or immediately following the PPO Subcommittee Meeting)**

**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  
Jack Lawless \*  
Trent Heiser

1. Meeting Called to Order – Chairperson Connealy
2. Notification of Open Meetings Act Posting and Announcement of Meeting Procedure – Chairperson Connealy
3. Quorum Call
4. Adoption of Agenda
5. Proof of Publication of Meeting Notice
6. Review and Recommendation on Establishing a Flood Control and Water Quality Projects and Practices Special Reserve Fund – John Winkler
7. Adjourn

## MEMORANDUM

TO: Finance, Expenditures and Legal Subcommittee

SUBJECT: Establishing a Flood Control and Water Quality Projects and Practices  
Special Reserve Fund

DATE: April 30, 2008

FROM: John Winkler

I have been approached by several Directors inquiring about the possibility of establishing a special reserve fund to finance the District's flood control and water quality projects and practices. The purpose of the reserve account would be to 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 project and practices, including but not limited to low-impact development best management measures, flood plain buyouts, dams, reservoir basins and levees. The funds would not be available for any other purpose.

On April 21, 2008, I met with Deanne Haeffner, Assistant Deputy, Nebraska Auditor's Office, to clarify the District's authority to set up such a fund. During our meeting I presented her with the attached letter asking her to review the resolution regarding setting up a special reserve fund. At the meeting she indicated that she saw no problem with the proposed resolution. She also sent a letter affirming her opinion.

We conducted an informal survey of other NRDs regarding their usage of Sinking Funds/Reserve Funds. Twelve of the 21 NRDs use some form of this funding mechanism. Also as a point of reference, the Board included an additional 1 cent (\$3.5 million) in the tax levy to establish a sinking fund for future major flood control sites in the Papio watershed in the FY 2005 budget.

Establishing a special reserve fund would provide a good fiscal management tool and would help to make the District's budget more transparent and accountable to the public.

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

**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 a future year will exceed the amounts available from the District's general funds, 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.**

**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 not available for expenditure for any other purposes.**