



## LOWER PLATTE SOUTH natural resources district

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### Memorandum

**Date:** July 14, 2017

**To:** Each Director

**From:** Paul D. Zillig, General Manager

**RE:** Finance & Planning Subcommittee Meeting Minutes.

The Finance & Planning Subcommittee met at 6:30 pm on Wednesday, July 12, 2017 in the NRD Office in Lincoln. Subcommittee members present included Jeremie Kerkman, Bruce Johnson, Vern Barrett, Dick Bolte, Dan Steinkruger, Don Jacobson, Sarah Wilson, and Greg Osborn. Others present included Ray Stevens, Larry Ruth, David Potter, and myself.

Chair Kerkman opened the meeting and moved to the first agenda item, review and discussion on two budget overruns from June. I explained the two overruns, as shown on the attachment (Fiscal Year 2017 BUDGET OVERRUNS). Both overruns were for joint City/NRD projects included in previous Interlocal Agreements. The Deadman's Run – Trendwood project (77<sup>th</sup> & A Street) required some follow-up work where a new water control structure/weir transitioned into an existing box culvert. The Antelope Creek Water Quality project was the final payment (including retainage) for work done installing water quality best management practices along a small tributary and other drainages in Antelope Park and the Children's Zoo. It was moved by Jacobson, seconded by Osborn and unanimously approved by the Subcommittee to **recommend that the Board of Directors approve the budget expenditure overrun in Account 471202 Deadman's Run – Trendwood in the amount of \$39,267 and Account 471204 Antelope Creek Water Quality in the amount of \$48,521 to both be covered by the additional funds in 471302 – Non Basin Master Plans.**

The next item on the agenda was to continue work on revising the Draft FY 2018 Budget. I handed out copies of Draft #2 (7/6/17) of the FY 2018 Budget and the corresponding changes to the Draft Long Range Implementation Plan. I reported to the Subcommittee that several changes have been incorporated in Draft #1 to come up with Draft #2, the changes include: updated payments/reimbursements from May & June, funded \$1M to the Deadman's Run sinking fund from cash and investments (increased necessary adjustments from \$2.3M to \$4.3M), updated estimated costs/revenues for programs & projects, and proposed cut/adjustments to Program & Projects a total of \$3.3M with a remaining adjustment of approximately \$675,000.

I reported that based on reports from other political subdivisions and landowners a minimum increase in assessed valuation of 5-7% would seem very likely for the NRD (in the last 6 years the NRD's assessed valuation has increased each year approximately 4% per year). Official assessed valuations won't be announced until mid-August. The Subcommittee discussed that the NRD's tax revenue has remained at \$9,257,354 for the past two years (the tax revenue has remained the same for 6 of the last 9 years, the exceptions were in FY'2009, 2015, and 2016). The Subcommittee discussed the option of increasing the tax revenue to some point less than the increase in assessed valuation.

In order to balance the budget the Subcommittee discussed several options to reduce costs beyond the \$4.3M. One option discussed was to reduce the Deadman's Run sinking fund and/or the cash reserve. The Subcommittee felt the Deadman's Run Project was an important project that is very beneficial to the community, they felt it is important to build up the sinking fund to reduce the need to borrow funds later to pay for the project. The Subcommittee discussed the importance of maintaining a cash reserve for emergencies and unanticipated needs. The Subcommittee reviewed and discussed the need for a number of proposed expenditures in budget and the rationale for many proposed cuts/adjustments.

The Subcommittee discussed deferring ½ of the expense and revenue of the Antelope Creek (40<sup>th</sup> – Scott Ave) flood damage repair project, due to the lengthy approval process by FEMA. Reductions were also proposed due to a recent bid opening for the Salt Creek Levee trail (14<sup>th</sup> – Cornhusker). Staff was directed to make these changes with the anticipation that the budget would be \$26,550,000 and that we would require an approximate 5% increase in tax revenue.

It was moved by Osborn, seconded by Johnson, and unanimously approved by the Subcommittee to **recommend that the Board of Directors give tentative approval of the Draft #2 FY 2018 Budget totaling \$26,550,000.** \*\* Based on final calculations completed after the meeting the "Draft #2, 7/14/17" proposed expenditures is actually lower than \$26.55M (\$25,870,085) but the property tax requirement will be similar. The Finance & Planning Subcommittee will meet prior to the Board Meeting to revise the Budget Total listed in their Subcommittee motion.\*\* Attached is the proposed Draft #2, 7/14/17 budget.

There being no further business the meeting adjourned at 8:20 pm.

PDZ/pz

Encl. 1

pc: Steve Seglin