

MINUTES OF THE MEETING OF
THE BOARD OF TRUSTEES OF
SANITARY AND IMPROVEMENT DISTRICT NO. 177
DOUGLAS COUNTY NEBRASKA

September 10, 2014

The duly scheduled and noticed Meeting of the Board of Trustees of Sanitary & Improvement District No. 177 of Douglas County, Nebraska, was convened in open and public session on September 10, 2014, at 7:30 p.m. at D.C. West Public School Library 7th & Washington Streets, Waterloo, Nebraska.

	<u>Present</u>	<u>Absent</u>
Tony Staup Chairman	X	
Robert W. Lynn Clerk	X	
Mike Anderson Trustee	X	
Keith Heinrich Trustee	X	
Larry Rasmussen Trustee	X	

Also in attendance was Darren R. Carlson of the law firm of Carlson & Burnett, LLP, who serves as the legal counsel for the Board of Trustees. Also in attendance was Patrick J. Lavelle of Dutton & Associates the accountant for the District.

The Attorney on behalf of the Chairman Tony Staup called the meeting to order at 7:30 p.m. The Chairman reported and confirmed that Notice of the meeting was given in advance by publication in *The Daily Record*, a legal newspaper published and in general circulation in Douglas County, Nebraska on August 29, 2014. The "Proof of Publication" is attached to these Minutes as Exhibit "A" and incorporated herein. Advance notice of this meeting was given to all Board members. The Acknowledgement of Notice of Meeting furnished to the Board of Trustees is attached to these Minutes as Exhibit "B" and incorporated herein.

Notice of this meeting was given to the Clerk of the City of Omaha, Nebraska; the municipality having zoning jurisdiction over the District, at least seven days prior to the meeting, and Notice of the Meeting and Agenda were posted in the District. Availability of the Agenda was communicated in the published Notice and in the Notices to the City and Trustees. The signed Agenda is attached to these Minutes as Exhibit "C".

All proceedings of the Board of Trustees were taken while the convened Meeting was open to the attendance of the public. The Chairman reported that the Nebraska Open Meetings Act was posted and available for public use and inspection.

Approve Minutes of Meeting held on August 13, 2014: Following discussion of the Minutes previously circulated, Trustee Heinrich moved that the Minutes of the August 13, 2014, meeting be approved and Trustee Lynn seconded the motion in the following form:

BE IT RESOLVED, that Sanitary and Improvement District No. 177 Board of Trustees hereby approves the Minutes of the August 13, 2014, as completed and filed with the Omaha City Clerk.

On roll call vote thereon, the Resolution was unanimously passed and adopted.

People Service Report: The next matter discussed was the written People Service Report presented by Bob McLaughlin. Bob McLaughlin's full written report for the months of July and August are attached to these Minutes as Exhibit "D" and incorporated herein.

Budget Hearing & Special Hearing: The accountant for the District, Patrick J. Lavelle of Dutton & Associates, P.C., was in attendance and presented the proposed budget for 2014-15. The historical levies, valuations and taxes collected were discussed. The general and bond fund line itemizations were reviewed. The LID and Levy limitation calculations prepared by Dutton & Associates were reviewed. A copy of the published Budget Notice that was given in advance by publication in *The Daily Record*, a legal newspaper published and in general circulation in Douglas County, Nebraska on September 3, 2014, is attached to these Minutes as part of the **Budget Packet** attached as Exhibit "E" and incorporated herein. The Douglas County Certification of Valuation showing an increase in valuation to certify the actual valuation for the District of \$57,804,735 is also included in the Budget Packet.

The Accountant prepared the budget in accordance with the instructions that the District wanted to not increase the "levy" over the prior year notwithstanding any changes in valuation for the District. Furthermore, the trustees were aware that the levy would have to be reduced slightly to comply with the LID calculations. Thus, the budget was set to maintain approximately the same tax levy by requesting a total tax request of \$410,413.62 comprised of \$86,707.10 on the bond fund and \$323,706.52 on the general fund. The proposed 2014-15 Tax Rate would be 0.710000. The budget meets both of the state statutory requirements-- the Levy Limit and the LED Limit for the 2014-2015 budget years. The recommendation was to have the budget adopt an additional 1% increase requiring a vote of 75% of the attending and voting members of the Board. After the discussion of both the bond and general fund requirements for the ensuing year and the costs and expenditures associated with these respective funds, a motion was made by Larry Rasmussen and seconded by Keith Heinrich in the following form:

BE IT RESOLVED, that Sanitary & Improvement District #177 hereby adopts and approves the 2014-2015 District Budget and requests a total tax request of \$410,413.62 comprised of \$86,707.10 on the bond fund and \$323,706.52 on the general fund with the full adopted Budget and Budget Detail attached to these Minutes in the Budget Packet and incorporated herein;

BE IT FURTHER RESOLVED, that Sanitary & Improvement District #177 hereby adopts and approves a one percent (1.0%) increase in restricted funds in accordance with the LC-3 Computation Form for an allowable increase in the 2014-2015 District Budget;

BE IT FURTHER RESOLVED, that Sanitary & Improvement District #177 hereby adopts and approves at this Special Hearing a final tax request relating to setting the final tax request at a different amount than the prior year tax request in accordance with Neb. Rev. Statute 77-1601.02.

On roll call vote thereon, five (5) Trustees voted on the Resolutions and all five (5) Trustees voted in favor of the Resolutions. The Chairman announced that the 2014-2015 Budget was unanimously passed and adopted.

Grounds Management: Chairman Staup addressed the Board and residents in attendance to thank and congratulate Trustee Anderson on his outstanding service as a trustee and overseeing the grounds maintenance for the District.

Trustee Anderson reported that the mowing vendor would raise his rates for the next season if he were to be awarded the contract. As such, the District may want to put out for bids next year's contract. He further reported that Asphalt Maintenance Company scheduled to perform the asphalt sealing this fall. The pontoon motor has been repaired a number of times. The day has finally come to replace the motor before next season.

Trustee Anderson has had discussions with the farmer that leases the hay ground for the past several years for \$750 per year. It would be in the District's best interest to have the farmer take out or trim up the cotton wood trees this next year in lieu of rent for the parcel. It sounds like the farmer may be willing to trade out these services. For future consideration, the Board should consider charging or collecting a damage deposit when the island(s) are going to be used for weddings or other events.

Trustee Anderson expressed his gratitude to the Board in accomplishing so many great projects the past two terms and is willing to assist the new Board with the transition.

Lake Matters: Trustee Rasmussen reported that next month SCS will present their results and findings in a report to the Board. The newest readings taken from the wells registered lower phosphorous levels, except for the south well which had substantially higher levels of phosphorous.

Chairman Staup reported that the increase in phosphorous levels will likely necessitate an alum treatment next spring. He further reported that Aaron Klushmire informed Tony that the microbial treatment is working and that a couple inches of muck have been eliminated or dissolved as the product of the treatments.

The next matter discussed was the recent vandalism and break-ins in the District. As the Board is aware, the security cameras at the entrance have been nonfunctioning. Trustee Staup introduced Ken Knaub who has worked with the District Board and the Homeowners Association to select and solicit bids from appropriate vendors. Ken Knaub introduced Anthony Madrigal and Jason Cloudt from Security Equipment, Inc. ("SEi") in Omaha, Nebraska. The recommendation is the SEi that has been in business for more than 45 years has the experience, pricing and reputation to make the best recommendations, sell and install an appropriate system for the District. Anthony reported that they are recommending 5 cameras be installed (2 on the entrance side of the guard shack, two on the exit side of the guard shack and one near the boating lake boat ramp). A network video recorder will record/store approximately 30 days of video. The quality of the video was discussed in detail. Also, the reason that many other options were not pursued was discussed. The video recording equipment will be housed in the guard shack. To accommodate this, the guard shack will have to be upgraded with a Cox cable and some form of heat for the winter months. The proposal has two components. The "Intrusion" portion of the

SEi Proposal (attached hereto as Exhibit "F") and incorporated herein is to secure and monitor the guard shack and video recording equipment from intruders (alarm controller, battery systems, wire, hardware, entrance door monitors, etc.). The IP Video System Proposal (attached hereto as Exhibit "G") and incorporated herein is for the purchase, installation and setup of the five video cameras.

The Board discussed and exchanged questions with SEi and residents for nearly 45 minutes. Some questions were asked why both boat ramps were not being monitored. The line of site and cost to add one camera for the ramp on the fishing lake was estimated to run about \$7,500. The wireless capabilities were not available because of the lack of line of sight between the guard shack and that ramp. The quality of the video was discussed in detail. Absent external factors that are beyond the control of SEi such as sun glare, mud or debris covering up a vehicle, the quality of the video should be such to enable the pictures to be enlarged to see license plate numbers and facial recognition of the drivers. After considerable discussion and the discussion that the HOA would cover \$6,000 of the cost of the purchase and installation for this product, Trustee Lynn moved that the following Resolution be approved and Trustee Rasmussen seconded the motion in the following form:

BE IT RESOLVED, that Sanitary and Improvement District No. 177 Board of Trustees hereby approves the expenditure of up to eleven thousand dollars (\$11,000.00) for the purchase and installation of the security equipment, video equipment and intrusion solution outlined in Exhibits "F" and "G" (i.e. the SEi Intrusion Solution Proposal 17617-1-0 and IP Video System Proposal 17617-3-0);

BE IT FURTHER RESOLVED that that Sanitary and Improvement District No. 177 Board of Trustees hereby acknowledge that the Proposals will have ongoing maintenance fees, monitoring fees, Cox Communication fee/charges and other miscellaneous costs to improve the guard shack for the project.

On roll call vote thereon, the Resolution was unanimously passed and adopted.

Payment of Bills. The Chairman presented the current bills for review and discussion. A listing of all of the vendors, amount of payment, description of transaction and warrant numbers is attached to these Minutes as Exhibit "H" and incorporated herein. After reviewing the bills, a motion was made by Trustee Lynn and seconded by Trustee Heinrich in the following form:

BE IT RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 177 of Douglas County, Nebraska, that the Board hereby ratifies, adopts and approves that the Chairman and Clerk to execute and deliver **GENERAL FUND Warrant Nos. 6426 through 6448**, of the District, to the payees and in the amounts listed on the attached Exhibit "H", said Warrants to be drawn on the General Fund of the District and to draw interest at the rate of six (6.0%) per annum and to be redeemed no later than three years after issuance, subject to the extension of the said maturity date by order or the District Court of Douglas County, Nebraska, after notice is given as required by law.

BE IT FURTHER RESOLVED, by the Board of Trustees of Sanitary and Improvement District No. 177 of Douglas County, Nebraska hereby adopts the Warrant Resolutions, Tax Exemption Resolutions and the Policy & Procedure for Federal Tax Law and Disclosure Requirements for Outstanding Bonds and Warrants all set forth in detail on Exhibit "I" attached hereto and incorporated herein.

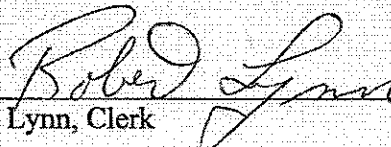
Upon roll call thereon, the following Trustees voted yes: unanimous; voting no: none. The Chairman declared said Resolution duly passed and adopted.

New Business: The Board asked that the attorney follow up with the District's Engineers to update the Board on the status of the floodway and flood plain designations in the District. The attorney will follow up with Thompson, Dresseen and Dorner on this matters.

A request from a realtor that lives and works in the District, Sandy, asked that the Board of Trustees consider listing or selling Lot 61 on the Fishing Lake. There was considerable discussion about the propriety of selling a Sanitary and Improvement District lot that appears to be common ground. One resident thought the lot had been converted to park or common area by a previous board in the 1980's. The adjacent land owners were not in favor of the sale as they purchased their home with the expectation that the adjacent lot 61 because it was owned by the SID would always be a common area lot and not improved. The attorney for the District voiced that the sale would have to have Omaha City Approval, Omaha Parks Department Approval and the considerable research to see how Lot 61 was acquired and what restrictions on sale may exist. All sales of SID lots require extensive notices and full opportunity for competitive bidding. No resolutions for sale of the lot were made at this time.

Next meeting Date, Location and Time: The next Regular Meeting will be conducted on Wednesday, October 15, 2014, at 7:30 p.m., at the DC West Public School Library, 7th & Washington Streets, Waterloo, Nebraska.

Adjourn Meeting: There being no further business to come before the Board, following a motion and seconded the Meeting was unanimously adjourned.


Robert Lynn, Clerk

EXHIBITS TO MEETING

The attached Exhibits are a part of the transcript of meeting and are fully and expressly incorporated into the minutes of meeting of Sanitary & Improvement District #177 of Douglas County, Nebraska as though these Exhibits were set forth in their entirety in said Minutes.

Exhibit "A"	Affidavit of Publication—Daily Record
Exhibit "B"	Acknowledgment of Notice of Meeting
Exhibit "C"	Agenda for Meeting
Exhibit "D"	People Service Report
Exhibit "E"	"BUDGET PACKET": Proof of publication of Budget Notice, Certification of Valuation, Proof of Publication of Special Budget Hearing Notice, Budget Forms & LID Calculations
Exhibit "F"	SEi Proposal—Intrusion Solution
Exhibit "G"	SEi Proposal—IP Video Solution
Exhibit "H"	General Fund Warrants
Exhibit "I"	Warrant Resolutions and Tax Exemption Resolutions