



MEMORANDUM

To: MCWD Board of Managers
From: Becky Christopher
Date: April 8, 2019
Re: Preliminary 2020 Budget-Levy Projection

Purpose:

At the April 11, 2019 Operations and Programs Committee (OPC) Meeting, staff will initiate the 2020 budget process by delineating the proposed budget process and timeline and providing a preliminary budget-levy projection.

Background:

Beginning in 2015, the District initiated a strategic planning process to focus and align the organization around its highest priorities. As part of this process, the MCWD Board of Managers implemented a series of fiscally responsible measures to maintain high levels of mission focused output and service, while carefully managing its levy, including:

- Aligning program budgets around strategic priorities and making targeted reductions
- Implementing operational efficiencies
- Evaluating, aligning, and investing in human resources
- Developing and implementing a strategy to secure increasing levels of outside funding
- Reallocating funds from projects/programs delivered under budget

Those multi-year planning efforts have positioned MCWD well for the 2020 fiscal year. The 2020 budget and work plan will reflect a shift from planning to implementation for a number of strategic initiatives, such as the information technology plan, strategic communications plan, and permitting program alignment.

During last year's budget development process, new formats were developed for the work plans and budget tables to improve clarity. This included the development of a simplified work plan publication that clearly communicates organizational priorities and outcomes to both internal and external audiences. Staff also utilized a package of nested budget tables to provide expenditure and revenue information at varying levels of detail from the organization-wide level to the

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program/project fund level to the activity level. Based on positive feedback from the Managers, staff plans to utilize a similar process and format this year.

April 11, 2019 Meeting:

At the April 11, 2019 Operations and Programs Committee (OPC) Meeting, staff will provide a preliminary budget-levy projection based on the following components:

- Estimated carryover – from 2018 audit and projected 2019 expenditures
- Preliminary operations and programs budgets – generally assumed to be flat, except for known one-time investments for strategic initiatives
- Preliminary personnel budget – based on new pay plan and compensation policy
- Preliminary CIP - including all potential projects and any secured external funding sources
- Capital finance – based on debt service schedule and maintaining flexibility in capital project financing

Staff will also provide an overview of the proposed budget process and timeline. Staff is recommending a slightly streamlined process as compared to last year, with the flexibility to accommodate additional meetings if needed. Below is a summary of the proposed Committee and Board schedule:

- April 11 OPC – review of budget process and preliminary budget-levy projection
- April 25 PPC – review of 3-5 year capital improvement plan
- May 23 PPC – discussion of project, program, and operational priorities for 2020-2021
- June 5 CAC – presentation of capital improvement plan and 2020 budget priorities
- July 11 OPC – review of refined budget-levy projection and draft work plan publication
- August 8 OPC – review of budget-levy recommendations and revised work plan publication
- August 14 CAC – presentation of recommended budget-levy
- August 22 Board Meeting – public hearing
- September 12 Board Meeting – budget and work plan adoption, levy certification, and public meeting date announcement
- December 5 Board Meeting – public comment meeting

If there are questions in advance of the meeting, please contact Becky Christopher at 952-641-5412 or bchristopher@minnehahacreek.org.

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