



LOWER PLATTE SOUTH natural resources district

3125 Portia Street | P.O. Box 83581 • Lincoln, Nebraska 68501-3581
P: 402.476.2729 • F: 402.476.6454 | www.lpsnrd.org

Item #7

Memorandum

Date: March 13, 2020
To: Each Director
From: Paul D. Zillig, General Manager
Subject: Finance & Planning Subcommittee Meeting Minutes

The Finance & Planning Subcommittee met at 5:00 pm on Wednesday, March 11, 2020 in the NRD Office. Subcommittee members present included Dan Steinkruger, Greg Osborn, Bob Andersen, and Gary Hellerich (no quorum – motions will require a second at the Board meeting). Subcommittee members participating via teleconference included Vern Barrett and Luke Peterson. Other Directors present included Larry Ruth and Deborah Eagan. Others present included Al Langdale, Bryce Jensen, Nathan Kuhlman, and Walker Zulkoski, Dan Zomermaand, & Pat Harris of NPAIT/PMA, Steve Seglin, Corey Wasserburger, David Potter, Kathy Spence and myself.

Steinkruger opened the meeting and welcomed all those in attendance, including Barrett & Peterson who are participating via teleconference, and asked Jensen to report on the proposal to purchase a UTV (Utility Task Vehicle) for use by the Saline Wetland Partnership and NRD. Jensen reviewed the attached memo explaining the partners involved and funding, the purpose of the vehicle and the proposals received. It was moved by Andersen, seconded by Osborn, and unanimously approved by the Subcommittee Members present to recommend the Board of Directors accept the proposal from E.T.'s Lawn and Leisure to purchase a Polaris Ranger 1000 EPS in the amount of \$12,804.01 with \$10,000 being reimbursed to the Lower Platte South NRD from the City of Lincoln's 2016 NET Grant.

The next item on the agenda was to meet with our NPAIT/PMA representatives and learn more about their financial and investment capabilities. Zulkowski stated he is in the Lincoln Office and would be the NRD's primary contact, he then presented some background information on NPAIT. Harris reported on the NPAIT Investment options and history, and Zomeraand reported on the process for the NRD to consider future investment options and examples of existing investment policies that would be an option for the NRD. Attached is a copy of their presentation.

The Subcommittee's hour long discussion with NPAIT/PMA was very helpful and they provided answers to the Subcommittee's questions regarding risk, investment options, cash management/daily liquidity & fixed term services, their work with banks, bonds, investment controls, and their experience with groups such as NPAIT and LPSNRD. The Subcommittee

thanked them for their presentation, discussing their experiences, the services they provide and time answering questions.

The Subcommittee discussed their comfort level working with NPAIT, which was set up to assist political subdivisions like the NRD, and with the representatives from PMA. It was moved by Andersen, seconded by Hellerich, and unanimously approved by the Subcommittee Members present recommend the Board of Directors bring the recommendation off the table from the December Board Meeting and now recommend the Board of Directors authorize continuing under agreement with NPAIT/PMA and designate Paul Zillig, General Manager as the Authorized Representative with Full Rights, Kathy Spence, Administrative Assistant as an Authorized Representative with Limited Rights, and Dan Steinkruger, Treasurer and Bob Andersen, Treasurer Designee as Authorized Representatives with Limited Rights.

Steinkruger and Zillig reported that Spence and them met with Union Bank and are looking into an ICS (Insured Cash Sweep) account that seems like a good option to bridge our existing Union Bank accounts and NPAIT. We will be receiving more information on ICS in the near future and will bring that back to the Subcommittee along with additional thoughts on an Investment policy for the NRD.

The next item on the agenda was to report on the proposed Budget/LRIP schedule for FY'21. Spence handed out the schedule (a copy is attached), it was pointed out that it is similar to previous years, except we've extended the timeline to allow for the additional public hearing required if additional taxes will be requested.

The final item on the agenda was recap of the Director Planning Retreat last month. Potter gave a report on how we will be utilizing the information in the future and copies of the final report were provided.

There being no further business the meeting adjourned at 6:40 pm.

PDZ/pz

pc: Steve Seglin
Corey Wasserburger



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Memorandum

Date: March 6, 2020
To: Paul Zillig, General Manager
From: Bryce Jensen, Operation/Maintenance Technician *BT*
Subject: Utility Vehicle (UTV)

Operations and maintenance is proposing the purchase of a UTV to replace existing UTV used on saline wetlands in accordance to the agreement (Resolution No. A-91576) of the Saline Wetlands Conservation Partnership (SWCP) between the City of Lincoln, the Nebraska Game and Parks Commission, and the Lower Platte South Natural Resources District to share expenses related to land management. The current UTV was purchased in 2013 and is owned by the City of Lincoln.

This proposal for the purchase of replacement UTV would be for use on the saline wetland management areas and other public use and wetland areas within the District. The new UTV would be owned by the District. The 2013 UTV will be transferred to City of Lincoln Greenways District.

The SWCP has agreed to apply \$10,000 toward the purchase of the new UTV through the City of Lincoln 2016 Nebraska Environmental Trust (NET) Fund grant – Eastern Saline Wetlands Project – 2016. Remaining cost would be provided by the District.

On February 21, 2020 I received three proposals for the purchase of a new utility vehicle (UTV) for habitat management. Below are the proposals received for the purchase of a new utility vehicle:

E.T.s Lawn and Leisure	Polaris Ranger 1000 EPS	\$12,804.01
Platte Valley Equipment LLC	John Deere Gator XUV835	\$15,000.00
Rod's Power Sports	Honda Pioneer 1000	\$18,420.70

Staff recommendation is to accept the lowest proposal from E.T.s Lawn and Leisure for a Polaris Ranger 1000 EPS in the amount of \$12,804.01 with \$10,000 being reimbursed to the Lower Platte South NRD from the City of Lincoln 2016 NET grant.

BJ/bj





NPAIT A NEW HORIZON FOR SERVICE



LOWER PLATTE SOUTH
natural resources district

WALKER ZULKOSKI
WZULKOSKI@PMANETWORK.COM
MARKETING CONSULTANT



PAT HARRIS
PHARRIS@PMANETWORK.COM
VICE PRESIDENT – CUSTOMER SOLUTIONS



DAN ZOMERMAAND
DZOMERMAAND@PMANETWORK.COM
MARKETING CONSULTANT





NPAIT Overview

- Founded over 20 years ago, NPAIT is a cooperative investing program designed and governed by Nebraska public entities
- Allowable under Nebraska statutes, over 200 entities participate in the NPAIT program
- NPAIT currently has two investment options
 - Fund with Daily Liquidity
 - Fixed Term Services Program



NPAIT Overview

- NPAIT is governed by an independent board made up of representatives from various types of public entities
- The board hires third party vendors to carry out the management and administration of the fund
 - Recently, the Board voted to transition the Investment Advisor, Administrator, and Marketer functions to PMA Financial Network
 - The Board also voted to transition custody services to UMB Bank
 - The changes took effect on December 2nd, 2019

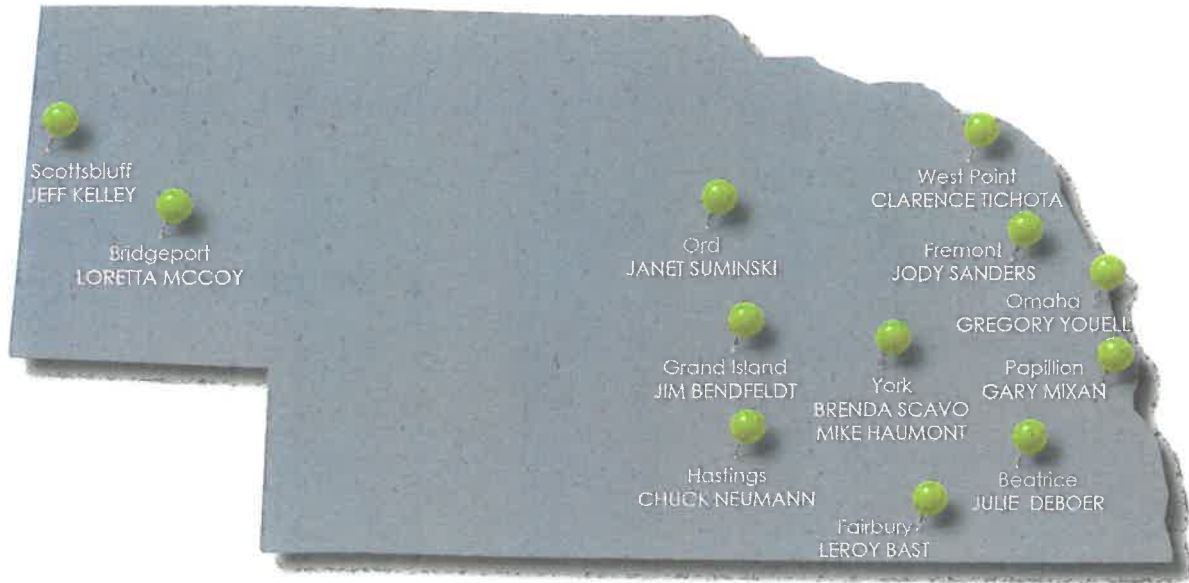


NPAIT Overview

- Investments within NPAIT adhere to Nebraska statutes
- NPAIT has legal counsel and a chief compliance officer that monitor the program
- Sponsored by:
 - Nebraska Rural Electric Association (NREA)
 - Nebraska Association of County Officials (NACO)
 - Nebraska Community College Association (NCCA)
 - Northeast Nebraska Economic Development District (NENEDD)
 - Nebraska State Irrigation Association (NSIA)
 - Metropolitan Area Planning Agency (MAPA)
 - Nebraska State Volunteer Firefighters Association (NSVFA)
 - Panhandle Area Development District (PADD)
 - Nebraska Association of Resources Districts (NARD)



NPAIT Board





Serving the Public Sector for 35 Years

- Work almost exclusively with public funds
- \$27.5 billion in Assets Under Administration*, with over \$8 billion in investment advisory assets under management (as of 12/31/19)

PMA Overview

- Serving over 3,200 public entities in 12 states (FL, IA, IL, MI, MN, MO, NE, NY, OK, PA, SD, WI)
- 130+ employees to meet the ongoing needs of our clients
- Strong financial resources and management structure

Leading provider of LGIP services

- Investment Advisor: 7 Programs
- Fund Administration: 10 Programs
- Distribution/Marketing/Program Support: 10 Programs
- Other program services – Fixed Term investments, cash flow planning, bond proceeds management: 10 Programs

*Total assets under administration include both money market pool assets for which the PMA Companies serve as fund administrator/accountant, marketer/distributor, fixed income program provider (brokerage services), and/or investment advisory, or separate institutional accounts.



PMA LGIP Programs

FLORIDA SURPLUS ASSET FUND TRUST (FL SAFE)



www.flSAFE.org

- INVESTMENT ADVISOR
- TERM SERIES INVESTMENT ADVISOR
- ADMINISTRATOR
- DISTRIBUTOR
- FIXED RATE INVESTMENT PROGRAM

ILLINOIS SCHOOL DISTRICT LIQUID ASSET FUND PLUS (ISDLAF+)



www.isdlafplus.com

- INVESTMENT ADVISOR
- TERM SERIES INVESTMENT ADVISOR
- ADMINISTRATOR
- DISTRIBUTOR
- FIXED RATE INVESTMENT PROGRAM

ILLINOIS PUBLIC RESERVES INVESTMENT MANAGEMENT TRUST



www.primetrust.org

- INVESTMENT ADVISOR
- TERM SERIES INVESTMENT ADVISOR
- ADMINISTRATOR
- DISTRIBUTOR
- FIXED RATE INVESTMENT PROGRAM

IOWA PUBLIC AGENCY INVESTMENT TRUST (IPAIT)



www.ipait.org

- DISTRIBUTOR
- FIXED RATE INVESTMENT PROGRAM

IOWA SCHOOLS JOINT INVESTMENT TRUST (ISJIT)



www.isjit.org

- ADMINISTRATOR
- DISTRIBUTOR
- FIXED RATE INVESTMENT PROGRAM

MINNESOTA MUNICIPAL MONEY MARKET FUND (4M FUND)



www.4mfund.com

- INVESTMENT ADVISOR (WITH SUB-ADVISOR)
- TERM SERIES INVESTMENT ADVISOR
- ADMINISTRATOR
- DISTRIBUTOR
- FIXED RATE INVESTMENT PROGRAM

MNTRUST (MINNESOTA)



www.investmntrust.com

- INVESTMENT ADVISOR
- TERM SERIES INVESTMENT ADVISOR
- ADMINISTRATOR
- DISTRIBUTOR
- FIXED RATE INVESTMENT PROGRAM

NEBRASKA PUBLIC AGENCY INVESTMENT TRUST (NPAIT)



www.npait.com

- INVESTMENT ADVISOR
- ADMINISTRATOR
- DISTRIBUTOR
- FIXED RATE INVESTMENT PROGRAM

NEW YORK LIQUID ASSET FUND (NYLAF)



www.nylaf.org

- ADMINISTRATOR

OKLAHOMA LIQUID ASSET POOL (OLAP)



www.olaponline.org

- FIXED RATE INVESTMENT PROGRAM

PENNSYLVANIA SCHOOL DISTRICT LIQUID ASSET FUND (PSDLAF)



www.psdlaf.org

- ADMINISTRATOR

SOUTH DAKOTA PUBLIC FUNDS INVESTMENT TRUST (SD FIT)



www.sdffit.org

- INVESTMENT ADVISOR
- ADMINISTRATOR
- FIXED RATE INVESTMENT PROGRAM

WISCONSIN INVESTMENT SERIES COOPERATIVE (WISC)



www.investwisc.com

- INVESTMENT ADVISOR (AS SUB-ADVISOR)
- TERM SERIES INVESTMENT ADVISOR
- ADMINISTRATOR
- DISTRIBUTOR
- FIXED RATE INVESTMENT PROGRAM



NPAIT Investment Options

NPAIT Liquid Fund

- Daily liquidity
- Pooled investment
- Designed for the investment of Operating Funds

NPAIT Fixed Term Services

- Longer-term maturities
- Individual direct investment
- Potentially offers more advantageous yield
- Investments include CD's or Gov't Securities
- Under new provider, enhanced bank network



NPAIT – Public Fund Investment Building Blocks

- **Safety of Principal** – “Will I get my principal back?”
 - Credit Risk
- **Liquidity** – “When can I get my principal back?”
 - Liquidity Risk
 - Market Risk
- **Yield** – “Am I receiving an appropriate return?”

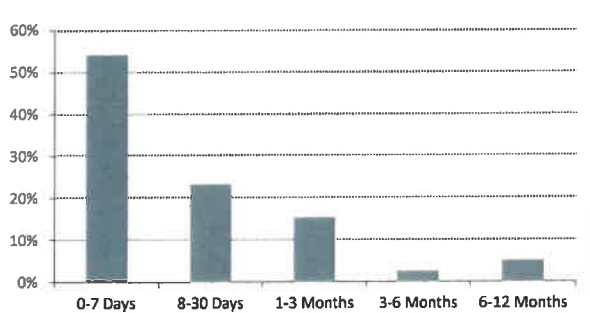


Portfolio Composition – NPAIT

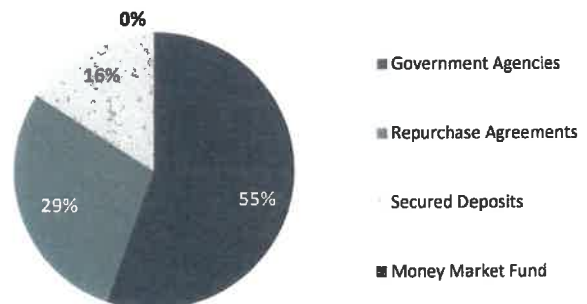
Maturity Distribution December 31, 2019

WAM (R) 31

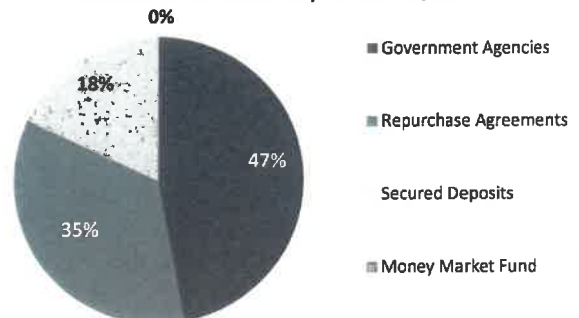
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Investment Allocation December 31, 2019



Investment Allocation September 30, 2019



Source: PMA Financial and 9/30/19 NPAIT Board Book



Summary of Stress Test Results – NPAIT

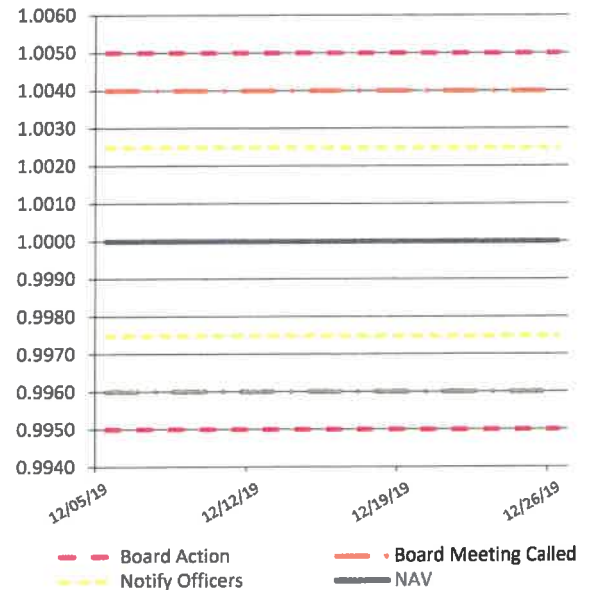
Single Factor Events					
Yield Change			Spreads Widen		
Basis Points	NAV	Pass	Basis Points	NAV	Pass
200	0.999336	Yes	150	0.999897	Yes
150	0.999523	Yes	100	0.999711	Yes
100	0.999710	Yes	50	0.999524	Yes
50	0.999897	Yes			
0	1.000080	Yes			
-50	1.000258	Yes			
-100	1.000436	Yes			
-150	1.000644	Yes			
-200	1.000831	Yes			

Multi-Factor Event	
Factors	Amount
Yield Change	100
Spreads Widen	50
Redemptions	-16%

NAV	Pass
0.999434	Yes

Conclusion:
Based on these single factor and multi-factor stress tests, the Advisor does not believe that a breach is reasonably likely to occur during the next year.

Weekly NAV Monitoring





NPAIT Fixed Term Services

Nebraska Banks

- CD quotes from banks across the state
- Typically terms from 6 months to 2 years

Government Bonds

- US Treasury and Agency Bonds available
- Unlimited Term options



Why Fixed Term?

- Optimal investment schedule to extend duration
- Identify reserve balances to capture yield curve benefits of longer-term investing
- Create Investment Portfolio with optimal percent of liquid investments versus fixed rate investments in order to maximize yield
- Competitive bidding from banks across the State
- Enhanced service platform...



- Secure Online Access—
Functionality:

- Execute transactions
- Consolidated Reporting
- View activity
- View account information
- Fund information
- Fund documents
- Export to Excel for many of the GPS reports

- Dedicated Service Team

- Call center service team
- Toll-free number
- Local Marketer in Lincoln (anticipated)

PMA Financial Network, LLC
GOVERNMENTAL PORTFOLIO SYSTEM
A secure online investment execution and reporting tool.

What Is PMA GPS™? Protecting Your Security

Overview of PMA GPS® Important notice regarding spam e-mail

PMA's new GPS site offers user-friendly and convenient access to your governmental portfolio accounts at any time over a secured server. PMA GPS® allows LGIP participants to process redemptions, purchases, transfers and exchanges online over a secured server. Monthly account statements, daily confirms, historical statements and fixed rate investment portfolios are all available through PMA GPS®.

Important Update

PMA GPS® has added an updated security feature to enhance the safety of your online account. When logging in with an unrecognized or new IP Address, a temporary identification code will be sent to the email address associated with your account. Please retrieve this code to complete the log-in process from your device. The PMA GPS® team is available for any questions you may have: 630.657.6400.



Service to Communities

- Competitive rates – safety, liquidity, yield
- Provides an investment option for liquid funds and longer term funds
- Governed by a Board of public entity peers
- Nine sponsoring associations
- Recent reduction in fees
- Competitive bidding from banks across Nebraska
- Diversification
- Bond Proceeds Management product
- Cash Flow Management product
- Online investment capabilities and reporting

PMA & NPAIT Philosophy – *Partnership*



Questions?



Contact Information

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- Cell: (402) 440-3574
- wzulkoski@pmanetwork.com

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 - Web address: www.gps.pmanetwork.com
- Email: NPAIT@pmanetwork.com
- Voice: (800) 640-8817
- FAX: (630) 718-8701



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**SCHEDULE FOR UPDATE OF LONG RANGE
IMPLEMENTATION PLAN (LRIP) AND PREPARATION AND CONSIDERATION OF
FY2021 BUDGET**

Subcommittee Meetings on LRIP & Budget

LRIP Accomplishments - FY2021 Proposed Actions/Budget to be
mailed out one week before subcommittee meets

April-May 2020

Executive Subcommittee
Urban Subcommittee
Water Resources Subcommittee
Recreation, Forestry & Wildlife Subcommittee
Land Resources Subcommittee
Platte River Subcommittee
Finance and Planning Subcommittee
Information & Education Subcommittee
Integrated Management Subcommittee

Thursday, May 21, 2020

Friday, June 5, 2020

Wednesday, June 10, 2020 (5:30 PM)

Wednesday, June 17, 2020 (6:00 PM)

(Note: starting time is 6:00 PM)

Wednesday, June 24, 2020 (5:30 PM) (if needed)

June 30, 2020

July 1, 2020

Tuesday, July 14, 2020 (5:30 PM)

change July Board Mtg date?

Wednesday, July 22, 2019 (7:00 PM)

Friday, July 24, 2020

Thursday, August 6, 2020

Wednesday, August 19, 2020 (7:00 PM)

Wednesday, August 19, 2020 (7:30 PM)

(immediately after hearing)

Thursday, August 20, 2020

change Aug Board Mtg date?

Wednesday, August 26, 2020 (7:00 PM)

Tuesday, September 8, 2020 (7:00 PM)

Tuesday, September 8, 2020 (7:30 PM)

Wednesday, September 16, 2020 (7:00 PM)

Friday, September 18, 2020

Tuesday, October 13, 2020 (5:30 PM)

Wednesday, October 21, 2020 (7:00 PM)

Deadline for budget recommendations

Draft #1 Budget prepared & distributed

Finance and Planning Subcommittee

Board of Dir Mtg & Public Input Session

Finance and Planning Subcommittee

End of Fiscal Year 2020

Start of Fiscal Year 2021

Finance and Planning Subcommittee

Board of Dir Mtg & tentative Budget approval

Budget on file with District

Publish Notice of Budget Hearing.

Public Hearing on Budget

Finance and Planning Subcommittee

County assessors' certification of valuations

Board of Dir Mtg and budget approval

Special Hearing to Set Final Tax Request

Finance and Planning Subcommittee tentative LRIP approval;

approve Final Tax Request Resolution

Board of Dir Mtg and approval of LRIP; Tax Levy Rate Resolution

Deadline to file budget and certify required property tax amount w/

Counties & State

Finance and Planning Subcommittee -Auditors present audit

Auditors present audit at Board Meeting