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4 **MINUTES OF THE SPECIAL MEETING OF**
5 **THE MINNEHAHA CREEK WATERSHED DISTRICT**
6 **BOARD OF MANAGERS**

7
8 **September 4, 2014**
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10 **CALL TO ORDER**

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12 The special meeting of the Minnehaha Creek Watershed District Board of Managers was called
13 to order by President Sherry White at 6:54 p.m. at the in the District offices, 15320 Minnetonka
14 Boulevard, Minnetonka, Minnesota 55345.
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16 **MANAGERS PRESENT**

17
18 Sherry Davis White, Brian Shekleton, Richard Miller, Jeffrey Casale Pam Blixt, and William
19 Olson.
20

21 **MANAGERS ABSENT**

22
23 James Calkins.
24

25 **OTHERS PRESENT**

26
27 Jeff Spartz, Interim District Administrator; David Mandt, District Operations Manager; James
28 Wisker, District, District Director of Planning, Project and Land Conservation Programs; Becky
29 Houdek, District Planning Specialist; Craig Dawson, District AIS Director; Yvette Christianson,
30 District Water Quality Specialist; Courtney Hall, District Technician/Wetland Specialist; Chris
31 Meehan, District Consulting Engineer and Louis Smith District Counsel.
32

33 **MATTERS FROM THE FLOOR**

34
35 None.
36

37 **APPROVAL OF AGENDA**

38
39 President White proposed to amend the agenda by deleting item 6.1, Springsted Executive
40 Search and inserting a resolution on the transition services of the former Administrator. *It was*
41 *moved by Manager Miller, seconded by Manager Shekleton, to approve the agenda with this*
42 *change. Upon vote, the motion carried, 6-0.*
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44 **PUBLIC HEARING: 2015 BUDGET AND LEVY**

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46 President White opened the public hearing on the 2015 budget and levy. Mr. Spartz provided an
47 overview of the budgeting process and guiding principles utilized by the staff in developing the
48 proposed budget and levy for 2015. Mr. David Mandt provided further review of the proposed
49 operating and projects and program budgets and levy. Manager Miller and Manager Shekleton
50 suggested that the budget and levy table be updated to show grants and other sources of revenue
51 apart from the property tax levy.

52
53 Manager Olson asked if the District has considered returning surplus revenues, or evaluated
54 whether its reserves are in excess of District needs. Manager Miller stated that that was an
55 excellent question and that the District is continuing to work with Springsted to develop
56 recommendations for managing the District's budget reserves. Manager Olson asked whether the
57 Board should consider reducing the levy, and Mr. Spartz reviewed historic budget and levy
58 information, and recommended avoiding significant spikes in either levy increases or decreases,
59 as a general approach. Mr. Smith noted that given the timing of property tax payments, it has
60 historically been the District's practice to maintain budget reserves to cover at least six-months
61 of operating expenses. Further, Mr. Smith noted that many of the District's capital projects
62 involve multiyear commitments, and so the cash flow for these projects needs to be considered in
63 evaluating the budget reserves as well. Manager Casale commented that he also felt it was
64 generally wise to maintain a steady property tax levy, but it is also important to anticipate cash
65 flow and spending patterns with project planning.

66
67 Mr. Craig Dawson appeared before the Board of Managers and reviewed the projected property
68 tax increases for typical home values, noting that in general residential property tax payers will
69 not see a tax increase from the Watershed District. Manager Shekleton noted that the explanation
70 for this fact is that property tax base has increased in value.

71
72 Mr. Mandt provided further detailed review of the operations budget. Manager Blixt commented
73 on the projected insurance benefits increase. Mr. Mandt explained how the District manages
74 health insurance costs annually and the assumptions utilized in the budget based on market
75 averages. Manager Miller stated that he strongly felt that existing benefit commitments to
76 employees should be honored.

77
78 There were no further persons wishing to comment on the budget and levy at the public hearing.
79 President White closed the public hearing at 7:38 p.m.

80
81 Manager Miller noted the 66 years of budgeting experience among Mr. Spartz, Mr. Mandt, and
82 Mr. Dawson, and he thanked them for their presentation.

83
84 **Transitional Services of Former Administrator**

85
86 Mr. Smith reviewed proposed Resolution 14-073 concerning transitional services of the former
87 Administrator. He explained that there are informational needs that may arise for which Mr.

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88 Evenson-Marden is in a position to offer assistance to the District, and this resolution authorizes
 89 the President to direct Mr. Evenson-Marden as to such necessary assistance. *It was moved by*
 90 *Manager Miller, seconded by Manager Shekleton to adopt Resolution 14-073. Upon on roll*
 91 *call vote, the motion carried, 6-0, with Managers voting as follows:*
 92

	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Pam Blixt	X			
James Calkins				X
Jeffery Casale	X			
Richard Miller	X			
William Olson	X			
Brian Shekleton	X			
Sherry Davis White	X			

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 95 **ADJOURNMENT**

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 97 *There being no further business the special meeting of the Board of Managers was adjourned*
 98 *at 7:41 p.m.*
 99

100
 101 Respectfully submitted,

102
 103
 104
 105 Jeffery Casale
 106 Secretary