

**PERSONNEL, LEGISLATIVE AND PUBLIC AFFAIRS  
SUBCOMMITTEE MEETING  
November 14, 2006  
6:45 p.m.  
AGENDA**

**Personnel, Legislative and Public Affairs Subcommittee:**

John Schwope, Chairperson  
Fred Conley, Vice Chairperson  
Dick Connealy  
Rick Kolowski  
Rich Tesar

Alternate Members: Tim Fowler  
Rich Jansen

Staff Liaison: Emmett Egr  
Christine Jacobsen

1. Meeting Called to Order – Chairperson Schwope
2. Notification of Open Meetings Act Posting and Announcement of Meeting Procedure – Chairperson Schwope
3. Quorum Call
4. Adoption of Agenda
5. Proof of Publication of Meeting Notice
6. Review and Recommendation(s) on Participation in NARD Flexible Benefits Plan – Pat Teer
7. Adjourn

## MEMORANDUM

TO: Personnel, Legislative and Public Affairs Subcommittee

SUBJECT: Authorization for P-MRNRD Employees to Participate in the NARD Flexible Benefits Plan

DATE: November 2, 2006

FROM: Pat Teer, Administrative Coordinator

The Board of Directors of the Nebraska Association of Resources District (NARD) formally approved the NARD Flexible Benefits Plan at their September 26, 2006 meeting. The NARD Flexible Benefits Plan is a “cafeteria plan” pursuant to Section 125 of the Internal Revenue Code of 1986, as amended.

The major advantage of this plan is that employees’ contributions for the group health and dental premiums, the Health Flexible Spending Accounts and the Dependent Care Flexible Spending Accounts are deducted from the gross wages on a pre-tax basis. Mid-American Benefits, Inc., claims administrator for the NARD health/dental plan, will administer this plan. There is a \$2.50 per month charge for each participant in the plan. This charge will be offset because the District will not have to pay FICA taxes on the portion of the salary that is redirected.

**Employee participation in the plan is on a voluntary basis.**

The plan features three benefit options:

1. Insurance Premium Payment Option – This allows participants to pay for dependent coverage with pre-tax dollars. This option is currently available to District employees.
2. Health Flexible Spending Account – This will allow employees to pay for medical expenses not covered under the insurance plan, i.e., deductibles, \$30 co-pay for office visits; prescription drug co-pays, dental co-pays, etc., with pre-tax dollars. Employee contributions to the Health Flexible Spending Account cannot exceed \$2,400 during the plan year. The minimum contribution is \$40/month to offset administrative costs.
3. Dependent Care Flexible Spending Account – This option would allow participants to pay for dependant care with pre-tax dollars. In most cases employee contributions shall not exceed \$5,000 during the plan year.

It is recommended that the District participate in all three options listed in the plan and that the effective date be January 1, 2007.

The Participation Agreement with the Nebraska Association of Resources Districts for the NARD Flexible Benefits Plan, the suggested Resolution, the resolution passed by the NARD Board of Directors and a presentation regarding details of the plan are attached.

**It is the Staff's recommendation that the PLPA Subcommittee recommend to the Board that the Acting General Manager be authorized to execute the Participation Agreement between the Nebraska Association of Resources Districts and the Papio-Missouri River NRD; that the District participate in all three options of the plan; that the effective date for P-MRNRD participation be January 1, 2007; and, that the resolution provided by the NARD be adopted.**