



Title: Amendment to the 2021 Budget

Resolution number: 21-056

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Recommended action: Approve the recommended amendment to the 2021 budget

Past Board action: September 10, 2020 Adoption of the 2021 Budget and Certification of Levy
December 17, 2020 Amendment to the 2021 Budget

Summary:

On September 10, 2020, the Minnehaha Creek Watershed District (MCWD or District) Board of Managers approved a 2021 Budget of \$14,716,421 and certified a tax levy of \$9,675,993. Following budget adoption, Hennepin County and the City of Richfield issued refunding bonds for past capital projects resulting in a reduction in 2021 debt service. Also during this time, the MCWD Board of Managers determined to restructure its operations workgroup, resulting in a reduction in the 2021 personnel budget. Combined, these changes resulted in a budget reduction of \$305,321, and the Board approved a [budget amendment](#) on December 17, 2021 to reallocate these savings to other strategic needs as follows:

- Six Mile Marsh Prairie - \$172,851
- 325 Blake Road - \$60,570
- Strategic planning with Louis Smith - \$51,500
- Contracting with a facility management vendor - \$20,400

Following this amendment, staff identified an error in the debt service table provide by Baker Tilly that was used to calculate the new debt service budget. As a result of the error, the total debt service for 2021 was underreported by \$118,097. To correct this error, staff recommends that the 2021 budget be amended to increase the Capital Finance (fund 2004) budget by \$118,097, and reduce the Outreach program (fund 4002) budget by the same amount. It is currently estimated that the Outreach program will underspend its 2021 budget by \$169,743 due to position vacancies and associated delays in program initiatives such as the website. These changes will have no impact on the total 2021 budget or levy.



RESOLUTION

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- WHEREAS, on September 10, 2020, the Board approved Resolution 20-070 and 20-071, adopting the 2021 Budget and Workplan, and certifying the 2021 tax levy; and
- WHEREAS, the Board of Managers may amend its budget at any time, and may decrease, but not increase the tax levy; and
- WHEREAS, following budget adoption, Hennepin County and the City of Richfield issued refunding bonds for past capital projects resulting in a reduction in 2021 debt service; and
- WHEREAS, on December 17, 2020, the Board approved an amendment to the 2021 budget which reallocated savings in debt service and personnel to other strategic needs; and
- WHEREAS, following this amendment, staff identified an error in the debt service table provided by the District’s financial consultant that underreported the total debt service for 2021 by \$118,097; and
- WHEREAS, to correct this error, staff recommends that the 2021 budget be amended to increase the Capital Finance (fund 2004) budget by \$118,097 and decrease the Outreach program (fund 4002) budget by the same amount; and
- WHEREAS, the Outreach program is able to accommodate this budget decrease for 2021 due to position vacancies and associated delays in program initiatives; and
- WHEREAS, no change to the total 2021 budget or tax levy is proposed;

NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek Watershed District Board of Managers hereby amends the 2021 budget as follows:

- Capital Finance (fund 2004) – increase of \$118,097 (from \$2,713,750 to \$2,831,750)
- Outreach Program (fund 4002) – decrease of \$118,097 (from \$519,344 to \$401,247)

Resolution Number 21-056 was moved by Manager _____, seconded by Manager _____. Motion to adopt the resolution ___ ayes, ___ nays, ___ abstentions. Date: 9/9/2021

 Secretary Date: _____