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

August 30, 2017

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CALL TO ORDER

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The special meeting of the Minnehaha Creek Watershed District Board of Managers was called to order by President Sherry White at 6:45 p.m. on August 30, 2017, at the District offices, 15320 Minnetonka Boulevard, Minnetonka, Minnesota.

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MANAGERS PRESENT

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Sherry White, Brian Shekleton, Richard Miller, Kurt Rogness, William Olson, William Becker and Jessica Loftus.

MANAGER ABSENT

None.

DISTRICT STAFF AND CONSULTANTS PRESENT

Lars Erdahl, Administrator; Becky Christopher, Lead Planner-Project Manager; and Louis Smith, Counsel.

MATTERS FROM THE FLOOR

None.

APPROVAL OF AGENDA

It was moved by Manager Rogness, seconded by Manager Becker to approve the agenda as distributed. Upon vote, the motion carried, 5-0 (Managers Shekleton and Loftus absent for vote).

Manager Loftus arrived at this time.

REVIEW OF PRELIMINARY 2018 BUDGET AND LEVY

Mr. Erdahl reviewed the proposed 2018 budget and levy, including background on the Districts strategic priorities, capital projects and policy priorities, as well as budget assumptions. Manager Shekleton arrived at this time.

Manager Miller noted the proposed level of debt service in the 2018 budget and stated that it is not his understanding that the District planned on that large of an increase in debt service

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47 payments. Mr. Erdahl noted that these figures are based on conservative assumptions, and most
48 likely are higher than payments actually will be. Manager Miller noted that the District is
49 planning to refinance its debt and that the 2018 budget should reflect debt service payments at a
50 level consistent with previous years.

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52 Manager Olson asked about the projected grant revenue in the preliminary budget and whether
53 all these projected grants are secured. Manager Loftus noted the issue of the gap between
54 budgeted expenditures and levy and suggested the District consider a policy of only applying
55 carry-over to capital projects, not operations. Mr. Erdahl stated that he is sympathetic to this
56 approach and that the District had been tracking carry-over funds as part of planning processes.

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58 Manager Shekleton noted Manager Olson's question about uncommitted grants. He feels that
59 the presentation of the budget should add a line to show how grant funds are utilized. Manager
60 Miller suggested that grant funds should only be included in the budget when they have been
61 committed or actually received. Manager Loftus suggested that it would be helpful to develop a
62 two- to three-year plan to provide that fixed operating expenses have a sustained level of
63 funding.

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65 *It was moved by Manager Olson, seconded by Manager Miller, to authorize the Administrator*
66 *to publish a notice of public hearing for the 2018 budget and levy on September 14, 2017, with*
67 *a proposed 2018 levy of \$9,734,474, and a 2018 proposed budget of \$17, 946, 508 as further*
68 *reduced by the Administrator to reflect an adjustment to maintain the debt service expenditure*
69 *at the level of previous years, and to reflect an adjustment to remove any expenditures related*
70 *to uncommitted grants.*

71 *Upon vote, the motion carried, 6-0 (Manager Shekleton absent for vote).*

72 **ADJOURNMENT**

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74 There being no further business, the special meeting of the Board of Managers adjourned at
75 8:25 p.m.

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77 Respectfully submitted,

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81 Kurt Rogness
82 Secretary

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