

**Finance, Expenditure & Legal
Subcommittee Meeting
May 12, 2009
6:40 p.m.
(Or immediately following the Ad Hoc Subcommittee Meeting)**

Agenda

Finance, Expenditure & Legal Subcommittee Members:

Rich Tesar, Chairperson
Rick Kolowski, Vice-Chairperson
Larry Bradley
John Conley
Dorothy Lanphier

Alternate Members: Fred Conley
Jim Thompson

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. Discussion regarding 1% Increase to the Budgeted Restricted Funds for Lid Calculation – John Winkler
7. Review and Recommendation on Papio WP-5 Right of Way Acquisition - *Confidential [Executive Session, if needed]*– Amanda Grint
8. Adjourn

MEMORANDUM

To: FEL Subcommittee

Subject: FY 2010 Budget – Lid Computation (1% Resolution)

Date: May 5, 2009

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.

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

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.

We are anticipating Subcommittee/Board action on this at the June meetings.