NMPP Energy Joint Operating Committee Meeting
Nebraska Municipal Power Pool
Municipal Energy Agency of Nebraska
National Public Gas Agency
Public Alliance for Community Energy
NMPP Energy Offices
8377 Glynoaks Dr, Lincoln, NE
November 5, 2025 – 10:00 a.m. (CT)

A G E N D A

All agenda items are for discussion and action will be taken as deemed appropriate.

1. Call to Order
   A. Section 84-1412 (8) – Nebraska Open Meetings Act
   B. Roll Call
   C. Public Comment

2. Approve Minutes of the June 4, 2025, Meeting

3. Executive Director/CEO Report

4. Compensation Structure and Benefits of Employees of Nebraska Municipal Power Pool

5. Executive Director Pay Range

6. Financial Report

7. External Audit Firm Update

8. Proposed Payroll and Benefits and Other Shared Administrative and General Costs Budgeted for Fiscal Year 2026-2027

9. Allocation of Fiscal Year 2026-2027 Payroll and Benefits and Other Shared Administrative and General Costs

10. Proposed Meeting Dates for 2026: June 3rd and November 4th

11. Adjournment

Agenda Item 2
NMPP Energy Joint Operating Committee

APPROVE MINUTES OF THE JUNE 4, 2025, MEETING

Date:	November 5, 2025
Initiator/Staff information source:	Chairperson Devine
Action Proposed:	Approval

Minutes of the Joint Operating Committee meeting held on June 4, 2025, were previously distributed and are included as Attachment A.

Agenda Item 3
NMPP Energy Joint Operating Committee

EXECUTIVE DIRECTOR/CEO REPORT

Date:	November 5, 2025
Initiator/Staff information source:	Bob Poehling
Action Proposed:	Informational

Bob Poehling, Executive Director/CEO, will provide the Joint Operating Committee with a report at the meeting.

COMPENSATION STRUCTURE AND BENEFITS OF EMPLOYEES OF NEBRASKA MUNICIPAL POWER POOL

Date:	November 5, 2025
Initiator/Staff information source:	Samantha Parker
Action Proposed:	Information and Discussion

BENEFITS REVIEW

Medical Insurance Plan

The 2026 medical insurance renewal reflects an estimated 8% premium increase. Based on current employee demographics and planned cost-sharing adjustments, Management anticipates the actual cost impact to the company will be less than the 8% renewal increase and remain within the 10% limit established by the Joint Operating Committee.

Additional information will be presented at the meeting.

Other Benefits

Premium increases to Dental and Group Term Life have a combined dollar impact of ~ $4,500.
There is no premium increase to Vision, Long-Term Disability and Short-Term Disability policies.

EXECUTIVE DIRECTOR PAY RANGE

Date:	November 5, 2025
Initiator/Staff information source:	Samantha Parker
Action Proposed:	Review and Approval

A copy of the JOC Policy on Compensation of the Executive Director is included within the JOC Policies and Guidelines (Section 7), as Attachment B. Per the policy, the JOC will review the pay range at their fall meeting.

Annually reviewing and updating the range ensures we remain competitive with the market; it does not grant a pay increase. Per the policy, the Executive Director's pay will be reviewed following completion of the Executive Director Performance Evaluation at the spring meeting.

Additional pay benchmarking information will be provided at the meeting.

FINANCIAL REPORT

Date:	November 5, 2025
Initiator/Staff information source:	Jamie Johnson
Action Proposed:	Informational

Jamie Johnson, Director of Finance and Accounting, will provide a Financial Report for the NMPP Energy organizations for the fiscal year-to-date through August, included as Attachment C.

EXTERNAL AUDIT FIRM UPDATE

Date:	November 5, 2025
Initiator/Staff information source:	Jamie Johnson
Action Proposed:	Informational

One of the duties of the Joint Operating Committee (JOC) noted in the JOC Agreement is to monitor the relationship with the external audit firm. Jamie Johnson, Director of Finance and Accounting, will discuss the multi-year proposed fees provided by the external audit firm beginning with the fiscal year ending March 31, 2027.

PROPOSED PAYROLL AND BENEFITS AND OTHER SHARED ADMINISTRATIVE AND GENERAL COSTS BUDGETED FOR FISCAL YEAR 2026-2027

Date:	November 5, 2025
Initiator/Staff information source:	Jamie Johnson
Action Proposed:	Review

The role of the Joint Operating Committee (JOC) is detailed in an agreement made among Nebraska Municipal Power Pool (NMPP), Municipal Energy Agency of Nebraska (MEAN), National Public Gas Agency (NPGA), and Public Alliance for Community Energy (ACE). The companies share a common staff under NMPP payroll. As noted in the agreement recital, by combining and sharing their respective staffs and resources, each company benefits by being able to perform obligations and responsibilities efficiently and at a lesser cost.

The Joint Operating Committee Agreement notes the duty of the JOC to review, prior to the respective annual meetings, the annual payroll and benefits and other shared administrative and general costs budgeted for each of the Parties.

Jamie Johnson, Director of Finance and Accounting, will review the budgeted costs included in the Administrative and General Costs Budgeted for Fiscal Year 2026-2027, enclosed as Attachment D in more detail at the meeting.

ALLOCATION OF FISCAL YEAR 2026-2027 PAYROLL AND BENEFITS
AND OTHER SHARED ADMINISTRATIVE AND GENERAL COSTS

Date:	November 5, 2025
Initiator/Staff information source:	Jamie Johnson
Action Proposed:	Approval

The Joint Operating Committee Agreement also notes the duty of the JOC to determine the allocation of payroll and benefits and other shared administrative and general costs to be used as the basis for reimbursement for services rendered or resources utilized by a Party.

Jamie Johnson, Director of Finance and Accounting, will review the budgeted costs included in the Administrative and General Costs Budgeted for Fiscal Year 2026-2027, enclosed as Attachment D, in more detail at the meeting.

A summary of the allocation of payroll and benefits, determination of building and equipment rent paid to MEAN, and allocation basis for reimbursement of services from NMPP by MEAN, NPGA, and ACE included in the Administrative and General Budget will be provided at the meeting for approval by the JOC.

Unapproved Minutes
NMPP Energy Joint Operating Committee Meeting
Nebraska Municipal Power Pool
Municipal Energy Agency of Nebraska
National Public Gas Agency
Public Alliance for Community Energy
NMPP Energy Offices
8377 Glynoaks Dr, Lincoln, NE
June 4, 2025 – 10:00 a.m. (CT)

The NMPP Energy Joint Operating Committee (JOC) met on Wednesday, June 4, 2025, at the NMPP Energy offices, 8377 Glynoaks Dr, Lincoln, Nebraska. Notice of the meeting was given to committee representatives by email. The public was advised by publication in print and online in the *Lincoln Journal Star* newspaper and website on May 15, 2025, and on NMPP Energy's Public Meeting Information website. The notice and agenda were posted upon issuance at the NMPP Energy office, the designated public meeting site, 8377 Glynoaks Drive, Lincoln, Nebraska, and kept continually current and available for public inspection. All documents considered at the meeting during open session and the current version of the Nebraska Open Meetings Act were made available on NMPP Energy's Public Meeting Information website.

CALL TO ORDER

Andrew Devine, Chairperson, called the meeting to order at 10:00 a.m. (CT). Devine announced that pursuant to Section 84-1412(8) of the Nebraska Open Meetings Act, a current copy of the Open Meetings Act was posted in the meeting room. It was also announced that the meeting was being recorded.

Roll Call

Quorum was declared with 11 of the 12 representatives present.*
Quorum = 6 representatives

Chris Anderson, NPGA	Bob Lockmon, NPGA
Chris DesPlanques, MEAN	Brent Nation, NPGA
Andrew Devine, ACE	Tom Ourada, MEAN
Ron Doggett, MEAN	Mike Palmer, ACE - *arrived at 10:13
Duane Hoffman, ACE	Jeremy Tarr, ACE
Matt Langhorst, MEAN	Randy Woldt, NPGA

Public Comment

Chairperson Devine asked if there were members of the public in attendance who would like to make agenda comments. There were no public comments.

WELCOME NEW MEMBER

Bob Poehling, Executive Director, welcomed Chris DesPlanques, MEAN, to the Joint Operating Committee.

Devine presented Poehling with a Professional Service Award in special recognition for 10 years of continuous service to NMPP Energy.

JOINT OPERATING COMMITTEE DUTIES

Bailey Rosecrans, Staff Attorney, provided an overview of the duties of those who serve on the Joint Operating Committee.

APPROVE MINUTES OF THE NOVEMBER 6, 2024, MEETING

The meeting minutes were previously distributed to the JOC representatives and were also included in the meeting packet as Attachment B.

Motion *Brent Nation moved to approve the meeting minutes of November 6, 2024, as presented. Tom Ourada seconded the motion which carried unanimously on roll call vote of the 11 directors present. Mike Palmer was not present for the vote.*

FINANCIAL REPORT

Jamie Johnson, Director of Finance and Accounting, reviewed the financials of the NMPP Energy organizations for the fiscal year ended March 31, 2025. Preliminary year end results were included in the meeting packet as Attachment C.

Trevor Copenhaver, representative of the independent audit firm, Forvis Mazars, provided an overview of the audit process and status of the audit results for each of the NMPP Energy organizations.

ANNUAL PERFORMANCE EVALUATION OF THE EXECUTIVE DIRECTOR
COMPENSATION OF THE EXECUTIVE DIRECTOR

Samantha Parker, Director of Human Resources and Administration, provided an overview of the evaluation process per the JOC Policy on Annual Performance Evaluation of the Executive Director.

Parker reviewed the Policy on Compensation of the Executive Director. The Policy provides that the JOC will evaluate and vote annually on any adjustments to the Executive Director’s base pay with a retroactive date of April 1.

Appendix B from the JOC Policies and Guidelines on the Annual Performance Evaluation of the Executive Director was included in the meeting packet as Attachment D. Appendix C from the JOC Policies and Guidelines was included in the meeting packet as Attachment E. The section “Determining Executive Director Pay” outlines the compensation considerations for the JOC relative to base pay and bonus.

Motion: *Jeremy Tarr moved to go into closed session for the protection of needless injury to the reputation of the Executive Director and discuss the Executive Director’s annual performance evaluation and compensation. JOC Board Members, Samantha Parker and Bob Poehling may participate in the closed session. Matt Langhorst seconded the motion which carried unanimously on roll call vote.*

Chairperson Devine restated that the purpose of convening into closed session was to discuss the Executive Director's annual performance evaluation and compensation.

The Joint Operating Committee went into closed session at 10:22 a.m.

Chairperson Devine asked for any objections to return to open session, hearing none, the meeting reconvened in open session at 12:09 p.m. There was no action taken in closed session.

Motion: *Brent Nation moved to approve a salary increase of 3% for Bob Poehling, Executive Director, retroactive to April 1, 2025. Ron Doggett seconded the motion which carried unanimously on roll call vote.*

HUMAN RESOURCES REPORT

Samantha Parker, Director of Human Resources and Administration, provided an update on staffing levels and NMPP's parental leave policy.

SELECTION OF CHAIRPERSON, VICE CHAIRPERSON AND SECRETARY FOR FISCAL YEAR 2025-2026

The following nominations were received by email:

Chairperson:	Andrew Devine
Vice Chairperson:	Chris Anderson
Secretary:	Brent Nation

Michelle Lepin, General Counsel, noted the officers shall serve for a term through Fiscal Year 2025-2026 or until their successors are elected and qualified. The floor was opened for additional nominations. No additional nominations were made.

Motion: *Jeremy Tarr moved to close nominations, accept the slate of nominees for the Chairperson, Vice Chairperson and Secretary positions, and elect the slate as presented: Andrew Devine as Chairperson, Chris Anderson as Vice Chairperson, and Brent Nation as Secretary. Chris DesPlanques seconded the motion which carried unanimously via voice acclamation.*

UPCOMING MEETING DATES

The next regularly scheduled meeting date for the Joint Operating Committee is Wednesday, November 5, 2025, at 10:00 a.m. (CT) at the NMPP Energy offices.

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:21 p.m.

Recorded by: Laurie Keiser Administrative Assistant	Submitted by: Brent Nation Secretary

Section 4: Annual Budget and Financial Forecasts

Annually, staff will prepare a detailed budget of payroll and benefits and other shared administrative and general costs based on known information and other quantifiable information. Staff may also prepare a financial forecast of projected costs and capital needs.

The JOC agreement includes a duty to review, prior to the respective annual meetings, the annual payroll and benefits and other shared administrative and general costs budgeted for each of the Parties.

Section 5: Business Travel Reimbursement Policy

The JOC has approved a Business Travel Reimbursement Policy ("Travel Policy") that provides guidelines for reimbursement to JOC representatives for reasonable business travel expenses incurred while attending JOC meetings. The Travel Policy may be modified by the JOC from time to time. The Travel Policy is included as Appendix A.

Administrative Policies and Guidelines

Section 6: Executive Director Evaluation

The JOC adopted a policy to monitor and evaluate the Executive Director position. The JOC Policy on Annual Performance Evaluation of the Executive Director is included as Appendix B.

Section 7: Executive Director Compensation

In an effort to provide fair and reasonable compensation to the Executive Director that will make the organization competitive in the market for talent, the JOC has established a policy outlining the way it will evaluate and determine the Executive Director's compensation. The JOC Policy on Compensation of the Executive Director is included as Appendix C.

Section 8: JOC Representative and JOC Chair Job Descriptions

The JOC adopted job descriptions for Joint Operating Committee representatives and the position of Joint Operating Chair as helpful tools to outline what is expected from each position. These job descriptions do not replace the guidelines provided in the Joint Operating Committee Agreement. The job descriptions are included as Appendix D.

Section 9: NMPP Energy Compensation Policy

Employee compensation is a critical tool in NMPP Energy's ability to achieve its mission and goals of service delivery to and value creation for its member municipalities and their customers. The JOC adopted a policy to outline NMPP Energy's approach to compensation and to guide the JOC and staff in decision making relative to compensation elements. The NMPP Energy Compensation Policy is included as Appendix E.

Appendix C: Executive Director Compensation Policy

The Boards of Directors of Nebraska Municipal Power Pool (NMPP), Municipal Energy Agency of Nebraska (MEAN), National Public Gas Agency (NPGA) and Public Alliance for Community Energy (ACE), have signed a Joint Operating Committee Agreement (JOC Agreement) that provides for sharing a joint staff. The Joint Operating Committee (JOC) administers the JOC Agreement on behalf of the four organizations. The JOC approves the employment contract and compensation of the Executive Director and serves as the administrative body responsible for oversight of this joint position.

The Boards of Directors of NMPP, MEAN, NPGA, and ACE, jointly referred to as NMPP Energy, have delegated significant responsibility to the Executive Director. The Boards seek to attain excellence in their governance and service to members. An essential element of achieving that goal is the attraction and retention of an Executive Director to represent and manage the four organizations. The JOC desires to provide a fair and reasonable compensation to the Executive Director that will make the organization competitive in the market for talent and has therefore adopted this policy outlining the way it will evaluate and determine compensation.

Prior to the fall meeting of the JOC (typically in November), NMPP Human Resources staff will obtain research and information that documents compensation levels for similarly qualified individuals in comparable positions at similar organizations. This data may include the following:

1. Salary and benefit compensation studies by independent sources;
2. Documented telephone calls about similar positions at both nonprofit and for-profit organizations; and
3. Other publicly available compensation information.
4. Pay range movement in the marketplace

The JOC may, at its discretion, engage the services of an independent consultant to gather this salary and benefit information.

<u>Determining the Pay Range</u>

Based on comparable compensation information, the JOC will establish a competitive pay range for the Executive Director position. The JOC strives to establish a market-based “Guide Rate” for the position based on comparable positions as determined by the JOC, with a range minimum that is 20% below Guide Rate, and a maximum that is 20% above Guide Rate. The JOC will evaluate and vote annually at its fall meeting on any adjustments to the pay range based on pay range movement in the marketplace.

NMPP ENERGY — NMPP MEAN NPGA ACE	Revision No.	2.0
	Effective Date	June 5, 2024
Executive Director Compensation Policy	Distribution Restriction: Public Document	

Determining Executive Director Pay

Prior to its spring meeting each year (typically in May/June), NMPP Human Resources staff will provide to the JOC:

- The Executive Director's current pay, effective date, current pay range, and calculation of position within the pay range relative to Guide Rate.
- If any variable compensation will likely be paid to staff, a report detailing similar compensation amounts for the Executive Director.

The JOC will evaluate and vote annually at its spring meeting on any adjustments to the Executive Director's base pay with a retroactive effective date of April 1. The JOC will also evaluate and vote on any variable amounts to be paid to the Executive Director.

The Chair of the JOC will prepare a written report summarizing the actions of the JOC relative to base pay, variable pay, amounts, and effective dates. The report will be provided to the Executive Director and NMPP Human Resources to become a part of the official personnel file of the Executive Director.

Version	Effective Date	Description of Revision
1.0	November 5, 2014	Adoption of policy
2.0	June 5, 2024	Updated language consistent with revisions to JOC agreement, revised the provision of information by NMPP Human Resources rather than a specific position, and language updates to variable compensation section in line with current practice.

NMPP Energy
Balance Sheets
August 2025

	NMPP	MEAN	NPGA	ACE
Assets and Deferred Outflows of Resources				
Cash and cash equivalents	$ 25,000	$ 29,460,509	$ 2,010,968	$ 1,320,710
Investments (Short-term, Long-term & Restricted)	-	36,034,330	-	2,530,414
Accounts receivable	790,188	24,462,017	1,491,855	117,686
Gas in storage	-	-	1,435,318	-
Prepaid expenses and other	(47,335)	251,545	-	17,247
Productive capacity & lease assets, net & related operating assets	-	114,323,763	-	-
Capital and subscription assets, net	-	5,721,448	-	19,846
Costs recoverable from future billings	-	39,030,631	-	-
Deferred loss on refunding	-	4,311,236	-	-
Deferred costs for asset retirement obligation	-	422,666	-	-
Fair value of derivative investments	-	-	129,000	-
Total assets & deferred outflows of resources	**$ 767,853**	**$ 254,018,145**	**$ 5,067,141**	**$ 4,005,903**
Liabilities and Deferred Inflows of Resources				
Accounts payable and accrued expenses	$ 748,724	$ 12,107,535	$ 614,262	$ 1,659
Storage deposits	-	-	1,160,000	-
Lease & subscription liabilities, net long-term debt, & interest payable	-	142,696,201	-	-
Asset retirement obligation	-	422,666	-	-
Deferred inflow - deferred revenue - rate stabilization	-	29,100,000	-	-
Deferred inflow - deferred gain on refunding	-	2,062,560	-	-
Deferred inflow - derivative instruments	-	-	129,000	-
Total liabilities and deferred inflows of resources	748,724	186,388,962	1,903,262	1,659
Net Assets/Net Position	19,129	67,629,183	3,163,879	4,004,244
Total liabilities, deferred inflows & net position	**$ 767,853**	**$ 254,018,145**	**$ 5,067,141**	**$ 4,005,903**

NMPP Energy
Statements of Revenues and Expenses
For the Fiscal Year Ending March 2026: As of August 2025

	NMPP*	MEAN	NPGA	ACE
Operating Revenues	$ 16,500	$ 61,601,320	$ 1,642,042	$ 437,500
Operating Expenses				
Commodity costs (electric energy & gas)	-	49,974,064	1,369,808	-
Administrative and general	626	5,016,347	218,520	284,083
Depreciation and amortization	-	3,656,967	-	3,955
Total operating expenses	626	58,647,378	1,588,328	288,038
Operating Income (Loss)	15,874	2,953,942	53,714	149,462
Nonoperating Revenues (Expenses)				
Net costs to be recovered in future periods	-	(258,870)	-	-
Investment return	3,255	1,104,236	44,598	67,567
Interest expense	-	(1,472,253)	-	-
Net Revenue (Loss)	**$ 19,129**	**$ 2,327,055**	**$ 98,312**	**$ 217,029**
Budgeted Net Revenue (Loss)	15,266	1,457,232	9,345	140,664
+/- Variance to Budget	**$ 3,863**	**$ 869,823**	**$ 88,967**	**$ 76,365**
Fiscal Year Budgeted Net Revenue (Loss)	**$ -**	**$ 2,978,546**	**$ -**	**$ 442,885**

* NMPP activity is shown net of payroll and benefits expense and related reimbursement.

Administrative and General Costs Budgeted For Fiscal Year 2026-2027

Joint Operating Committee Meeting November 5, 2025

NMPP Energy
Administrative and General Costs Budgeted For
Fiscal Year 2026-2027

NMPP Energy
Administrative and General Costs
Budget Process and Summary Narrative
Fiscal Year 2026-2027

Role of the Joint Operating Committee

Nebraska Municipal Power Pool (NMPP), Municipal Energy Agency of Nebraska (MEAN), National Public Gas Agency (NPGA) and Public Alliance for Community Energy (ACE) have entered into an agreement establishing a Joint Operating Committee (JOC). Each organization is a "Party" to the Joint Operating Committee Agreement.

The Joint Operating Committee Agreement recitals include the following:

- Each Party has obligations and responsibilities under various contracts and statutes, but may choose, because of economic reasons, not to have separate individual staffs to fulfill them.
- The Parties share a common staff under NMPP payroll. By combining and sharing their respective staffs and resources, each of the Parties will benefit by being able to perform their obligations and responsibilities efficiently and at a lesser cost.
- Each Party is willing to have the Joint Operating Committee established by this Agreement make the allocations of expenses among the Parties and approve policies and guidelines such Joint Operating Committee uses to conduct business and administer its duties as defined in this Agreement, including such allocations of expenses.

Duties of the JOC as detailed in the Joint Operating Agreement include the following:

- Review, prior to the respective annual meetings, the annual payroll and benefits and other shared administrative costs budgeted for each of the Parties.
- Determine the allocation of payroll and benefits and other shared administrative and general costs to be used as the basis for reimbursement for services rendered or resources utilized by a Party.
- Approve the appropriate compensation structure and benefits of employees of NMPP.

The information contained in this packet as well as discussion and presentation at the JOC meeting allow the JOC to fulfill the duties noted.

The Fiscal Year is April 1 to March 31. Throughout the packet, Proposed Budget refers to Fiscal Year 2026-2027 and Current Budget refers to Fiscal Year 2025-2026. The Current Budget includes the final numbers as approved by all respective Boards.

Administrative and General Budget Process

The administrative and general (A&G) budget is prepared annually based on strategic focus areas identified by the management team of NMPP Energy. In September, accounting staff compiles historical data and populates budget templates based on information available. The management team holds a strategic planning session to review short-term and long-term plans across the four companies of NMPP Energy. Department directors then prepare budgets during September and October based on anticipated projects and needs resulting from the strategic focus areas discussed. The strategic focus areas identified continue to stem from the technical complexity of the industry including the evolving energy markets.

Administrative and General Expenses

A&G costs include payroll and benefits and other A&G expenses. Other A&G expenses consist of direct costs and shared costs. NMPP Energy attempts to assign costs whenever possible to the specific company the cost is associated with. Direct other A&G costs include the A&G expenses that are specific to the business operating needs of each individual company. The costs incurred are generally attributable to invoices and/or contracts with vendors relating to a cost incurred by the specific company. Direct Other A&G is not a part of this meeting. Detail of these costs will be provided to and reviewed in more detail with each applicable Board and/or Committee.

This meeting focuses on overall payroll and benefits and the allocation of shared costs. Information is also provided for shared costs and related recovery. MEAN recovers a portion of the shared costs through rent charged to the other NMPP Energy companies.

NMPP Energy
Administrative and General Costs
Payroll and Benefits Narrative
Fiscal Year 2026-2027

Payroll and Benefits

Payroll and benefits consist of gross wages, employer payroll taxes, and costs of benefits provided by NMPP to each employee. The following is a summary of NMPP Energy's payroll and benefits budget, and includes figures after the receipt of renewal information from benefits providers as well as an updated social security wage base limit:

NMPP Energy				
	Proposed	Current	vs. Current	
Payroll & Benefits	Budget	Budget	$ +/-	% +/-
Gross Wages	$ 7,000,865	$ 6,885,058	$ 115,807	2%
Payroll Taxes	497,779	486,508	11,271	2%
401k Match	620,354	569,857	50,497	9%
Benefits	126,910	121,961	4,949	4%
Medical Care	1,558,554	1,609,312	(50,758)	-3%
Total	**$ 9,804,462**	**$ 9,672,696**	**$ 131,766**	**1%**

NMPP Energy's compensation strategy is based on the NMPP Energy Compensation Policy included in the JOC Policies and Guidelines.

Gross Wages - Base Cash – NMPP personnel receive merit pay adjustments annually, each April 1st. Adjustments in pay are unique to each employee. The percentage increase for each employee varies depending on their individual performance and where the employee's pay resides within their position pay range. The budget for pay adjustments related to market competitiveness and performance/merit pay adjustments is 4.64% in the Proposed Budget (Current Budget was 5.10%).

Gross Wages - Incentive Pay – The Recognition Pay program meets the objectives of incentive pay outlined in the NMPP Energy Compensation Policy. Guidelines for granting Recognition Pay are prescribed and closely managed and monitored by the Executive Director. The size of awards will vary based on the achievement. Total recognition pay awarded to an individual employee during the fiscal year is limited to 5% of the employee's base salary. As these funds are discretionary and not always awarded, the Proposed Budget and Current Budget includes $50,000 which is based on recent actuals.

401k Match - NMPP Savings Plan – Employees must contribute 6% of pay to join the 401(k) plan. NMPP matches $1.50 to every $1.00 contributed by employees on the first 6% of pay, thus contributing 9%. Employees are eligible to enroll the first of the following month after completing three months of service. Employees are always 100% vested in personal contributions while a portion of NMPP's contributions vest gradually until reaching 100% after 6 years of service.

Benefits - Dental Care – NMPP Energy pays 100% of the employee dental insurance premium and 25% of the dependent premium. The budget includes a 3% premium increase for calendar 2026 and 10% for calendar 2027.

Benefits - Life and Accidental Death and Dismemberment (AD&D) Insurance – Life and AD&D coverages are both provided for employees with NMPP paying 100% of the premium cost of the coverage. Employees also have the option of purchasing additional supplemental life and AD&D at their own expense.

Benefits - Short-Term and Long-Term Disability Insurance – After a 14-day elimination period, the short-term disability (STD) plan provides income replacement for 90 days, subject to various limits. After a 90-day elimination period, long-term disability (LTD) provides income replacement subject to various limits. NMPP pays 100% of the premium cost of STD and LTD coverage.

Benefits - Vision Plan – NMPP offers a voluntary vision plan. Costs are borne solely by employees.

Medical Care – NMPP's medical plan is a high deductible health plan. The plan includes employee out-of-pocket maximums of $3,400 for individual coverage and $6,800 for family coverage. NMPP pays a significant portion of both the employee health insurance premium and the dependent premium. NMPP employees have the option to participate in the NMPP Energy Wellness Program to receive the preferred company payment toward the health insurance premium. Employees who choose not to participate in the Wellness Program will pay 20% more of the

NMPP Energy
Administrative and General Costs
Payroll and Benefits Narrative
Fiscal Year 2026-2027

employee only annual health insurance premium. From a budget perspective, staff assumes all employees will choose to participate and estimates participation levels for vacant positions. The Proposed Budget assumes an 8% premium increase for calendar 2026 and 25% for calendar 2027. The assumption for 2026 is based on actual information received in advance of the budget deadline. The broker advised to expect a much larger increase in 2027. These growth assumptions limit the year-to-year increase in medical care cost to the companies to be less than the 10% guidance from the JOC. NMPP also offers a Health Savings Account (HSA) to help meet the high deductible cost. NMPP annually contributes $2,250 for individuals and $4,500 for families.

Tuition Reimbursement – NMPP offers educational assistance so that employees can maintain and improve job-related skills or enhance their ability to compete for reasonably attainable jobs within NMPP. Assistance includes 100% reimbursement for books, tuition, and fees up to a maximum of $4,000 per calendar year. There are no current plans to utilize, therefore, no costs were included in the Proposed Budget. Actual costs will depend on utilization.

Budgeted Positions

As part of the budget process, the NMPP Energy management team discussed whether changes in the operations of each of the underlying companies resulted in changes in roles or responsibilities of current positions or resulted in a need for additional personnel. No additional personnel were identified for NPGA or ACE.

The budget assumes all positions will be filled each day of the fiscal year unless otherwise noted. This assumption is the primary reason for significant actual vs. budget variances as the actual timing of when budgeted positions are filled do not always match the budgeted timing.

Total budgeted full-time equivalent positions for all NMPP Energy companies are 53.0 in the Proposed Budget compared to 53.0 in the Current Budget and 50.0 in the Fiscal Year 2024-2025 budget.

Cost Allocations

Under the methodology approved by the JOC, payroll and benefits expenses are allocated to NPGA and ACE based on the estimated market payroll and benefits expenses each Party would incur if each company employed their own independent staff. Annual payroll and benefits costs for NPGA and ACE are established during the JOC budget process based on the hypothetical estimates of payroll and benefits expenses. The total budgeted payroll and benefits costs net of the established amounts for NPGA and ACE are allocated to MEAN. The allocation of payroll and benefits expenses is reviewed and recommended by the JOC annually.

Under the allocation methodology approved by the JOC, the payroll and benefits paid by NGPA and ACE are fixed annually unless a business change occurs during the year requiring a change in personnel or a change occurs to the underlying compensation and benefits assumptions. As a result, MEAN bears the risk and reward related to over or under spending in payroll and benefits, unless the variance is related to a business change for NPGA or ACE.

The following table summarizes the budgeted payroll and benefits cost by company.

Payroll and Benefits					
	Proposed Budget		Current Budget		vs. Current	
	Amount	% of Total	Amount	% of Total	$ +/-	% +/-
MEAN	$ 8,858,462	90%	$ 8,765,196	90%	$ 93,266	1%
NPGA	485,400	5%	465,600	5%	19,800	4%
ACE	460,600	5%	441,900	5%	18,700	4%
Total	$ 9,804,462	100%	$ 9,672,696	100%	$ 131,766	1%

NMPP Energy
Administrative and General Costs
Other Shared Expenses Narrative
Fiscal Year 2026-2027

Other Shared Expenses

For ease of analysis, NMPP Energy breaks other A&G expenses into the following categories: internal office, member, and consultants and outside services. See the *NMPP Energy - Other Shared Expenses* report for detail of costs by line item.

Internal Office

The internal office category includes costs of maintaining an office including necessary office equipment, insurance, and employee related costs such as conferences and training, travel costs, etc. The following table provides a summary comparison of total internal office expenses.

NMPP Energy				
	Proposed	Current	vs. Current	
	Budget	Budget	$ +/-	% +/-
Internal Office	**$ 434,509**	**$ 458,500**	**$ (23,991)**	**-5%**

- **Conferences and Training** – the budget includes planned attendance at conferences and employee specific training plans that are not unique to an individual company. Increase results from changes in planned activity.
- **Dues and Subscriptions** – consists of costs for belonging to various professional and trade organizations and subscriptions related to various services such as newspapers, periodicals, and other services. Decrease is a reclass of a salary survey from subscriptions to consultants and outside services after further review of the service.
- **Equipment Lease and Maintenance** – consists of office equipment such as copiers, audio/visual, and technology related costs. The decrease relates to completion of the furnishings and audio/visual in an additional conference room and a firewall replacement project during the current fiscal year. These decreases are offset in part by the proposed purchase of mobile conference equipment to provide better audio for offsite meetings and events.
- **Insurance** – joint insurance packages are purchased to manage risks of the companies. The renewal periods for some policies occur after the budget process is completed resulting in variances between actuals and budget. The decrease in joint insurance costs relates to lower current premiums compared to what had been expected during last year's budget process, offset in part by normal annual increase.
- **Miscellaneous** – costs consist primarily of staff related events and employment advertising. The increase is due to a reallocation of staff appreciation dollars from the employee wellness program which is in consultants and outside services – other.
- **Office Supplies** – office supplies include standard office products such as paper as well as larger items such as chairs. The decrease relates to continued effort to move to electronic processes and recordkeeping.
- **Postage** – the overall postage budget continues to decrease as more items are being delivered electronically.
- **Telecommunications** – includes costs for remote conferencing, conference calling, phone, internet, and phone system maintenance. Increase is based on review of recent actuals.
- **Travel, Lodging and Meals** – budget includes costs for all staff meals, employee specific planned training and travel plans that are not unique to an individual company. Increase results from changes in planned activity.

NMPP Energy
Administrative and General Costs
Other Shared Expenses Narrative
Fiscal Year 2026-2027

Member

The member category includes costs related to collective advertising and JOC meetings. The following table provides a summary comparison of total shared member expenses.

NMPP Energy				
	Proposed Budget	Current Budget	vs. Current $ +/-	vs. Current % +/-
Member	**$ 8,375**	**$ 7,650**	**$ 725**	**9%**

- **Advertising – Corporate Image** – costs include promotional items for NMPP Energy and collective advertising. Increase results from changes in planned activity.
- **Board and Committee Meetings - JOC** – meeting costs are expected to increase based on recent actuals. These costs are split evenly between ACE, NPGA and MEAN.

Consultants and Outside Services

Consultants and outside services include contracted consultants, costs related to outside services provided to the companies, and software costs. The following table provides a summary comparison of total shared consultants and outside services expenses.

NMPP Energy				
	Proposed Budget	Current Budget	vs. Current $ +/-	vs. Current % +/-
Consultants and Outside Services	**$ 365,379**	**$ 319,117**	**$ 46,262**	**14%**

- **Legal** – the shared cost is a retainer that has been entered into with a firm for employment related matters.
- **Other** – includes various consultant and outside service projects that don't fall within other identified categories. The following table details other consultants and outside services by department:

Other Consultants and Outside Services				
Department	Proposed Budget	Current Budget	vs. Current $ +/-	vs. Current % +/-
Corporate Services	$ 3,900	$ 3,600	$ 300	8%
Human Resources & Support Services	46,200	41,450	4,750	11%
Digital Solutions Group	55,125	50,625	4,500	9%
Total	**$ 105,225**	**$ 95,675**	**$ 9,550**	**10%**

  - **Corporate Services** – newspaper clipping services and business card printing.
  - **Human Resources & Support Services** – payroll administration, applicant tracking and background checks, miscellaneous surveys, employee wellness program, and cyclical consulting regarding employee compensation and benefits. The increase relates to a reclassification of a salary survey from dues and subscriptions and other fluctuations based on recent actuals.
  - **Digital Solutions Group** – web service for contract software, computer recycling, server and database hosting services, network support and project assistance, digital certificates and domain renewals, and website hosting and maintenance. Projects are cyclical which result in variances year to year.
- **Software Licenses, Maintenance, and Support** – consists of costs for software products and licensing. Due to accounting standards, MEAN also records software costs related to the company wide document management system and accounting software as amortization expense. The Proposed Budget includes approximately $66,000 of amortization expense compared to $46,000 in the Current Budget. Costs will fluctuate between A&G and amortization expense depending on the term of the contract. In total, software costs have increased due to higher licensing fees and a data warehouse project impacting all organizations.

NMPP Energy
Administrative and General Costs
Other Shared Expenses
Fiscal Year 2026-2027

NMPP Energy Total Shared	Proposed Budget	Current Budget	Proposed vs. Current $ +/-	Proposed vs. Current % +/-
Internal Office				
Conferences and training	$ 24,775	$ 23,175	$ 1,600	7%
Dues and subscriptions	13,723	16,568	(2,845)	-17%
Equipment lease and maintenance	102,933	109,570	(6,637)	-6%
Insurance	170,651	196,175	(25,524)	-13%
Miscellaneous	20,500	18,750	1,750	9%
Office supplies	10,000	11,300	(1,300)	-12%
Postage	6,000	7,000	(1,000)	-14%
Telecommunications	63,320	54,560	8,760	16%
Travel, lodging and meals	22,607	21,402	1,205	6%
Total internal office	434,509	458,500	(23,991)	-5%
Member				
Advertising - corporate image	3,950	3,450	500	14%
Board and committee meetings - JOC	4,425	4,200	225	5%
Total member	8,375	7,650	725	9%
Consultants and Outside Services				
Legal	2,600	2,600	-	0%
Other	105,225	95,675	9,550	10%
Software licenses, maint., support	257,554	220,842	36,712	17%
Total consultants and outside services	365,379	319,117	46,262	14%
Total other shared administrative and general, net	**$ 808,263**	**$ 785,267**	**$ 22,996**	**3%**

NMPP Energy
Administrative and General Costs
Shared Capital Plan Narrative
Fiscal Year 2026-2027

Shared Capital Plan

Items are expensed or capitalized based on the capitalization policy (items individually exceeding $10,000 and having an expected useful life of more than one year). Timing of capital items may vary from budget due to several factors. At the time the budget is prepared, costs may be based on early estimates of identified needs. These estimates may not include actual quotes or bids from potential vendors. The timing of projects is often dependent on the workload of staff and may be started early or delayed.

The proposed NMPP Energy capital budget is presented for building and technology infrastructure related items utilized by all NMPP Energy companies. The December Finance Committee meeting will include review of the MEAN specific items. Staff estimates costs for anticipated capital purchases and additions for an additional five fiscal years to present a preliminary multi-year capital plan. Costs and timing noted in preliminary fiscal years are based on costs for recent projects or purchases and the estimated useful lives. These projects may not necessarily occur in the year presented and are subject to future review by the JOC and approval by the respective company Board of Directors. If applicable, the Current Budget includes items that were carried forward from prior years due to timing delays.

See the *NMPP Energy – Shared Capital Plan* report for more detail.

The Proposed Budget includes the following items:

- **Heat Pump Replacements** – due to the age of the Glynoaks building, there have been ongoing maintenance issues with the heat pumps. Staff is working with outside vendors to develop a plan for replacement. The tentative plan is to replace in phases over multiple years as shown on the report.
- **Jace Controller for Heat Pumps/Honeywell WEBs Server** – the Proposed Budget also includes $15,000 to replace the overall control unit for the heat pump system controls which must be replaced periodically.

NMPP Energy
Administrative and General Costs
Shared Capital Plan
Fiscal Year 2026-2027

	Last Purchased	Useful Life in Years	Current Budget 2025-2026	Projected Fiscal Year 2025-2026	Proposed Budget 2026-2027	Preliminary Budget 2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
MEAN Shared Capital										
Executive										
Building Renovation										
Conference Room - Top of Stairs	N/A	20	60,000	40,535	-	-	-	-	-	-
Building Equipment										
Heat Pump Replacements	12-13	15	-	-	75,000	77,000	80,000	100,000	35,000	-
Jace Controller for Heat Pump/Honeywell WEBs Server	Sept 2018	5	-	-	15,000	-	-	-	-	-
Window Shades	12-13	10	-	-	-	-	-	26,000	-	-
Aqua Systems	12-13	15	-	-	-	-	-	10,000	-	-
Air Conditioning Unit for Server Room	12-13	15	-	-	-	37,000	-	-	-	-
Digital Solutions Group										
Board Room and Mobile Conference Equipment										
Projectors	19-20	10	-	-	-	-	-	29,000	-	-
Sound System	20-21	10	-	-	-	-	-	-	21,000	-
Cameras and Video Display	20-21	10	-	-	-	-	-	-	20,000	-
IT Infrastructure										
Building Camera System	12-13	10	-	-	-	20,000	-	-	-	-
Backup and Recovery Appliances	20-21	5	-	-	-	15,000	-	-	-	-
Switches-Corporate Network and MEAN SCADA	17-18 through 20-21	5	-	-	-	60,000	-	-	-	-
Firewall Update-Corporate Network and MEAN SCADA	20-21	5	24,000	19,206	-	-	-	-	25,000	-
SAN (Storage Area Network Server) Refresh	22-23	5	-	-	-	40,000	-	-	-	-
VM Hosts Refresh	22-23	5	-	-	-	43,000	-	-	-	-
Total MEAN Shared Capital			**$ 84,000**	**$ 59,741**	**$ 90,000**	**$ 292,000**	**$ 80,000**	**$ 165,000**	**$ 101,000**	**$ -**

NOTE: Only the estimated costs for each project are noted. Additional related operating expenses may also be incurred and will be included in the A&G budget.
Staff continues to research various systems and components of the building as we've passed 10 years since construction.
Report may include items approved for purchase in the current and prior years. Various factors impact the actual time period in which the purchase is made.

NMPP Energy
Administrative and General Costs
Building and Equipment Rent Narrative
Fiscal Year 2026-2027

Building and Equipment Rent

Shared Costs

Shared costs that are considered in the rent calculation include costs for products and services that are shared by all of the companies. Resources utilized include non-personnel charges such as conferences and training not unique to an individual company and related travel costs, dues and subscriptions, leased and non-capitalized equipment and related maintenance, joint insurance, miscellaneous, office supplies, postage, telecommunications, travel that is not company specific, collective advertising, shared legal costs, joint consultants and outside services, and software licenses. See the *Other Shared Expenses* report for detail of costs by line item. Although each company may benefit from the shared products and services, if each Party operated independently, each product and service may be required at a higher or lower level than the amount purchased collectively. Shared costs are reviewed and considered annually by the JOC when establishing rent paid to MEAN.

Allocation

Use of space in the building, use of operating equipment, use of technology and shared products and services is allocated to NPGA and ACE based on the estimated market expenses each Party would incur if each company operated independently. The allocated cost is reimbursed to MEAN as rent paid. Determining the amount of rent paid to MEAN is included in the JOC duty to determine the basis for reimbursement for resources utilized and is considered annually during the November JOC meeting.

As part of the budget process, the shared costs are reviewed for any significant changes that would result in a change to rent other than the standard annual rate of 2%. Upon review of the shared costs, no significant items were identified that would result in modifications to the rent amount. Therefore, the rent charges for NPGA and ACE were each increased by 2% as shown in the table below.

Building and Equipment Rent Paid to MEAN				
	Proposed Budget	Current Budget	vs. Current $ +/-	vs. Current % +/-
NPGA	$ 84,500	$ 82,824	$ 1,676	2%
ACE	94,900	93,024	1,876	2%
Total Rent Paid to MEAN	$ 179,400	$ 175,848	$ 3,552	2%

NMPP Energy
Administrative and General Costs
Nebraska Municipal Power Pool Budget and Services Reimbursement
Fiscal Year 2026-2027

Nebraska Municipal Power Pool (NMPP) Budget				
	Proposed Budget	Current Budget	Proposed vs. Current $ +/-	Proposed vs. Current % +/-
Revenues and Other Support				
Champions dues	$ 12,500	$ 15,500	$ (3,000)	-19%
Investment return	-	80	(80)	-100%
Event sponsorships and registrations	51,100	40,000	11,100	28%
Payroll and benefits reimbursement	**9,804,462**	**9,672,696**	**131,766**	**1%**
Services reimbursement	**28,655**	**21,475**	**7,180**	**33%**
Total revenues and other support	9,896,717	9,749,751	146,966	2%
Operating Expenses				
Payroll and benefits	**9,804,462**	**9,672,696**	**131,766**	**1%**
Member				
Annual conference	51,100	40,000	11,100	28%
Board meetings	-	200	(200)	-100%
Total member	51,100	40,200	10,900	27%
Consultants and Outside Services				
Audit and consulting	13,125	12,525	600	5%
Legal	1,030	30	1,000	3333%
Lobbying	25,000	24,200	800	3%
Other	2,000	100	1,900	1900%
Total consultants and outside services	41,155	36,855	4,300	12%
Total operating expenses	9,896,717	9,749,751	146,966	2%
Change in Net Assets	**$ -**	**$ -**	**$ -**	**0%**

Services Reimbursement					
Company	**% of Total Payroll**	**Proposed Budget**	**Current Budget**	**Proposed vs. Current $ +/-**	**Proposed vs. Current % +/-**
MEAN	**90%**	**$ 25,789**	**$ 19,327**	**$ 6,462**	**33%**
NPGA	**5%**	**1,433**	**1,074**	**359**	**33%**
ACE	**5%**	**1,433**	**1,074**	**359**	**33%**
Total Services Reimbursement to NMPP		**$ 28,655**	**$ 21,475**	**$ 7,180**	**33%**

NMPP Budget and Services Reimbursement Narrative

NMPP costs not covered by NMPP revenues are allocated to MEAN, NPGA, and ACE based on each company's share of total budgeted payroll and benefits. Variances from budget will result in an annual true-up each fiscal year end.