

Minnehaha Creek Watershed District

REQUEST FOR BOARD ACTION

MEETING DATE: October 22, 2015

TITLE: Approval refined and updated 2016 budget

RESOLUTION NUMBER: 15-091

PREPARED BY: Lars Erdahl

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TELEPHONE: 952-641-4505

REVIEWED BY: Administrator Counsel Program Mgr. (Name): _____
 Board Committee Engineer Other

WORKSHOP ACTION:

<input type="checkbox"/> Advance to Board mtg. Consent Agenda.	<input type="checkbox"/> Advance to Board meeting for discussion prior to action.
<input type="checkbox"/> Refer to a future workshop (date): _____	<input type="checkbox"/> Refer to taskforce or committee (date): _____
<input type="checkbox"/> Return to staff for additional work.	<input type="checkbox"/> No further action requested.
<input checked="" type="checkbox"/> Other (specify): <u>Final action on October 22</u>	

PURPOSE or ACTION REQUESTED:

Approval of program level refinement to the 2016 approved budget

PAST BOARD ACTIONS:

RES 15-079: MCWD Board of Managers Adoption of 2016 Budget

SUMMARY:

At the August 6, 2015 joint meeting of the Operations and Programs Committee (OPC) and Policy and Planning Committee (PPC), staff presented a prioritized list of budget adjustments that could be used to manage and reduce the District’s 2016 levy. Staff requested that the Board establish a desired target levy to allow staff to then refine the list of budget based on that direction. The joint committee recommended a five percent increase in the 2016 levy from the 2015 levy. This recommendation was approved by the Board at its August 13, 2015 meeting.

Following duly noticed public hearings, on September 10, 2015 the MCWD Board of Managers adopted by resolution a budget of \$12,796,095 and a levy of \$8,705,875.

Achieving the approximate 10% reduction in the budget required an adjustment in program activity in the amount of \$1,018,889. Since presenting the initial list of program adjustments in August, and consistent with Board direction throughout the budget process, staff has continued to explore refinements to the list of program budget adjustments as more information became available.

Since that time two areas of the 2016 budget have been identified for further reduction:

**DRAFT for discussion purposes only and subject to Board approval and the availability of funds.
Resolutions are not final until approved by the Board and signed by the Board Secretary.**

- \$269,200 reduced in the Powell-Road capital improvement project (Japs Olson)
- \$25,000 reduced in Aquatic Invasive Species communication and education activities

At the October 15, Planning and Policy Committee staff reviewed areas of previously reduced program activity that could be restored with the savings generated in the two aforementioned areas. The Committee reviewed, in detail, the refinements in program adjustments and agreed with staff's recommendation to restore funding in the following areas:

- \$66,000 in Cost Share grant funds
- \$12,500 to the Master Water Stewards budget
- \$25,000 to the Cynthia Krieg Stewardship Grant
- \$158,949 to the Bushaway Road Project

These changes in programming comport with the Board adopted 2016 budget and levy of \$12,796,094 and \$8,705,975, respectively. Accordingly, following discussion, the Committee voted to recommend these program level revisions be approved by the Board of Managers.

A summary of this information along with a preliminary draft projection of the 2016 budget and assumptions will be presented at the October 22, 2015 meeting of the Board of Managers.

Attachments:

1. Budget summary
2. Recommended list of budget reductions
3. Proposed budget in context of strategic framework diagrams

2016 MCWD BUDGET SUMMARY

2016 EXPENSES	Prelim Budget	Adjustments	Adjusted Budget
OPERATIONS & SUPPORT SERVICES			
Information Technology	\$ 195,763	\$ (94,700)	\$ 101,063
Government Relations	\$ 37,000		\$ 37,000
General Operations	\$ 1,417,906	\$ (28,000)	\$ 1,389,906
Sub-Total	\$ 1,650,669	\$ (122,700)	\$ 1,527,969
PLANNING & PERMITTING			
Permit Administration	\$ 656,846	\$ (25,000)	\$ 631,846
Planning & Projects	\$ 893,897	\$ (30,000)	\$ 863,897
Project Maint. & Land Mgmt	\$ 583,429	\$ (37,000)	\$ 546,429
Land Conservation	\$ 3,018,369		\$ 3,018,369
Land Restoration	\$ 89,000		\$ 89,000
Habitat Restoration Initiative	\$ 15,863		\$ 15,863
Capital Projects Total	\$ 3,547,398	\$ (335,251)	\$ 3,212,147
Sub-Total	\$ 8,804,802	\$ (427,251)	\$ 8,377,551
EDUCATION & COMMUNICATIONS			
Cynthia Krieg	\$ 125,000		\$ 125,000
Education	\$ 347,179	\$ (45,000)	\$ 302,179
Communications	\$ 254,618	\$ (45,000)	\$ 209,618
Cost Share	\$ 806,151	\$ (34,000)	\$ 772,151
Sub-Total	\$ 1,532,948	\$ (124,000)	\$ 1,408,948
RESEARCH & MONITORING			
Water Quality	\$ 507,454	\$ (94,938)	\$ 412,516
E-Grade	\$ 333,522		\$ 333,522
Lake Nokomis Project	\$ 10,300		\$ 10,300
Joint Watershed Research Grant	\$ 100,000	\$ (100,000)	-
Aquatic Invasive Species Program	\$ 778,388	\$ (150,000)	\$ 628,388
Research & Monitoring General Operations	\$ 96,900		\$ 96,900
Sub-Total	\$ 1,826,564	\$ (344,938)	\$ 1,481,626
2016 Total	\$ 13,814,983	\$ (1,018,889)	\$ 12,796,094

2016 REVENUE & AVAILABLE FUNDS

Approved Preliminary 2016 Levy	\$8,705,875
Misc. revenue & reimbursements	\$58,462
Interest earned	\$70,000
Grants	\$119,984
Balance available due to carry-forward	\$3,841,773
2016 TOTAL	\$12,796,094

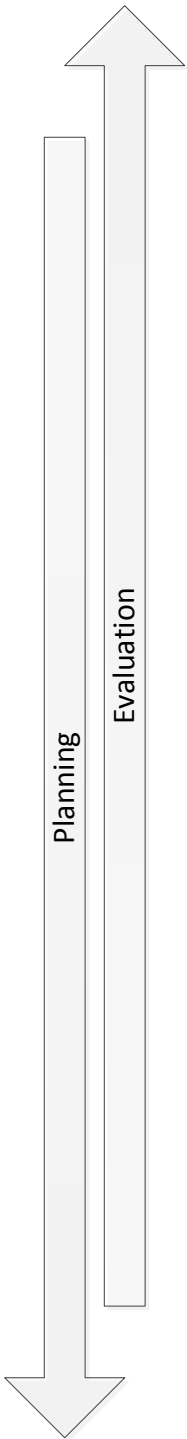
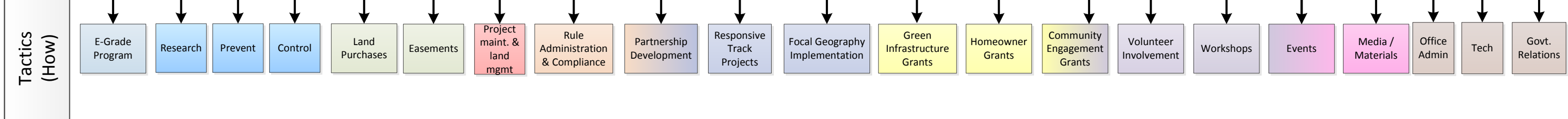
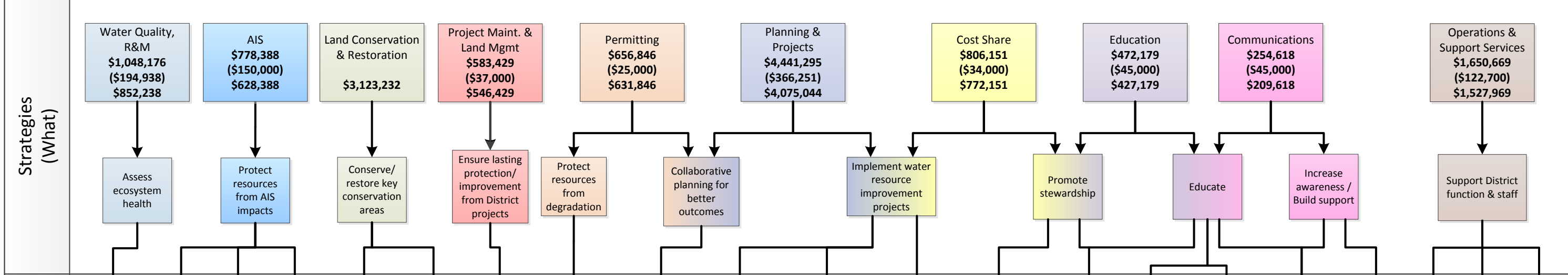
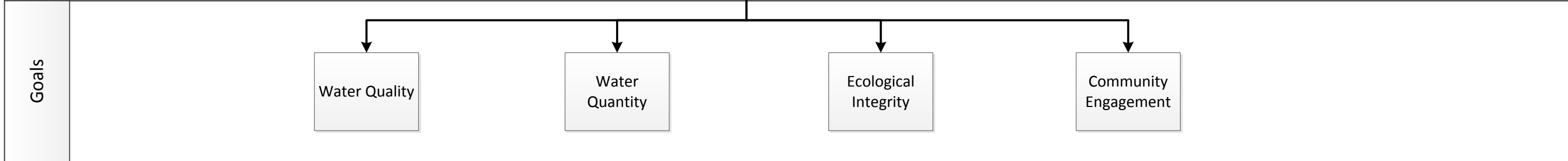
10-12-15 DRAFT POTENTIAL 2016 BUDGET ADJUSTMENTS

Year	Total Budget	Tax Levy	Levy Change	Budget Change
2015	\$ 14,206,850.00	\$ 8,291,310.00	4.99%	\$ 394,215.00
2016	\$ 13,814,983.00	\$ 9,724,764.00	17.29%	\$ 1,433,454.00

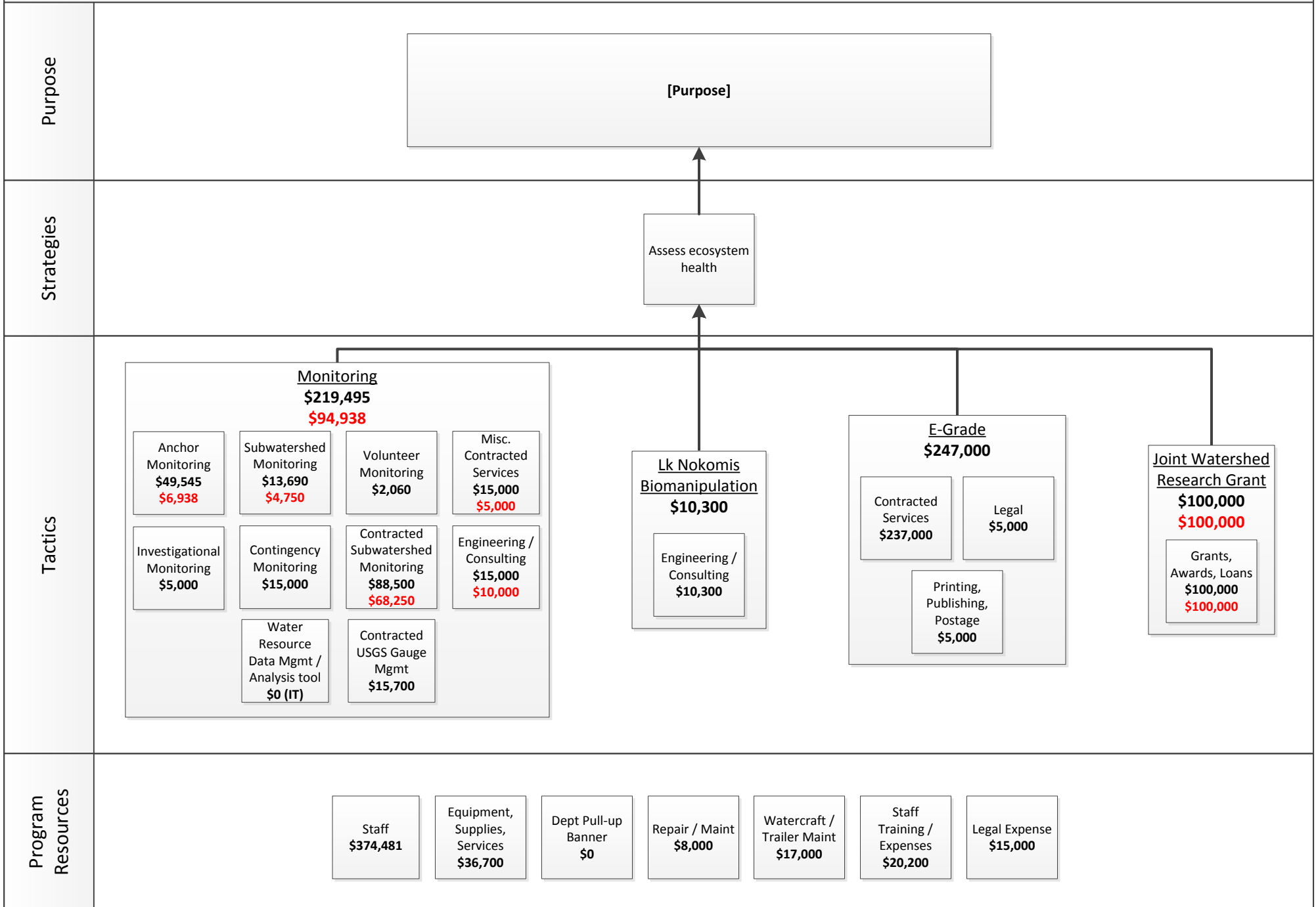
Department	Program Element	Budget/Levy Cut	Total 2016 Budget	Total 2016 Levy	Budget Change %	Levy Change %
N/A	N/A	N/A	\$ 13,814,983.00	\$ 9,724,764.00	2.76%	17.29%
Capital Projects	Powell-Meadowbrook Stormwater	\$ 269,200.00	\$ 13,545,783.00	\$ 9,455,564.00	-4.65%	14.04%
Aquatic Invasive Species	Communication/Education Activities	\$ 25,000.00	\$ 13,520,783.00	\$ 9,430,564.00	-4.83%	13.74%
Capital Projects	Change Bushaway Road 2 year levy ratio (2015 = \$758,949, 2016 = \$841,051)	\$ 41,051.00	\$ 13,479,732.00	\$ 9,389,513.00	-5.12%	13.25%
Joint Watershed Research Grant	Cut Joint Watershed Research Grant in 2016	\$ 100,000.00	\$ 13,379,732.00	\$ 9,289,513.00	-5.82%	12.04%
Education / Project & Land Management	Postpone signage and canoe launch implementation	\$ 67,000.00	\$ 13,312,732.00	\$ 9,222,513.00	-6.29%	11.23%
Operations and Support Services	Cut the contingency fund for building IT in 2016	\$ 20,000.00	\$ 13,292,732.00	\$ 9,202,513.00	-6.43%	10.99%
Operations and Support Services	Delay scheduled IT hardware upgrades	\$ 5,000.00	\$ 13,287,732.00	\$ 9,197,513.00	-6.47%	10.93%
Operations and Support Services	Internally complete IT operations guidance (email retention etc)	\$ 15,000.00	\$ 13,272,732.00	\$ 9,182,513.00	-6.58%	10.75%
Aquatic Invasive Species	Cut flowering rush control in 2016	\$ 40,000.00	\$ 13,232,732.00	\$ 9,142,513.00	-6.86%	10.27%
Aquatic Invasive Species	Split cost over 2 years for AIS social marketing signage, leaving \$35,000 in 2016	\$ 40,000.00	\$ 13,192,732.00	\$ 9,102,513.00	-7.14%	9.78%
Aquatic Invasive Species	Split cost over 2 years for zebra mussel research, leaving \$20,000 in 2016	\$ 20,000.00	\$ 13,172,732.00	\$ 9,082,513.00	-7.28%	9.54%
Education and Communications	Reduce budget for stakeholder audit for 50th anniversary planning to \$15,000	\$ 10,000.00	\$ 13,162,732.00	\$ 9,072,513.00	-7.35%	9.42%
Education and Communications	Reduction in budget for building video library of MCWD work to \$10,000	\$ 10,000.00	\$ 13,152,732.00	\$ 9,062,513.00	-7.42%	9.30%
Operations and Support Services	Postpone the replacement of MCWD vehicles	\$ 28,000.00	\$ 13,124,732.00	\$ 9,034,513.00	-7.62%	8.96%
Operations and Support Services	Postpone the development of a District wide database	\$ 54,700.00	\$ 13,070,032.00	\$ 8,979,813.00	-8.00%	8.30%
Permitting	Reduce budget to \$25,000 to develop project partnerships	\$ 25,000.00	\$ 13,045,032.00	\$ 8,954,813.00	-8.18%	8.00%
Education and Communications	Reduce education and outreach programming in MC subwatershed to \$10,000	\$ 10,000.00	\$ 13,035,032.00	\$ 8,944,813.00	-8.25%	7.88%
Education and Communications	Reduce marketing material budget to \$5,000	\$ 10,000.00	\$ 13,025,032.00	\$ 8,934,813.00	-8.32%	7.76%
Aquatic Invasive Species	Delay portion of early detection/baseline AIS monitoring, leaving \$35,000 in 2016	\$ 25,000.00	\$ 13,000,032.00	\$ 8,909,813.00	-8.49%	7.46%
Planning	Reduce greenway planning and project development budget to \$120,000	\$ 30,000.00	\$ 12,970,032.00	\$ 8,879,813.00	-8.71%	7.10%
Education and Communications	Reduce publication and graphic design budget to \$15,500	\$ 5,000.00	\$ 12,965,032.00	\$ 8,874,813.00	-8.74%	7.04%
Planning	Reduce planning and project development budget for Six Mile subwatershed	\$ 25,000.00	\$ 12,940,032.00	\$ 8,849,813.00	-8.92%	6.74%
Education and Communications	Reduce MCWD developed workshops and training budget to \$15,000	\$ 5,000.00	\$ 12,935,032.00	\$ 8,844,813.00	-8.95%	6.68%
Education and Communications	Eliminate watershed heroes event in 2016 (10th anniversary)	\$ 10,000.00	\$ 12,925,032.00	\$ 8,834,813.00	-9.02%	6.56%
Water Quality Program	Anchor Monitoring	\$ 6,938.00	\$ 12,918,094.00	\$ 8,827,875.00	-9.07%	6.47%
Water Quality Program	Subwatershed Monitoring	\$ 4,750.00	\$ 12,913,344.00	\$ 8,823,125.00	-9.10%	6.41%
Water Quality Program	Contracted Services: Subwatershed Monitoring	\$ 68,250.00	\$ 12,845,094.00	\$ 8,754,875.00	-9.59%	5.59%
Water Quality Program	Misc. Contracted Services	\$ 5,000.00	\$ 12,840,094.00	\$ 8,749,875.00	-9.62%	5.53%
Water Quality Program	Engineering/Consultant Services	\$ 10,000.00	\$ 12,830,094.00	\$ 8,739,875.00	-9.69%	5.41%
Cost Share Grants	Eliminate the proposed Cost Share Program intern position	\$ 34,000.00	\$ 12,796,094.00	\$ 8,705,875.00	-9.93%	5.00%

Total Cuts \$ 1,018,889.00
 5% Target \$ 1,018,889.00 \$ 12,796,094.00 \$ 8,705,875.00

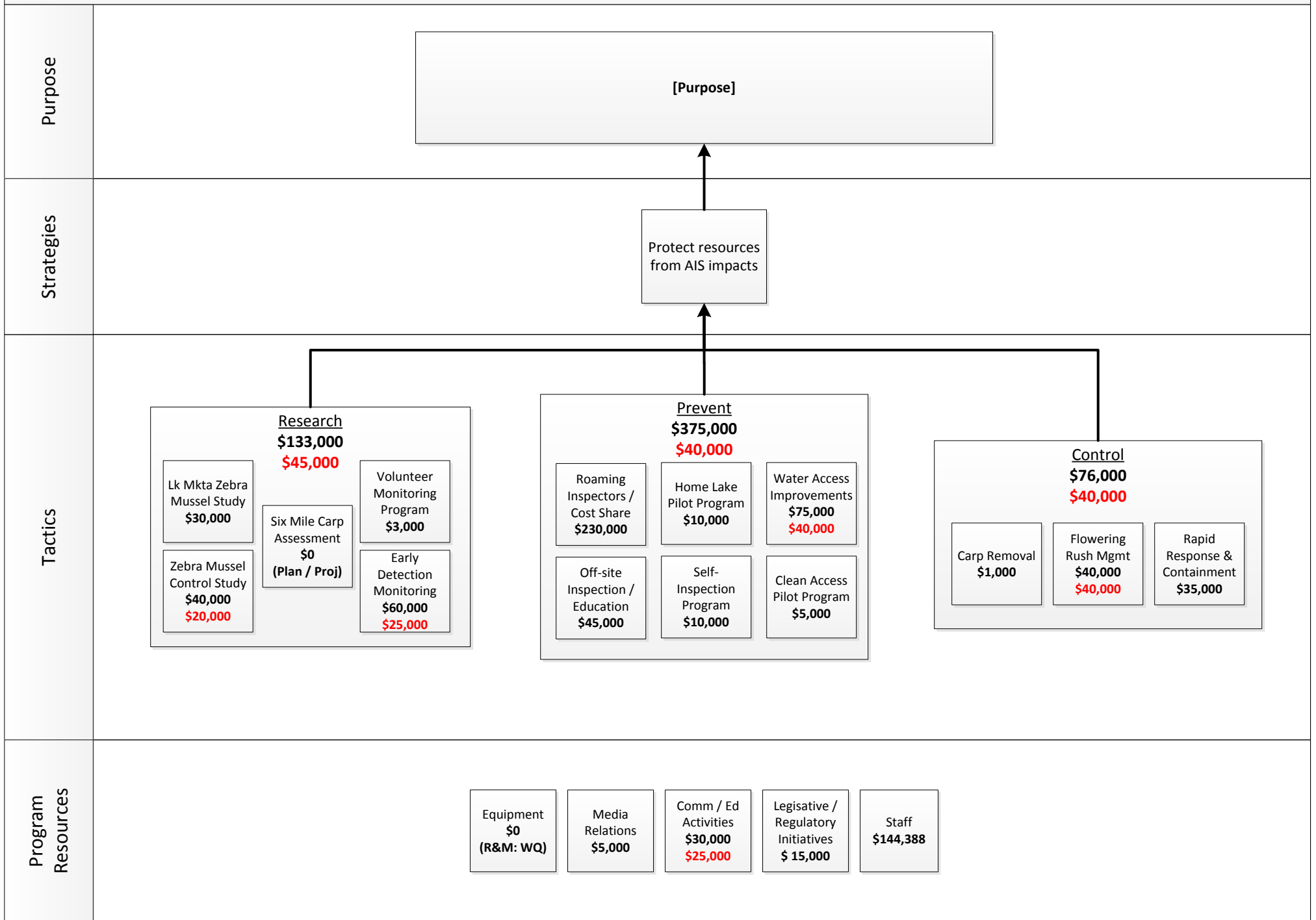
Organization Operational Framework



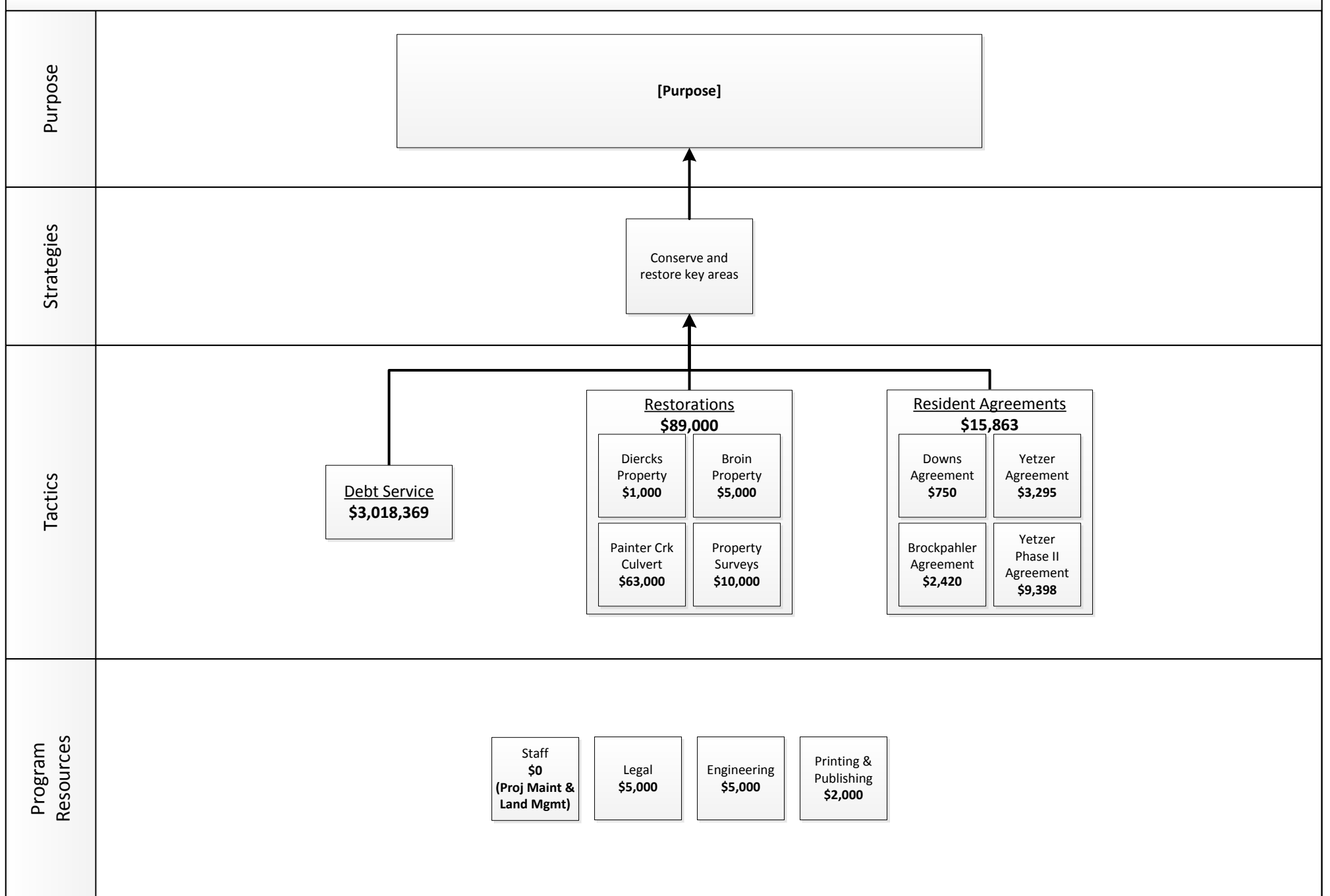
Program Operational Framework – Research & Monitoring: Monitoring, E-Grade, etc. [Total = \$1,048,176; Cuts = \$194,938; Total – Cuts = \$852,238]



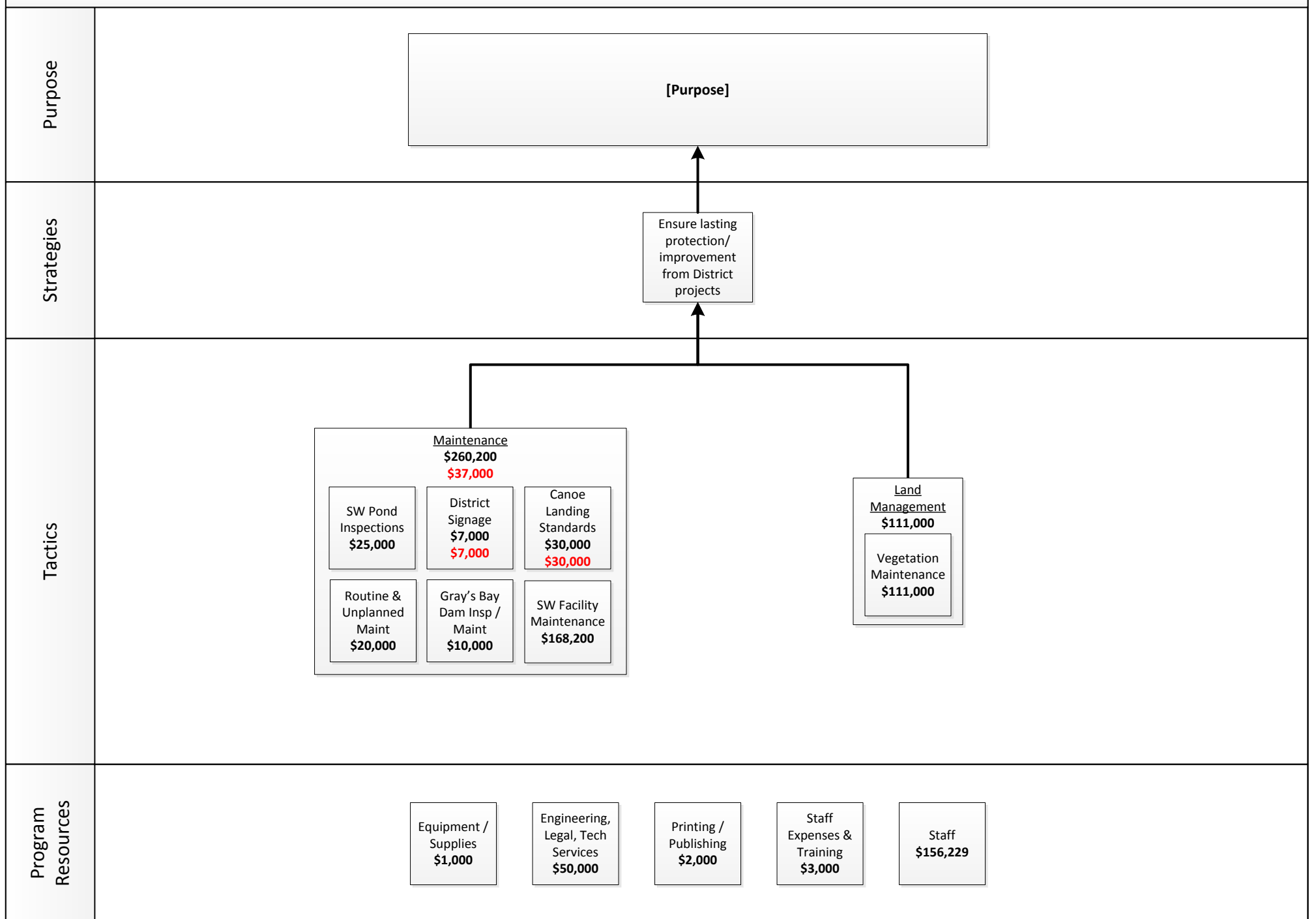
Program Operational Framework – AIS [Total = \$778,388; Cuts = \$150,000; Total – Cuts = \$628,388]



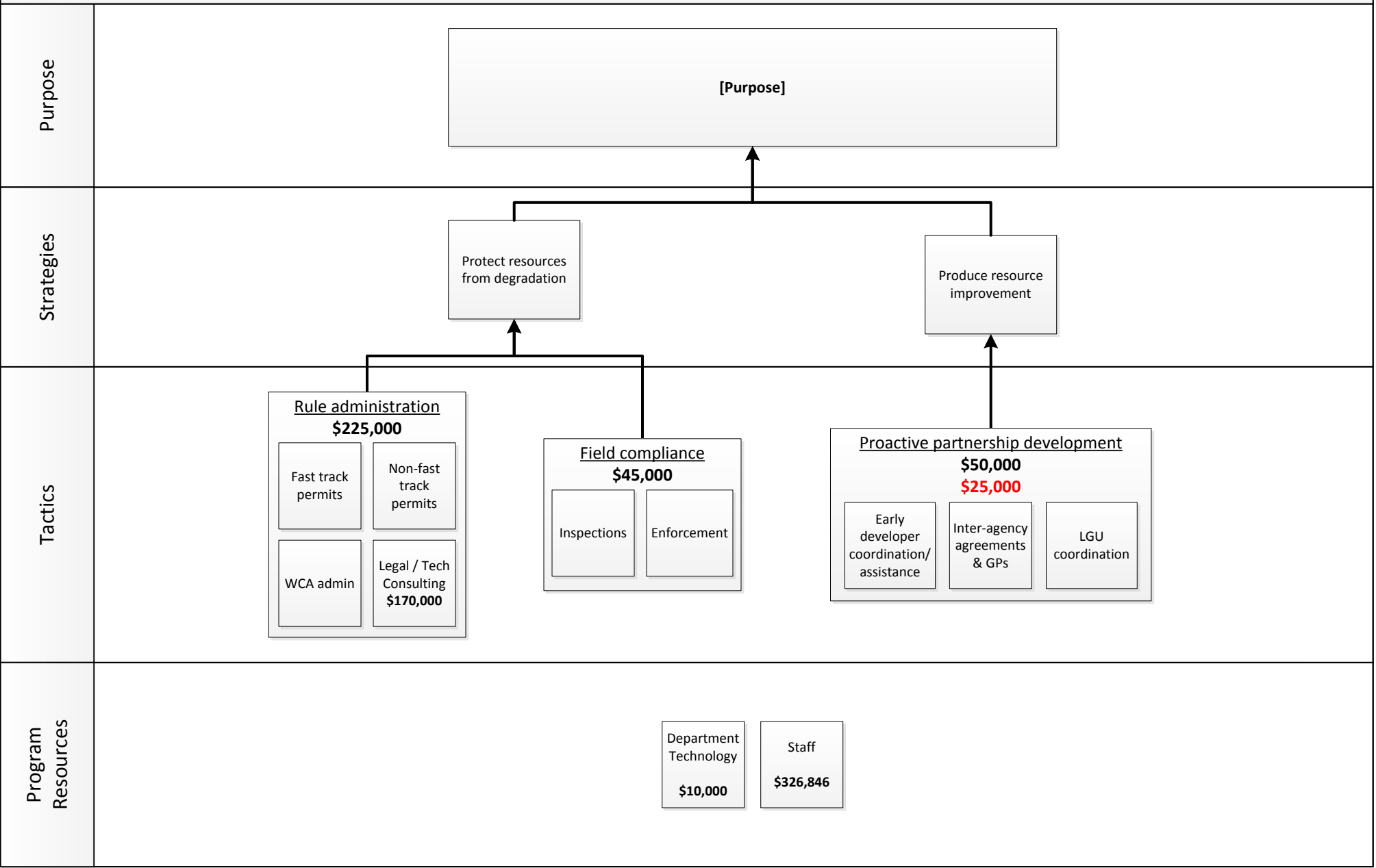
Program Operational Framework – Land Conservation & Restoration [Total = \$3,123,232]



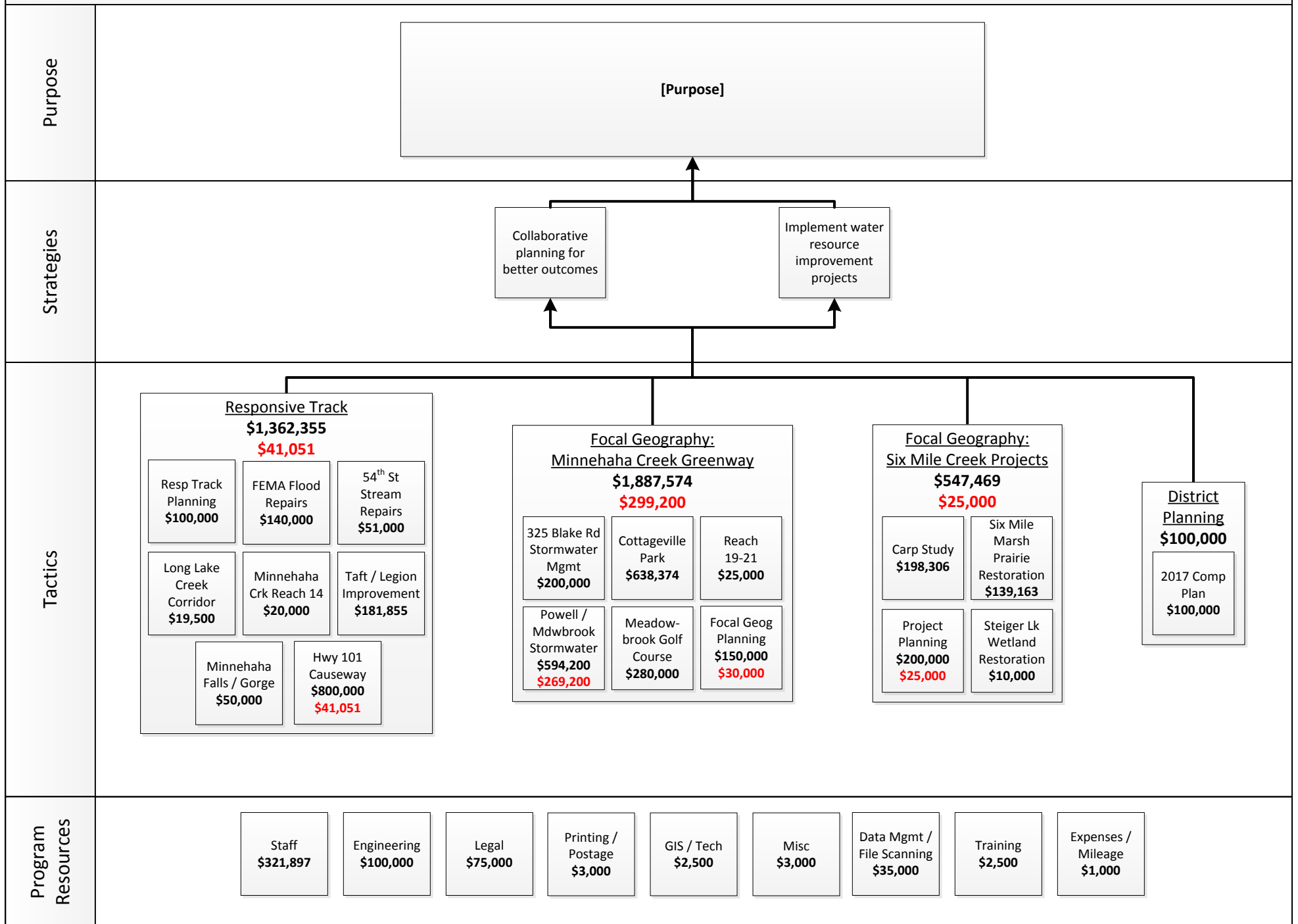
Program Operational Framework – Project Maintenance & Land Management [Total = \$583,429; Cuts = \$37,000; Total – Cuts = \$546,429]



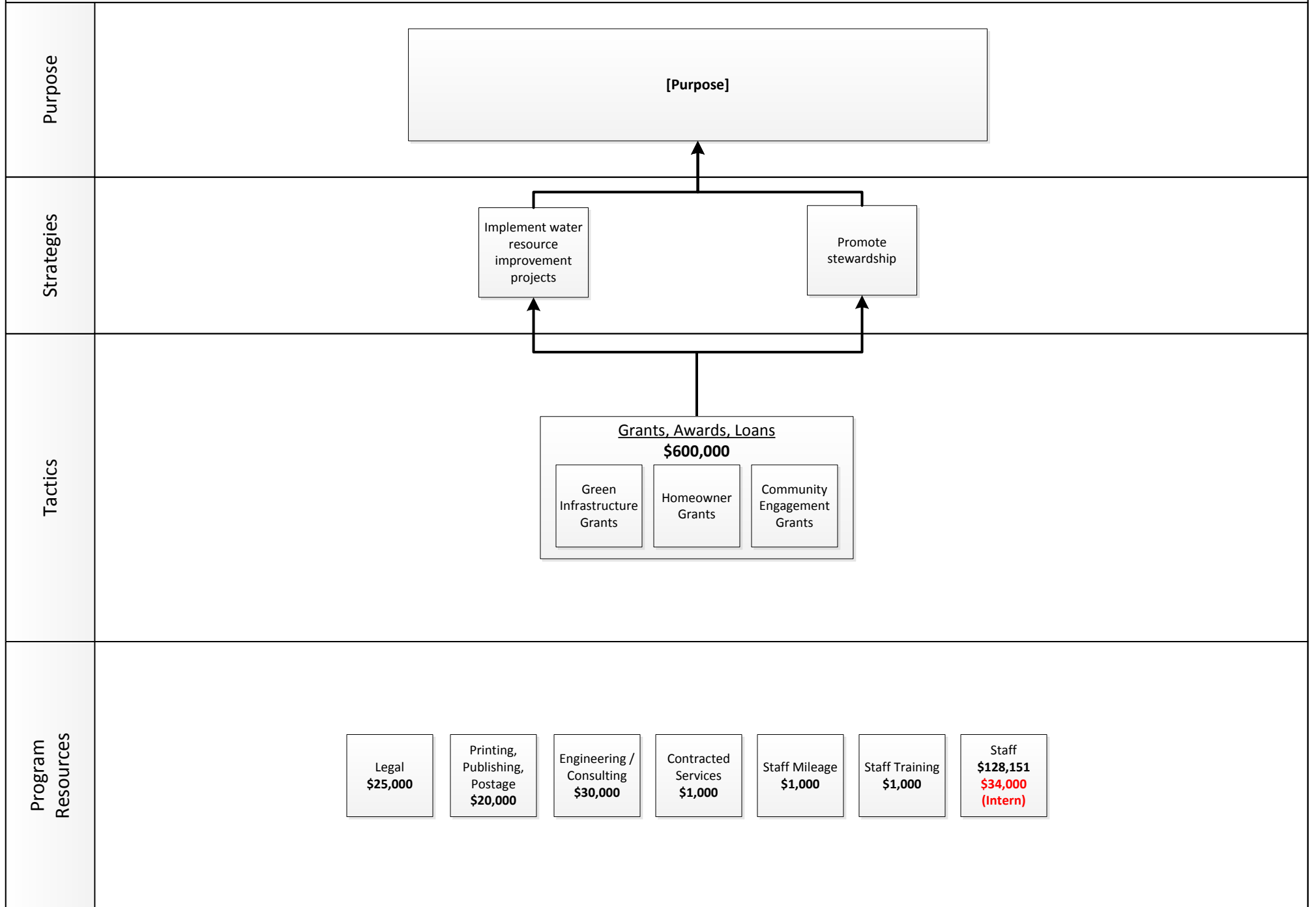
Program Operational Framework – Permitting [Total = \$656,846; Cuts = \$25,000; Total – Cuts = \$631,846]



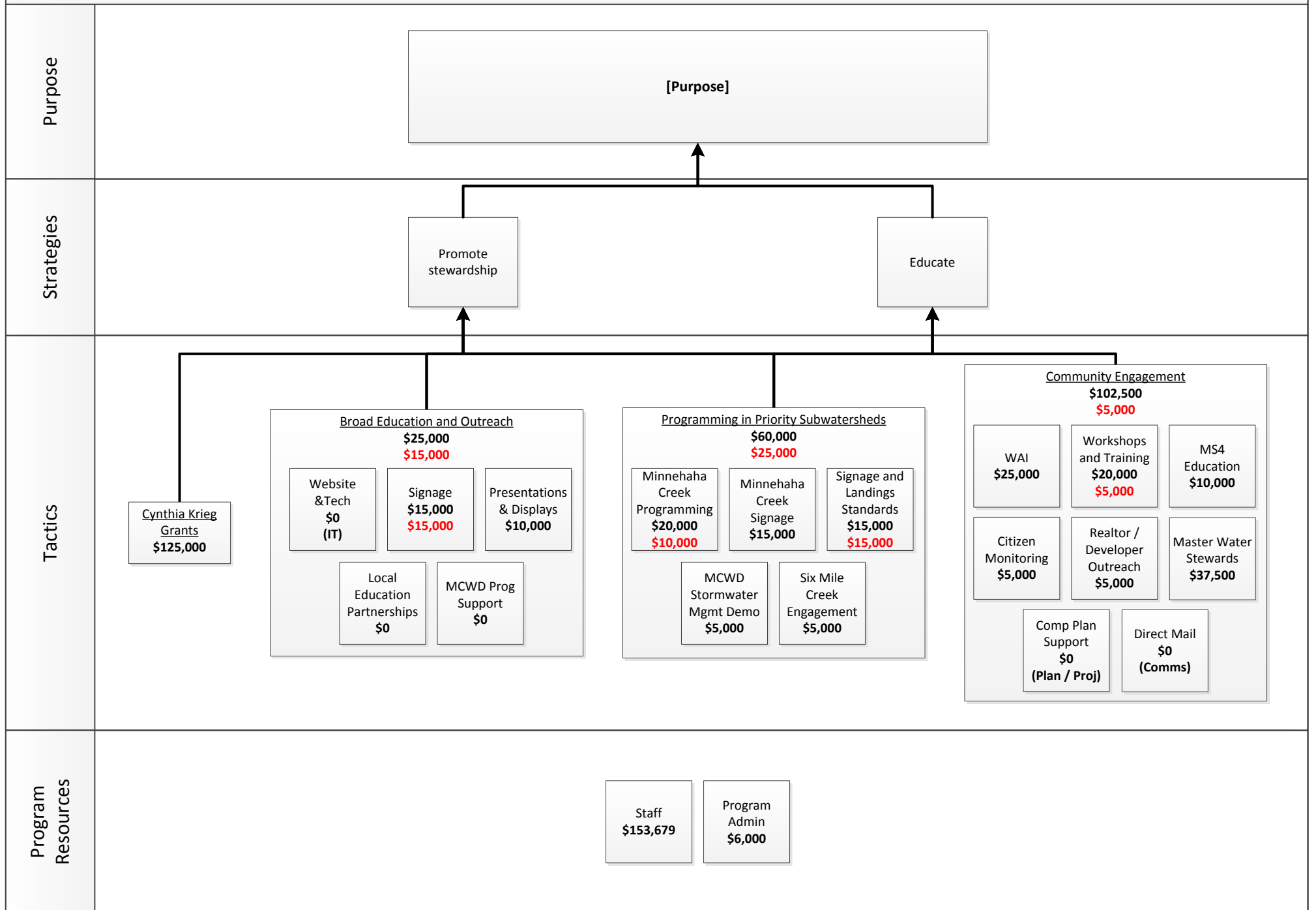
Program Operational Framework – Planning & Projects [Total = \$4,441,295; Cuts = \$365,251; Total – Cuts = \$4,076,044]



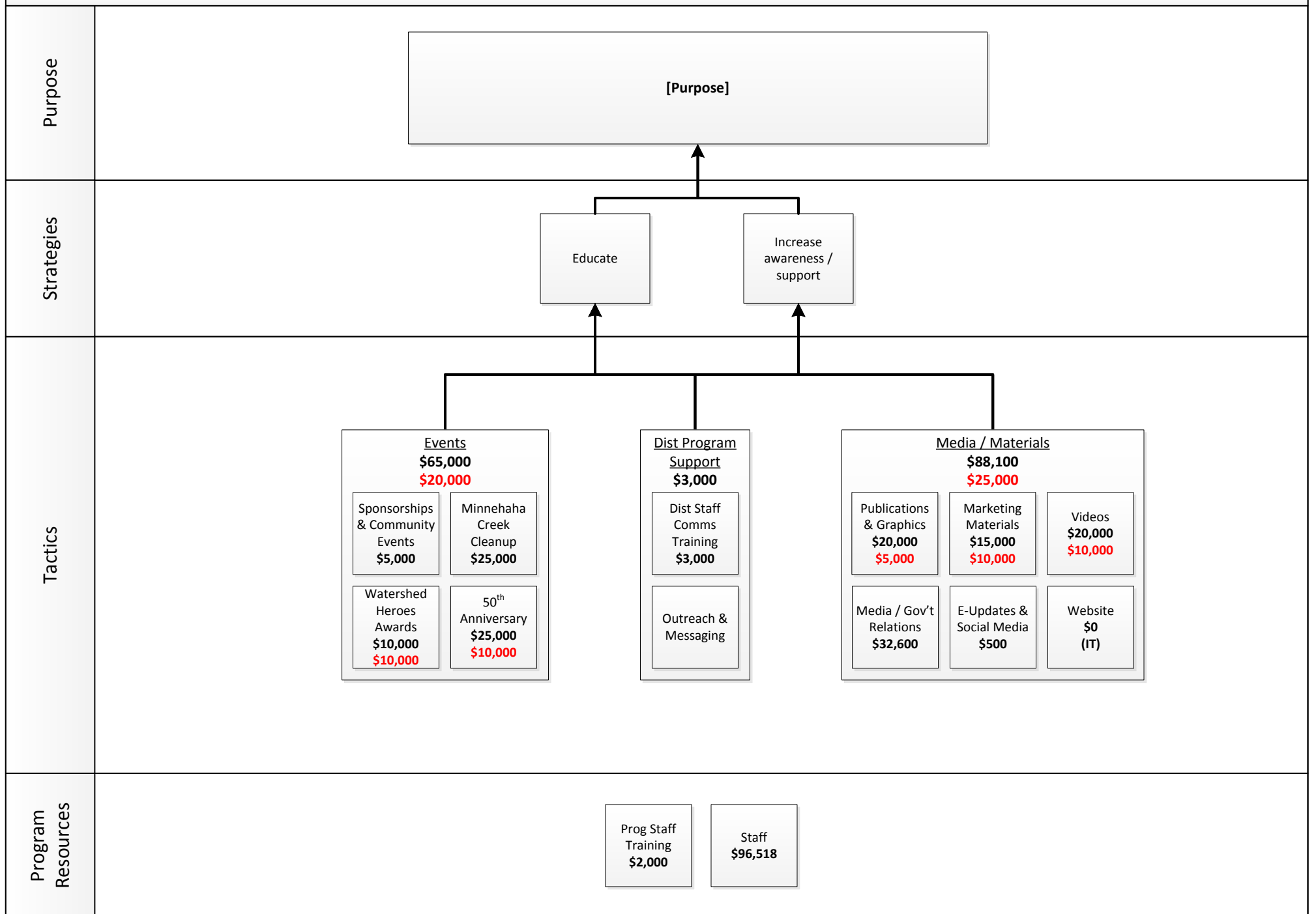
Program Operational Framework – Cost Share [Total = \$806,151; Cuts = \$34,000; Total – Cuts = \$772,151]



Program Operational Framework – Education [Total = \$472,179; Cuts = \$45,000; Total – Cuts = \$427,179]



Program Operational Framework – Communications [Total = \$254,618; Cuts = \$45,000; Total – Cuts = \$209,618]



Program Operational Framework – Support Services [Total = \$1,650,669; Cuts = \$122,700; Total – Cuts = \$1,527,969]

