




LOWER PLATTE SOUTH
natural resources district

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Memorandum

Date: July 17, 2019
To: Each Director
From: Paul D. Zillig, General Manager 
Subject: Finance and Planning Subcommittee Meeting

The Finance and Planning Subcommittee met on Monday, July 15, 2019 at 5:30 pm in the NRD Large Conference Room. Subcommittee members present were Dan Steinkruger, Karen Amen, Luke Peterson, Bob Andersen, Greg Osborn, and Ray Stevens. Others present included Gary Aldridge, Kathy Spence, David Potter and myself.

Chair Steinkruger called the meeting to order. The Subcommittee first reviewed the schedule to complete the budget process. Draft #2 of the Budget will be available this week, tentative approval of the Budget will occur at the July 24th Board Meeting, the Budget hearings and the next F&P Subcommittee Meeting will be on August 15th, and final approval of the Budget will occur at the August 21st Board Meeting.

Steinkruger asked staff to review the attached list of Budget adjustments that were made earlier this month in preparing Draft #1.1 of the Budget (attached). I reported that these 20 adjustments took into account payments made at the end of last fiscal year, recent Board actions, several anticipated expenditures that needed to be carried over to FY'20, and a few items that didn't get included in Draft #1 or are funds needed for new priority projects. The estimated gap between expenditures and revenues was approximately \$3.4M.

The Subcommittee then discussed the valuation, levy, and tax revenue situation since 1997 (attached) and also the anticipated valuation increase of approximately 6.5%. The Subcommittee discussed the proposed \$1M cash reserve and their level of comfort in reducing the cash reserve.

Steinkruger reported that he asked myself to prepare some recommended adjustments to balance the budget. I then reviewed a draft list of "FY 2020 Budget Changes Draft #1.1 to Draft #2." I reported that I reviewed each subcommittee's recommendations and priorities in preparing the proposed cuts, I also utilized updated information on projects/programs, and looked into which projects were not likely to be completed in FY'20. These adjustments closed the gap in expenditures and revenues by \$2.6M, the remaining gap was approximately \$800,000. The

Subcommittee discussed additional cuts, utilizing a portion of the increased tax base due to increases in valuations, and reducing the cash reserve.

After much good discussion, it was moved by Stevens, seconded by Andersen, and unanimously approved by the Subcommittee to direct staff to assume an increase in valuation and include an increase of 5% in tax revenue (\$483,660), reduce the cash reserve by \$300,000 (cash reserve of \$700,000) and direct staff to made the necessary additional cuts of approximately \$20,000 to balance the FY 2020 Budget. The final list of FY 2020 Budget Changes Draft #1.1 to Draft #2 is attached.

It was then moved by Andersen, seconded by Peterson, and unanimously approved by the Subcommittee to **recommend the Board of Directors give tentative approval of Draft #2 of the FY 2020 Lower Platte South NRD Budget, totaling \$31,218,920, for publication and presentation at the Public Hearings.**

The final item on the agenda was to consider a FY 2019 budget overrun (attached). I reported that in late FY'18 the City/NRD completed the most recent Basin Master Plan. The NRD owed \$4,069 for this work that was included in this June's billing from the City. The NRD did not include this FY'18 expense in the FY'19 Budget, resulting in a budget overrun. It was moved by Amen, seconded by Stevens, and unanimously approved by the Subcommittee to **recommend the Board move \$4,069 from cash reserve to Budget Code 471212.**

I then reported that the District has contracted for a Phase 1 Environmental Assessment of the neighboring fire station property in response to the discussion at our last Finance & Planning Subcommittee Meeting.

There being no further business, the meeting adjourned at 7:15 pm.

pc: Steve Seglin
Corey Wasserburger