



LOWER PLATTE SOUTH natural resources district

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Memorandum

Date: February 19, 2020
To: Each Director
From: Paul D. Zillig, General Manager
Subject: Finance & Planning Subcommittee Meeting Minutes

The Finance & Planning Subcommittee met at 5:30 pm on Tuesday, February 18, 2020 in the NRD Office. Subcommittee members present included Dan Steinkruger, Vern Barrett, Greg Osborn, Bob Andersen, Ray Stevens, Tom Green and Gary Hellerich. Others present included Larry Ruth, Deborah Eagan, David Spinar with RBC Wealth Management of Lincoln, Steve Seglin, Corey Wasserburger, David Potter, and myself.

Steinkruger opened the meeting and welcomed the two new Subcommittee members Vern Barrett and Tom Green. Steinkruger reported that over the past several months the NRD has been considering investment options due to changes at NPAIT (Nebraska Public Agency Investment Trust) and Union Bank & Trust. The F&P Subcommittee/Board tabled a motion in December and the Subcommittee directed staff to obtain the opinion of a financial advisor to evaluate the investment options available to the NRD. Steinkruger introduced David Spinar of RBC Wealth Management to review with the Subcommittee his Analysis of Investment Options Available to the LPSNRD.

Spinar appreciated the opportunity to assist the Board in their effort to invest taxpayer funds wisely. Spinar reported that he is a lawyer with over 20 years of experience in the financial area (securities, broker, financial planning). Spinar reviewed his analysis, which included the following summary:

Nebraska law authorizes LPSNRD to invest its surplus cash in fixed income investments selected for their relatively low risk. Several state statutes outline the eligible investments and set forth standards for evaluating eligible investments. Two investment vehicles have been created to assist Nebraska political subdivisions in meeting their investment needs; they are the Nebraska Public Agency Investment Trust (NPAIT), operated under Interlocal Agreement and a declaration of trust, and the Short Term Federal Investment Trust (STFIT) offered by Union Bank and Trust. The available investment programs offered by NPAIT are designed to meet the applicable statutory investment requirements, but if LPSNRD elects to engage NPAIT for investment services, it is prudent for LPSNRD to document its specific investment objectives and risk tolerance as they pertain to the securities recommended by the NPAIT investment advisor. The STFIT program, while

created in part to meet the requirements of Nebraska law applicable to investment by Nebraska Political Subdivisions, is not a suitable alternative for LPSNRD because of terms of the STFIT agreement are not equitable. The third investment option for LPSNRD is to engage in self-administered investment. Such self-administration presents challenges that are different from those raised by NPAIT and STFIT. On the balance, LPSNRD appears best served to engage NPAIT for its investment needs.

Spinar reviewed his analysis in more detail, answered questions, and discussed with the Subcommittee different investment options, cash management, fund security, and risk levels. Spinar will attend the Board Meeting to make a similar report, answer questions and discuss his analysis. This report will occur as part of the Finance & Planning Subcommittee Report in open session. The Subcommittee directed staff and legal counsel to evaluate investment alternatives to “bridge” the NPAIT investments and NRD checking accounts and report back to the Subcommittee.

The next item on the agenda was to consider a budget overrun for the AEM Geophysical Mapping Project in LPSNRD (attached). Steinkruger reported that the funds needed to be paid from account 419186 (Water Resources Subcommittee - Groundwater Management) for this work in LPSNRD, the funds were budgeted in ENWRA AEM Flights - account 419186. It was moved by Andersen, seconded by Osborn, and unanimously approved by the Subcommittee (Osborn did not vote as he had left for previous commitment) to **recommend the Board of Directors approve that \$117,334 comes out of budget code 419186 ENWRA AEM Flights to cover those expenses in 419175 for the Geophysical Mapping Project.**

The final item on the agenda was quick update on the upcoming Director Planning Retreat, Potter reported the Retreat is this Saturday from 9-3 at Mahoney State Park. Staff will be sending out some additional information after the Board Meeting.

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

PDZ/pz

pc: Steve Seglin
Corey Wasserburger

Fiscal Year 2020 BUDGET OVERRUNS

<u>Code</u>	<u>Description</u>	<u>Annual Budget</u>	<u>Y-T-D Actual</u>	<u>% of Budget</u>	<u>Month</u>	<u>Explanation</u>	<u>Finance and Planning Subcommittee Recommendation/Date</u>	<u>Board of Directors Action/Date</u>	<u>Cash Reserve starting \$700,000</u>
419175	Geophysical Mapping Project (WRS-GW)	70,000	187,334	267.82%	January	Funds were budgeted in budget code 419186 ENWRA AEM Flights for AEM flights. Funds should have been budgeted in 419175 for the Geophysical Mapping Project.	Finance and Planning Subcommittee recommends to the Board that \$117,334 comes out of budget code 419186 ENWRA AEM Flights.		

ok
Pdz
2/14/2020