



Title: Amendment to the 2021 Budget

Resolution number: 21-056

Prepared by: Name: Becky Christopher
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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.

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, resulting in a total MCWD budget of \$14,834,518. The increase will be offset by a reduction in assigned funds within the Capital Finance fund, so there will be no impact to the rest of the 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 that the increase be offset by a reduction in assigned funds within the Capital Finance fund; and

WHEREAS, no change to the 2021 tax levy is proposed;

NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek Watershed District Board of Managers hereby amends the 2021 budget as recommended by staff for a total 2021 budget of \$14,834,518.

Resolution Number 21-056 was moved by Manager _____, seconded by Manager _____. Motion to adopt the resolution ___ ayes, ___ nays, ___ abstentions. Date: 8/26/2021

Secretary Date: _____