COON CREEK WATERSHED DISTRICT
Request for Board Action

MEETING DATE: March 11, 2019
AGENDA NUMBER: 10
ITEM: Budget Process and Calendar

AGENDA: Discussion

ACTION REQUESTED
Adopt budget calendar

BACKGROUND
Guiding the District budget process are the Board’s Budget Guidelines, financial policies and growth projections.

The budget adoption is subject to public hearing and noticing requirements. The date of the hearing is advertised in the District’s official newspapers, on the District and municipal web sites and is typically held the second Monday of September as part of the Board of Managers regularly scheduled meeting.

The budget is prepared on an annual basis, and follows the calendar year, January 1st to December 31st.

Policies are set by the Board of Managers in one of two ways
1. Policies are initiated by actions of the Board of Managers at its regular board meetings through adoption of rules, resolutions, or motions
2. Policies are also initiated, studied, and reviewed at special work sessions called for that purpose

The District Administrator and District staff address the Board’s concerns in the preparation of the budget and evaluate the financial costs of the implementation of these policies and include them in the budget where economically feasible.

ISSUES/CONCERNS
Approach
The budget process is approached by employing strategies associated with:
- Differentiating the useful life of equipment, water management structures and programs and then seeking to extend the useful life those assets coming up for replacement through repair, restoration or rethinking;
- The utilization of cost center accounting that allows for a better understanding of specific service expenditures;
• Actively seeking equipment sharing opportunities with both private and public entities;
• Spreading the cost of significant capital expenditures over several years; and
• Purchasing new equipment and introducing new technologies that allow staff to work more efficiently and effectively.

Considerations
The budget process incorporates a management vision supported through:
• Increased utilization, understanding and promotion of technology in the delivery of public services;
• Emphasis on long-term strategic planning to appropriately identify, allocate and effectively utilize resources to meet future service needs;
• Greater participation, accountability and flexibility in the work force that will allow for the development of innovative responses to the increased demand for cost-effective services;
• The need to focus on developing an alternate framework of special revenues and user fees as alternate funding mechanisms to gradually reduce the District’s reliance on tax levies by recovering service costs from the appropriate users of the service;
• The recognition that the District should work to assist communities in meeting challenges as a partner and not as the sole provider; and
• A strong voice in the legislature to ensure that District issues are clearly understood and fairly addressed. Watershed Districts must take a unified approach in dealing with legislative initiatives that may negatively affect local governance to minimize misunderstandings and encourage communication to facilitate common ground issues that build confidence in local government services and inspires a partnership of collaboration and innovation across all levels of government.

Staff Involvement
In addition, the prudent management of existing capital, financial and human resources by District staff, along with organizational practices that promote employee involvement, innovation and inter-program communications will generate substantial efficiencies in District operations.

The budget process includes the opportunity for all program coordinators to actively participate. Decisions concerning the operational and maintenance needs of the District and Watershed are made by the program coordinators after a thorough review and prioritization of budgetary requests. The integrity of the budget process relies upon all programs to work within the same framework in developing a budget that accurately identifies operational needs, promotes informed team review of budgetary requirements, and meets the core service needs of the requesting department.

To meet these growing challenges, the District must continually evaluate new ways and methods of conducting business in a more economical, competitive and cost-effective manner, while keeping the quality of District services high and meeting the reasonable service expectations of the communities within the District.
Below is a DRAFT 2019 Budget Development Calendar used to facilitate the necessary discussions and timelines between staff and District Board.

**Legislative Requirements**
Minnesota Statutes require the Watershed District to adopt an annual budget on or before September 15 of each year (M.S. 103B & M.S. 103D). Additionally, state law requires that the District Board of Managers to certify a proposed levy to the Anoka County Property Records and Taxation Division also by September 15th.

**District Tour**
It is suggested that the tour be scheduled for Monday June 17. A proposed itinerary will follow, as well as a request for sites/issue examples/guests etc.

**Proposed Board Budget Calendar**
The proposed calendar seeks to develop a Rough Draft Budget by the second Board meeting in July so that the Draft Budget can be reviewed and discussed in its entirety in early August should the Board wish. Below is a proposed schedule to accomplish that objective.

<table>
<thead>
<tr>
<th>Date</th>
<th>Task</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/11</td>
<td>2020 Budget Calendar and Process</td>
<td>Board</td>
</tr>
<tr>
<td>3/25</td>
<td>Draft Annual Report and Assessment</td>
<td>Board</td>
</tr>
<tr>
<td>3/25</td>
<td>Adopt Budget Guidelines</td>
<td>Board</td>
</tr>
<tr>
<td>3/25</td>
<td>Management Situation &amp; Needs</td>
<td>Board</td>
</tr>
<tr>
<td>4/22</td>
<td>Rough Draft Revenue Estimates and Budget</td>
<td>Board</td>
</tr>
<tr>
<td>5/27</td>
<td>Rough Draft Compensation and Staffing Plan and Budget</td>
<td>Board</td>
</tr>
<tr>
<td>6/10</td>
<td>Rough Draft Capital Equipment Budget</td>
<td>Board</td>
</tr>
<tr>
<td>6/17</td>
<td>District Tour</td>
<td>Board</td>
</tr>
<tr>
<td>6/24</td>
<td>Rough Draft Operating Expenses Budget</td>
<td>Board</td>
</tr>
<tr>
<td>6/24</td>
<td>Rough Draft Professional Services Budget</td>
<td>Board</td>
</tr>
<tr>
<td>7/8</td>
<td>Board budget discussion</td>
<td>Board</td>
</tr>
<tr>
<td>7/22</td>
<td>Preliminary Rough Draft Budget</td>
<td>Board</td>
</tr>
<tr>
<td>7/22</td>
<td>Budget Decision packages prioritized and finalized</td>
<td>Board</td>
</tr>
<tr>
<td>8/12</td>
<td>Approval of Draft Budget for Advisory Committee Review</td>
<td>Board</td>
</tr>
<tr>
<td>8/26</td>
<td>Approve Public Notice for Budget Hearing</td>
<td>Board</td>
</tr>
<tr>
<td>9/9</td>
<td>Hearing on &amp; Adopt Budget</td>
<td>Board</td>
</tr>
<tr>
<td>10/14</td>
<td>Rough Draft Program Budgets</td>
<td>Board</td>
</tr>
<tr>
<td>12/9</td>
<td>Board orders Audit of Previous Year's Finances</td>
<td>Board</td>
</tr>
</tbody>
</table>

**PRIOR DECISIONS**
n/a

**OPTIONS**

**RECOMMENDATION**
Review, discuss and adopt