



Memorandum

Date: August 20, 2019
To: Each Director
From: Paul D. Zillig, General Manager
Subject: FY 2020 Budget Hearings

The public hearings for the FY 2020 Budget adoption and the setting of the property tax in excess of last years tax were held on Thursday, August 15, 2019, beginning at 7:00 PM at the Lower Platte South NRD Office in Lincoln. Legal notices of the hearings were published on August 5, 2019 in the Lincoln Journal Star newspaper, a copy of the affidavit of publication will be attached to the file copy of the record of the hearing.

Public in attendance included Brian Dunnigan of 6111 Fleetwood Drive and LeRoy Sievers of 716 Driftwood Drive, both in Lincoln. Directors present at the hearings included Gary Aldridge, Karen Amen, Bob Andersen, Mike DeKalb, Tom Green, Gary Hellerich, Greg Osborn, Luke Peterson, Larry Ruth, Dan Steinkruger, Ray Stevens, and Sarah Wilson. Staff present included Dave Potter, and myself.

Treasurer Steinkruger called the first hearing to order at 7:00 pm. He explained that this hearing was for the purpose of receiving testimony on the proposed budget of expenditures for FY 2020, noted the legal notice published on August 5th, and turned it over to myself to review a budget summary. LeRoy Sievers presented testimony, a copy of his comments are attached. The hearing was closed at 7:15 pm.

Steinkruger called the second hearing to order at 7:16 pm. He explained that this hearing was for the purpose of receiving testimony on the District's intent to set a final tax request for FY 2020 that is in excess of the FY 2019 tax request, noted the legal notice was published in the Lincoln Journal Star newspaper August 5th, and turned it over to myself to review the property tax request. LeRoy Sievers presented testimony, a copy of his comments are attached. The hearing was closed at 7:28.

Also attached are copies of the Budget Revenue/Expenditure summary, legal notices, Expenditures pie chart, budget highlights, Revenue/Assets pie chart, and Budget/Valuation/Levy summary table.

PDZ/pz
Enc. 8

pc: Steve Seglin

BUDGET & TAX HEARINGS – AUGUST 15, 2019

Public Hearing #1 – FY 2020 Budget – 7:00 p.m.

Dan Steinkruger Good evening everybody. I am Dan Steinkruger, the Treasurer of the Lower Platte South Natural Resources District and this evening we are holding two public hearings, one is on the 2020 Budget and the other is on the tax request that the District will be making. So, our purpose tonight is to take public comment, support, opposition, criticism, suggestions, or observations of taxpayers and citizens relative to the proposed Fiscal Year 2020 Budget for the Lower Platte South Natural Resources District.

The public notice of the budget hearing and budget summary was published August 5, 2019 in the Lincoln Journal Star newspaper. A copy of the affidavit of publication will be attached to the file copy of the record of hearing.

To start with this evening, Paul Zillig, General Manager, is going to give a brief overview of the proposed budget and then we'll open the floor for public comment.

Paul Zillig presentation

Steinkruger: Thank you Paul, I will open this up for public comments and I know we've got a number of Board Members here, if you've got a question or comment, we'll take public comment first and then provide Board Members an opportunity to come up then if you'd like. So, I'll open it up to the floor, if any members of the public would like to make a comment then please step up to the microphone.

Leroy Sievers: Good evening. My name's Leroy Sievers and I appreciate the opportunity to offer a few comments and thoughts. I respect the work that your Board has done, that the NRD has done, I personally think it is probably the best NRD in our State and I know you take very seriously the responsibility as elected officials. Certainly a difficult task balancing the use of funds with the amount of revenue you can generate through taxes and other means. In reviewing the proposed budget I note that it recommends raising the property taxes by, as it's reflected, \$480,660, which represents a 5% increase, or nearly a 5% increase of property taxes. While I recognize that the levy is not going to rise but due to increases in real property valuations the amount of taxes collected will go up by that amount if your budget is

adopted as proposed. I note that the Lincoln Journal Star reported that home valuations are higher this year than last year on the average of about 10%. Obviously some are higher than that and some are lower. The problem for homeowners is that they have no revenues to offset higher taxes, particularly those homeowners that are on fixed incomes face a real challenge that way. The Legislature has noted and the Governor has been trying to address, with the cooperation of the Legislature, the problem with local jurisdictions like cities, counties, school boards, NRDs relying on property taxes. The World Herald has reported that Nebraska is number eleven in the country as the highest on relying upon property taxes which I think is a real problem that everybody is trying to grapple with. The proposed property tax increase in a total budget of \$31 million is a very small amount. I recognize a number of the items in that budget are not subject to your control so it's not an insignificant amount but I urge you to modify your budget so that you have a zero increase in property taxes. This would still result in a numbers of people paying property taxes to the Lower Platte South NRD as their valuations may have gone up more than reducing your property tax take but at least it wouldn't be a significant increase or a burden on them. For about 10 years I served in the role as legal counsel to the Natural Resources Commission for this State. In that role one of the things I admired about the Commission, when they were given the responsibility of authorizing grants from the Water Sustainability Fund, they didn't always award grants for the total amount of money that they had available because they took upon themselves to be responsible with the taxpayers money and only awarded money that they felt truly justified, was justified on the merits of the application. While I recognize your situation is than that, I think that the Commission garnered a lot of respect from the Legislature for being fiscally responsible. I think if you're able to hold the line and not increase the amount of property taxes you too will garner that respect so I would recommend or urge you to ask your staff, who I think are an excellent staff, to provide some options for the Board to consider on ways to reduce using property tax to a zero amount increase. Thank you very much.

Steinkruger:

Thank you. Do we have other comments? If none, do we have comments, any comments from board members? If not, thank you Mr. Sievers for your comments. The input will be provided to our Finance & Planning Subcommittee and the Board of Directors as they consider the option of the final budget at the meeting on August 21, 2019 at 7:00 p.m. So I will go ahead and close this first hearing and open up the second public hearing which is on the Fiscal Year 2020 tax request. (7:15 p.m.)

Public Hearing #2 – FY 2020 Tax Request – 7:16 p.m.

Steinkruger: I'd open that hearing, once again I am Dan Steinkruger, Treasurer for the Lower Platte South and the purpose of this hearing is to receive public comment on the Board of Directors intent to adopt a property tax request for Fiscal Year 2020 in an amount that exceeds its Fiscal Year 2019 property tax request.

The public notice of the budget hearing and budget summary was published August 5, 2019 in the Lincoln Journal Star newspaper. A copy of the affidavit of publication will be attached to the file copy of the record of hearing.

Again, I will ask, Paul Zillig who is our General Manager, is going to give a brief review of the proposed property tax request and then once again we'll open the floor for public comment.

Paul Zillig presentation

Steinkruger: Thank again Paul, once again I will open this up for public comments if there is anyone that wants to make a comment on the tax request.

Leroy Sievers: Good evening, my name is Leroy Sievers and I won't repeat the comments that I made before other than I would note for your consideration the reason you are having this second hearing is as a result of a legislative changed adopted by the Legislature this past year and my understanding of one of the reasons that the Legislature did that was in an effort to have local jurisdictions recognize that they shouldn't just benefit from the windfall of having higher valuations and reap then that increase of property tax revenues solely because of the increase in valuations. That they, my understating at least, is that the Legislature wanted local jurisdictions to take the extra time to stop and reflect upon the fact that even though you're not proposing to change your levy amount, you're still generating additional tax revenue that's an additional burden on the local taxpayer which particularly for those folks that are on fixed incomes becomes a burden for them to be able to accommodate that from the various local jurisdictions. So again I'd urge you to consider reducing your levy so that your property tax revenue is revenue neutral. Thank you.

Steinkruger: Thank you. Any other comments?

Karen Amen: Just a quick financial question and then a comment about process. Paul, for that 15 year chart, did we adjust that for inflation?

Zillig: No, those are actual dollars

Amen: That's what I thought, it would be interesting to note . . . My question is more process wise, if we do want to relook at things using Mr. Siever's comments, what is the process right now if Finance and Planning votes to go with everything we have here then we don't do another public hearing, if we did make changes, would we have to, would we need another public hearing?

Steinkruger: I guess I'd defer to you on that question Paul

Zillig: Karen, I don't know for sure what that process would be, I think what we would need to do if you wanted to change the budget in some way, there is somewhat a sort of domino effect as to how that, what that change would be and would dictate what you would have to do, whether you would have to have another hearing or what.

Steinkruger: Thank you. Yes Gary.

Gary Aldridge: I would offer a comment to Mr. Sievers. It's just so lonely at the microphone

Steinkruger: Could you provide your name

Aldridge: Gary Aldridge, Director, Subdistrict 4, Lower Platte South NRD. Are we being recorded.

Steinkruger: We are

Aldridge: Is it going to be rebroadcast?

Steinkruger: We were not planning on it.

Aldridge: Just some record keeping so that I know. I'm on the same sheet of music with the Board. The budget, whatever draft is going to be presented for approval at the September Board Meeting, is that correct.

Steinkruger: August, next week, for final approval of the budget.

Aldridge: Okay, the 2020 budget will be presented next week at the August regular board meeting for approval.

Steinkruger: Yes

Aldridge: Okay. That will be done in the form of a motion, a motion will come to the floor to approve or accept or whatever the budget for 2020 at the meeting next week.

Steinkruger: Yes

Aldridge: Okay and when that budget reaches the floor then that allows any member of the public, one of the owners, to make comments on the microphone either before or against the budget at that time. Is that correct?

Steinkruger: Yes

Aldridge: Okay so that a citizen, someone who is perhaps here this evening could come back and speak again and would be on the microphone for that particular presentation and will be rebroadcast on our podcast so that all of the owners of the Lower Platte South have an opportunity to hear that on our website and that allows them, the owners, to hear the thoughts and reasoning of people who are not perhaps mildly opposed to but have some issues with the budget.

Steinkruger: Yes, that is what I understand. Thank you. Any other comments? If none, I appreciate the comments, I appreciate everyone coming this evening. I will go ahead and close the hearing and we will have a meeting of our Finance & Planning Subcommittee in the small conference room here in about 5 minutes. Thanks again everybody. (7:28 p.m.)

ANTICIPATED REVENUES		
	FY 2019	FY 2020
Cash and Investments (LPSNRD)	8,195,715	8,405,783
Cash and Investments (LPRCA)	512,830	546,773
Cash and Investments (ENWRA)	333,709	348,330
Deadmans Run Sinking Fund	3,053,671	4,122,400
Infrastructure Sinking Fund	191,093	194,273
Mopac East Trail Sinking Fund	151,903	205,679
Building Purchased Sinking Fund	50,633	51,608
County Treasurers' Balance	125,000	125,000
Investment Income	15,000	245,000
Federal Funds	3,391,750	3,089,942
State Funds	1,877,221	904,687
Local Funds	2,514,669	2,912,575
Miscellaneous	0	0
(County Treasurers' Commission)	(90,000)	(90,000)
Total	20,323,194	21,062,050
NRD Property Taxes	9,673,210	10,156,870
	29,996,404	31,218,920
PROPOSED EXPENDITURES		
	FY2019	FY 2020
Program / Project Costs	19,248,991	19,834,575
Operating Costs	1,659,377	1,438,464
Personnel Costs	3,005,012	3,169,248
Cash Reserve (General)	800,000	700,000
Deadmans Run Sinking Fund	4,053,671	4,922,400
Infrastructure Sinking Fund	191,093	194,273
Mopac East Sinking Fund	201,903	205,679
Building Purchase Sinking Fund	50,633	51,608
Reserve (LPRCA)	474,558	477,412
Reserve (ENWRA)	311,166	225,261
	29,996,404	31,218,920

NOTICE OF BUDGET HEARING AND BUDGET SUMMARY

PUBLIC NOTICE is hereby given, in compliance with the provisions of State Statute Sections 13-501 to 13-513, that the governing body will meet on the 15 day of August 2019, at 7:00 o'clock PM, at 3125 Portia, Lincoln, NE for the purpose of hearing support, opposition, criticism, suggestions or observations of taxpayers relating to the following proposed budget. The budget detail is available at the office of the Clerk during regular business hours.

Paul D. Zillig, General Manager

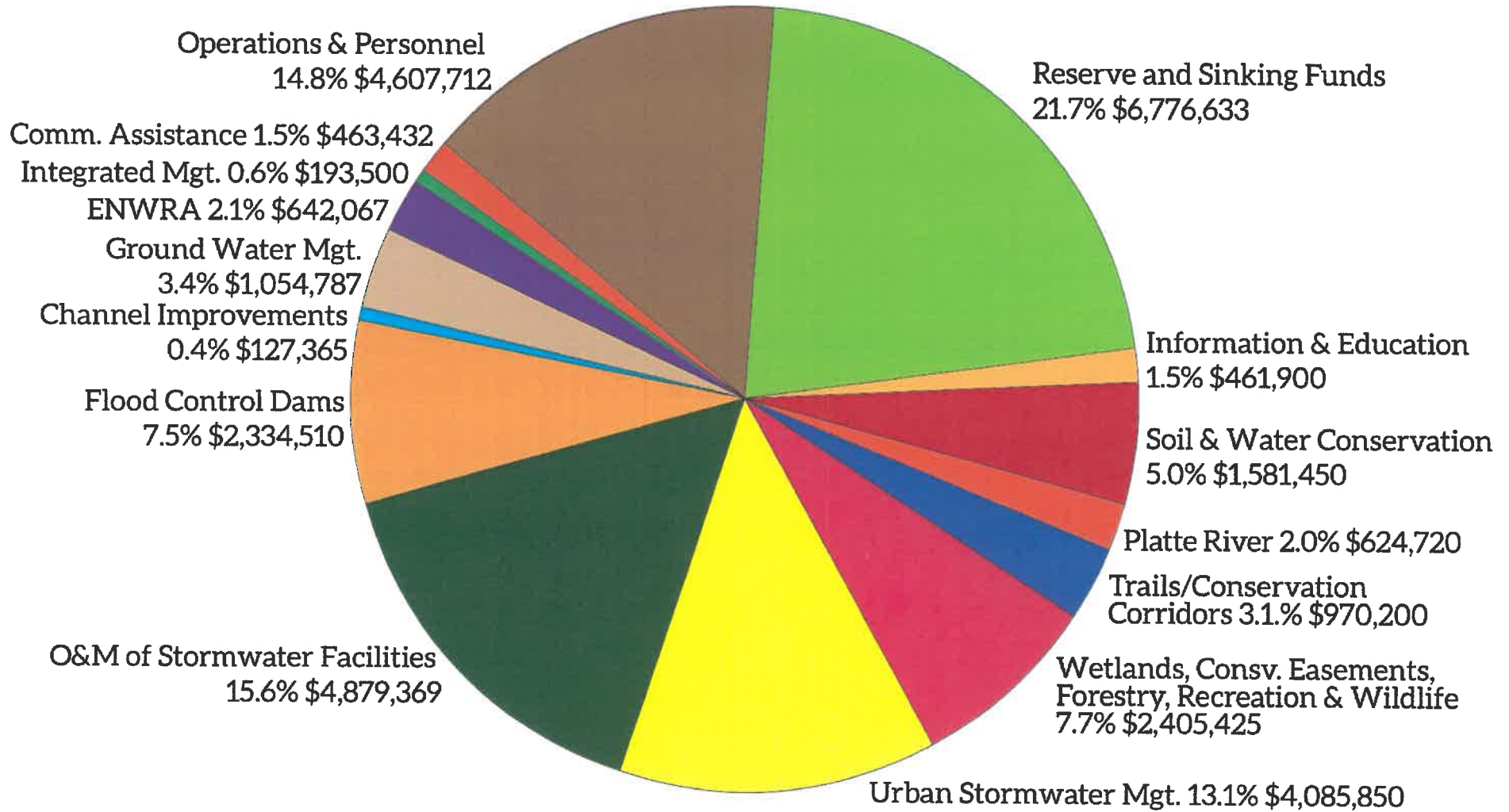
	Clerk/Secretary
2017-2018 Actual Disbursements & Transfers	\$ 10,671,991.00
2018-2019 Actual Disbursements & Transfers	\$ 11,026,470.00
2019-2020 Proposed Budget of Disbursements & Transfers	\$ 24,442,287.00
2019-2020 Necessary Cash Reserve	\$ 6,776,633.00
2019-2020 Total Resources Available	\$ 31,218,920.00
Total 2019-2020 Personal & Real Property Tax Requirement	\$ 10,156,870.00
Unused Budget Authority Created For Next Year	\$ 757,973.46
 Breakdown of Property Tax:	
Personal and Real Property Tax Required for Non-Bond Purposes	\$ 10,156,870.00
Personal and Real Property Tax Required for Bonds	\$ -

NOTICE OF SPECIAL HEARING TO SET FINAL TAX REQUEST

PUBLIC NOTICE is hereby given, in compliance with the provisions of State Statute Section 77-1601.02, that the governing body will meet on the 15 day of August 2019, at 7:00 o'clock PM, at 3125 Portia, Lincoln, NE for the purpose of hearing support, opposition, criticism, suggestions or observations of taxpayers relating to setting the final tax request at a different amount than the prior year tax request.

	2018	2019	Change
Operating Budget	23,913,380.00	24,442,287.00	2%
Property Tax Request	\$ 9,673,210.00	\$ 10,156,870.00	5%
Valuation	30,991,989,136	32,541,588,593	5%
Tax Rate	0.031212	0.031212	0%
Tax Rate if Prior Tax Request was at Current Valuation	0.029726		

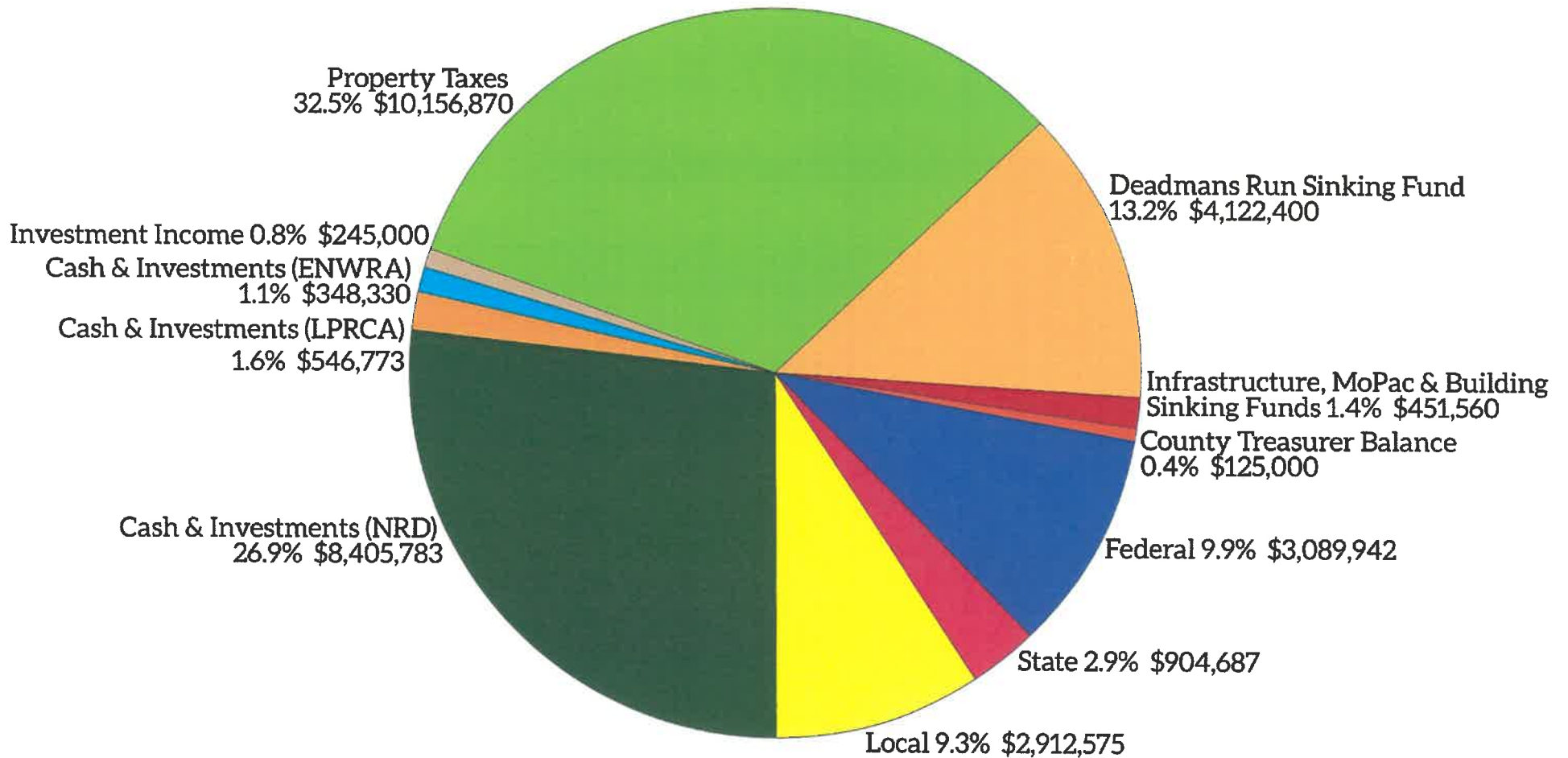
NRD EXPENDITURES, FY 2020 DRAFT BUDGET



LPSNRD FY'20 Budget - Major Highlights

1. DMR Section 205/Flood Reduction Project (\$1.736M) \$7.5M total
2. Antelope Creek 40th – Scott Ave (\$1.95M)
3. Prairie Corridor on Haines Branch (\$1.578M)
4. Salt Creek Levees Major/O&M (\$1.5M)
5. Upper Salt 3-A Watershed Rehab (\$1.385M)
6. Land Treatment (\$1.3M)
7. Trail construction, bank stabilization, O&M (\$1.1M)
8. Groundwater Management (\$1M)
9. 56th & Morton Flood Reduction Project (\$550K)
10. Oak-Middle 82-B Watershed Rehab (\$550K)
11. Oak Creek Weir Repairs at 15th (\$478K)
12. Community Assistance Program (\$473K)

NRD REVENUES/ASSETS, DRAFT FY 2020 BUDGET



LOWER PLATTE SOUTH NATURAL RESOURCES DISTRICT

FISCAL YEAR	TOTAL BUDGET	VALUATION	LEVY RATE	TAX REVENUES LEVIED
2005	\$ 22,405,204	\$ 17,418,990,420	3.2302	\$ 5,626,000
2006	\$ 21,426,871	\$ 18,080,541,602	4.2203	\$ 7,630,580
2007	\$ 16,525,437	\$ 20,361,478,406	4.1598	\$ 8,469,944
2008	\$ 16,625,191	\$ 20,762,406,762	4.1814	\$ 8,681,692
2009	\$ 20,279,439	\$ 21,364,954,807	4.1042	\$ 8,768,509
2010	\$ 28,664,822	\$ 21,397,806,248	4.0979	\$ 8,768,509
2011	\$ 28,915,051	\$ 21,604,510,173	4.0586	\$ 8,768,509
2012	\$ 30,949,788	\$ 22,004,531,174	3.9848	\$ 8,768,509
2013	\$ 28,411,289	\$ 23,227,983,941	3.7749	\$ 8,768,509
2014	\$ 23,860,852	\$ 24,307,449,008	3.6073	\$ 8,768,509
2015	\$ 24,176,136	\$ 25,082,314,869	3.5832	\$ 8,987,722
2016	\$ 25,247,907	\$ 26,854,617,912	3.4472	\$ 9,257,354
2017	\$ 26,089,912	\$ 27,599,480,498	3.3542	\$ 9,257,354
2018	\$ 25,620,085	\$ 29,633,807,341	3.2066	\$ 9,502,263
2019	\$ 29,996,404	\$ 30,991,989,136	3.1212	\$ 9,673,210
2020	\$ 31,218,920	NOT YET KNOWN	?	\$ 10,156,870