Memorandum

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


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 Zomerman 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
Memorandum

Date: March 6, 2020
To: Paul Zillig, General Manager
From: Bryce Jensen, Operation/Maintenance Technician
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:

<table>
<thead>
<tr>
<th>Company</th>
<th>Model</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>E.T.s Lawn and Leisure</td>
<td>Polaris Ranger 1000 EPS</td>
<td>$12,804.01</td>
</tr>
<tr>
<td>Platte Valley Equipment LLC</td>
<td>John Deere Gator XUV835</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>Rod’s Power Sports</td>
<td>Honda Pioneer 1000</td>
<td>$18,420.70</td>
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</table>

Staff recommendation is to accept the lowest proposal form 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.
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
WAM (F) 49

Investment Allocation December 31, 2019
- Government Agencies: 55%
- Repurchase Agreements: 29%
- Secured Deposits: 18%
- Money Market Fund: 0%

Investment Allocation September 30, 2019
- Government Agencies: 47%
- Repurchase Agreements: 35%
- Secured Deposits: 18%
- Money Market Fund: 0%

Source: PMA Financial and 9/30/19 NPAIT Board Book
Summary of Stress Test Results – NPAIT

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<th>Basis Points</th>
<th>Yield Change</th>
<th>Spreads Widen</th>
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<tbody>
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Multi-Factor Event

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<th>Factors</th>
<th>Amount</th>
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<td>Yield Change</td>
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<tr>
<td>Spreads Widen</td>
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<tr>
<td>Redemptions</td>
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<table>
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<th>NAV</th>
<th>Pass</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.999434</td>
<td>Yes</td>
</tr>
</tbody>
</table>

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.
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)
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

- Walker Zulkoski – Marketing Consultant
- 721 S 14th St. Lincoln, NE 68508
- Cell: (402) 440-3574
- wzulkoski@pmanetwork.com

- Online access via link from www.NPAIT.com
  - 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)
Wednesday, July 22, 2019 (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

change July Board Mtg date?

change Aug Board Mtg date?

Wednesday, August 19, 2020 (7:00 PM)
Wednesday, August 19, 2020 (7:30 PM)
(immediately after hearing)

Thursday, August 20, 2020

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)