COON CREEK WATERSHED DISTRICT
Request for Board Action

MEETING DATE: June 9, 2014
AGENDA NUMBER: 19
ITEM: Review Long Term Financial Objectives

POLICY IMPACT: Discussion
FISCAL IMPACT: Budgeted

REQUEST
Receive Report

BACKGROUND
The District Board and staff are committed to expending public resources in the most cost-effective and economical manner possible to ensure the stability of the District’s basic services. In light of the current sporadic onset of levy limits, fiscal strategies will need to be constantly monitored to ensure a balanced approach in providing sufficient revenues to fund District services:

1. Employing a strategy aimed at reducing the District’s reliance on the property tax levy to fund basic District services through “sustainable” revenue sources such as special revenues, user fees and fee-for-service transaction

2. The use of an appropriate cost accounting structure that will lead to the creation of individual cost centers for all District program activities to accurately reflect the true cost of providing specific services.

3. The development of work performance goals for each department to ascertain and measure how each operating program contributes to the District’s mission.

4. The development of long-term financial models that identify anticipated trends in community growth and financial resources, designate appropriate capital resources to future District needs, tracks per capita spending growth, and establishes a link between fiscal targets and budgetary expenditure goals.

5. The aggressive and appropriate investment of idle District funds to maximize the generation of interest income, while ensuring adequate cash flow requirements

6. Greater reliance on technology to enhance employee productivity in all areas of District operations and improve customer communications

7. The adoption of a financial philosophy that seeks to spread the cost of significant capital outlay expenditures over an extended period of time to ensure that current and future taxpayers share equally in underwriting the cost of significant public expenditures.
8. Involving all employees in the process of re-engineering the work environment by encouraging cross-training opportunities, reducing and eliminating bureaucratic barriers, streamlining public process requirements, and adopting private sector business values in District operations.

9. Continuously reviewing opportunities to form partnerships with the cities within the watershed and neighboring watershed management organizations to share services and equipment, jointly purchase equipment and develop strategies to deal with local issues using a regional approach

ISSUES/CONCERNS

**Status Report:** The degree to which the District has accomplished or is pursuing these objectives is provided in the accompanying power point

1. Seek Sustainable Revenue Sources:
   Status
   A. Using Fee-for-service and special assessments where there is public support.
   B. Have stayed away from:
      a. Ditch Assessments –
         i. No public support
      ii. Inefficient and expensive.
   b. User Fees
   C. Most projects are “Common Benefit”
      a. Have not pursued Sub-Watershed Financing

2. Cost Center Based Accounting
   Status
   A. 2014 & 2015 have Program/ Cost Center Budgets

3. Develop Long-term Financial Models
   Status
   A. Under development
   B. Difficult for a small organization
      a. Software needs and costs
         i. Accounting
      ii. Budgeting

4. Develop Performance Measures
   Status
   A. Has been done for 25 years
      a. Staff & Annual Reports
   B. 2014 & 2015 Budgets link performance and budget
5. **Aggressive Investment of Working Capital**  
   **Status**  
   A. Investment and liquidity of District funds is handled by Anoka County

6. **Use Technology to Enhance Productivity**  
   **Status**  
   A. The District has pursued this objective. The following are examples:  
      a. GIS  
      b. GPS  
      c. Web Site

7. **Spread Capital Costs over an Extended Period of Time (Life of Project)**  
   **Status**  
   A. The District has not conducted a capital project in over 25 years that required  
      a. Debt financing

8. **Involve All Employees in Management**  
   **Status**  
   A. All employees have been involved in the 2015 Budget  
      a. Management tries to ensure that employee development involves cross-training into areas/subjects of interest  
      b. The District is known for its efficiency and stripping down requirements while accommodating the public need and right for involvement  
      c. The performance based management has fostered a “production” orientation conducive to business values

9. **Continuously Seek Opportunities to Collaborate**  
   **Status**  
   A. The District is in constant contact with the Cities within the District and Anoka County  
      a. We share inspection & measuring services  
      b. Joint purchase of equipment may be proposed for 2015  
      c. The District deals with over 100 issues per year that involve, at some point, all 7 Cities in the watershed

**RECOMMENDATION**  
Receive Report