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***NEBRASKA TAXPAYERS FOR FREEDOM* ISSUE PAPER:**

NEBRASKA TAXPAYERS FOR FREEDOM ANALYSIS OF THE FY 2025-2026 PAPIO NRD BUDGET.

BACKGROUND. Once again, our taxpayer group is analyzing a Papio NRD budget, understanding that its board, despite our past valid criticisms and suggestions, totally ignores them and forges ahead with continued and new unnecessary spending and property tax increases. Property taxpayers must understand that this taxing authority, though smaller than others, still increases its tax load immune to criticism.

PROPERTY VALUATIONS. This NRD draft bases on an estimated valuation increase of 4.0%, which is a low estimate. The residential real estate market in Douglas Co. now described as a “hot market,” and the Douglas Co. Assessor, examining 65% of NRD valuation territory, estimates valuations up by 5.8%. This premise means that the proposed tax rate, pegged to valuations, will cause higher taxes for residents in Douglas Co., higher than other counties in the NRD. In past years, Douglas and Sarpy Counties and other counties in eastern NE saw valuation increases of 8% and 11%, reflecting trends across the state.

PROPERTY TAXES. Although the budget amount decreases by $2.8 million, the property tax levy increases by .002 (from 0.029568c to 0.031132c per $100 valuation). Homeowners will see an average 10% tax hike. A house valued at $300,000 will pay $94.83, an increase, not factoring in a valuation hike. The NRD seeks $3,420,202 more in property tax revenue (p. 1).

POSITIVES. The NRD finally is eliminating its bloated cash reserve of $17,352,141 to assist in funding priority Papio Creek system levee repairs. Positive news perhaps is a 0% increase for medical and 0% increase for dental employee care, yet the budget shows an increase of about $140,000 appropriated (p. 3). Bond payments are much lower (p. 5).

OVERAPPROPRIATING. The NRD used only 27.77% of its FY 2025 appropriations for flood control and only 34.88% for erosion control, yet it wants $13,789,441 more and $5,444,139 more respectively in FY 2026. It spent only 49.11% of FY 2025 allocations for water quality purposes but wants $381,035 more in FY 2026. The NRD spent only 54.40% of FY 2025 appropriations for recreation purposes but seeks $2,253,920 more in FY 2026. It spent only 48.74% of FY 2025 appropriations on forestry, fish, and wildlife services but wants $221,415 more in FY 2026. It spent only 57.49% of its allocation on the watershed fund but seeks $9,860,025 more in FY 2026. And it spent only 6.67% for ice jam emergencies but wants $140,000 more for FY 2026 (p. 1). One prime example of over-appropriating for expenses is Elkhorn Crossing Utilities, $10,000 appropriated but only $670 spent. The budget shows an estimate of $17,000 for postage, yet the FY 2025 actual expense was only $4,500 (p. 3). A $700,000 appropriation for Blair buildings, though the NRD spent only $465,000 of its previous $655,000 budget (p. 4). The NRD carried over $61.4 million in funds appropriated but not spent and expects to carry over $31.1 million in FY 2026, both exorbitant amounts (p. 2). The NRD appropriated $24.2 million as a reserve for dams only contemplated. Overbudgeted items abound, e.g., contract work for the MoPac Trail (p. 24). In several categories, itemized appropriations for FY 2026 appear too high compared to current expenditures. Maintenance materials, $20,410 compared to $ 50,000. Contract work, $433,623 compared to $930,000 (p. 12). NRD cost shares are paying for extraneous expenditures: A Bennington Disc Golf Course $19,119, Fort Calhoun Ballfield ADA Restrooms $50,000, Village of Homer Splash Pad $24,059, Omaha Churchich Park Playground $50,000, Omaha Lee Valley Park Sprayground $50,000, Omaha Dahlman Park Improvements $50,000, Omaha Zorinsky Lake Inclusive Playground $50,000, Papillion City Park Upgrades $50,000, South Sioux City Baumer Park Playground $50,000, its Basketball Courts $50,000, its Freedom Park Play Structure $50,000, and Valley, Park Renovation Phase $50,000. These expenditures do not fall within NRD basic core responsibilities (p. 22). An over-appropriation of $6 million for NRD dams (pp. 30-32). Banking this dam money and collecting interest means extra taxes for NRD residents.

BAD BUDGETING. Although projected expenditures would decrease by $4,544,099, the forwarded balance is over $31 million, much too high for a carryover balance (p. 1). Employee health insurance costs decreased, yet the budget increases for the next year appropriation. Employer retirement expenses were less than expected, yet the budget increases the appropriation. Same with public notices, an expenditure the NRD could curtail, and the same with medical exams. The NRD is hoarding $500,000 in interest, monies that should result in a lower tax levy (p. 3). There are over $1 million in contributions and reimbursements for Platte River obstruction removal but no scheduled appropriations (p. 11). Several expenditures need additional explanation, e.g., Missouri River projects: Blackbird Site Tribal Agreement, etc. $10,000 (p. 13), Contributions/Reimb/Cost Shares Glacier Creek Credit Sale $50,000, and Professional Services In-lieu fee instrument (p. 29). Many programs appear with expenditures outpacing revenues. Conversely, in the urban conservation program, the NRD appropriated $300,000 but spent only $60,000, with no explanation of where the NRD deposited this surplus or if it intends to spend the excess funding in future (p. 15). There are too many agreement contributions with other jurisdictions (p. 19). The NRD is participating in too many cost shares that are causing deficits (p. 21). Because so many appropriations carried over from the previous fiscal year, the NRD should not have appropriated the funds in the previous fiscal year, e.g., SID 305, Pioneer View Trail Connections $253,344. Too many carryover funds (p. 26). The board should appropriate monies only in the year those dollars spent (accrual accounting). The NRD assumes financial responsibility for too many projects. Eliminate forestry & wildlife, wildlife habitat, and celebrate trees programs (p. 28). There is too much cash on hand for watershed projects: $24,177,588 (p. 32). Also, too much cash on hand for a $381,419 vegetation management project (p. 34). There is too much in the Papillion and Southern Sarpy Watershed operating reserve accounts: $334,153, $3,203,357 (pp. 41-42). A whopping $17,352,141 estimated for General Cash on Hand as of June 30, 2025. The NRD appears to continually look for more responsibilities that cost additional taxpayer dollars. The budget shows a number of line-item estimates and special projects costing thousands, but there are no accompanying explanations (p. 4). Also, several unexplained costs, e.g., Puritan Manufacturing Design (p. 8), Missouri River Levee Certification change order added expense (p. 10), and Fixit Station Installation (p. 27). We could not tell if the over $1 million revenue for Platte River Obstruction Removal was a new appropriation or receipt of prior year revenue (p. 11). Of concern is carrying over identical funds from the current fiscal year to the next without a current year expenditure (p. 14). The NRD should not have appropriated these funds without using them. Under interlocal agreements, the city or county should pay for trail maintenance (p. 26). The NRD should not pay for grade stabilization reimbursement; developers should pay this cost. Partners in the watershed partnerships are making decisions about spending NRD funds without NRD board approval votes (p. 42).

PAPIO MISSOURI RIVER NRD

NTF SUGGESTIONS:

- Decrease number of memberships in outside organizations and service awards.
- Decease staff travel; utilize zoom.
- End contribution to Keep Omaha Beautiful (Stream Cleanup/Trees), saving $ 27,000. Decrease contributions to other outside organizations.
- End pollinator habitat, saving $10,000.
- End recycling projects, saving $ 40,000 (p. 5).
- Appropriations to the Information & Education Program would double. The NRD should eliminate this entire expenditure of $260,500, e.g., Earth Day, Neb. Broadcaster, Midlands Community Foundation, Green Bellevue, National Wild Turkey Federation, Friends of Lewis & Clark. Also terminate these educational assistance programs: Grants/Scholarships, Pheasants Forever, and conference support, saving $15,000.
- Eliminate special education events, saving $28,000 (p. 7).
- End General Education Programs, e.g., education trees, education materials, animal care supplies, GPS units, saving $60,000 (p. 7).
- End appropriations for exhibits and displays, publications and brochures, and public information campaigns, saving thousands (p. 6).
- Eliminate the Conservation Assistance Program, saving $500,000 (p. 15).
- Spell out abbreviated terms to explain projects, etc.
- Because of a decrease in federal and state grant monies, the NRD should sharpen its budget-cutting knife (p. 24).
- End partnership projects such as with the Oak Leaf Subdivision, saving $ 500,000.

TAKE ACTION NOW. For many years, the Papio NRD has appeared oblivious to taxpayer concern, anger, and suggestions for reform and tax relief. Yet, we must continue to lobby the NRD board, especially new members, in hopes that they will understand that their taxing entity needs significant financial reform, particularly in its budgeting and expense processes. Therefore, using the above content, lobby your Papio NRD board member to cut its budget and lower its property tax rate. Email netaxpayers@gmail.com for NRD board member contact information and join our NTF *Papio NRD Watch Project.*

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