COON CREEK WATERSHED DISTRICT
Request for Board Action

MEETING DATE: April 25, 2016
AGENDA NUMBER: 23
ITEM: Review Budget Guidelines

AGENDA: Discussion

ACTION REQUESTED
Discuss and receive Budget Guidelines

BACKGROUND
The following are Board of Manager’s 2017 Budget Development guidelines established by the Board of Manager on April 25, 2016, used by District Staff while preparing the rough draft operating budgets, and presented with a brief description of the outcome of each guideline as part of the budget process:

1) A commitment to a District Tax CapaDistrict Rate to meet the needs of the organization and positioning the District for long-term effectiveness through the use of sustainable revenue sources and operational efficiencies.

Note: The Anoka County Assessor taxable market value figures for the District are reflecting a 15.4% increase in total taxable market value.

2) A fiscal goal that works toward establishing a General Fund balance for working capital at no less than 45% of planned 2017 General Fund expenditures and the preservation of emergency fund balances (emergency and disaster relief, facility management and information technology) through targeting revenue enhancements or expenditure limitations in the 2016 adopted budget.

Note: With property tax revenues making up 96% of total revenues, cash flow designations approaching 50% may be more appropriate. The District also has in place Emergency Fund Balances such as the rapid response AIS fund to stabilize specific situations, but is not intended to provide for a complete solution.

4) A comprehensive review of the condition of capital equipment to ensure that the most cost-effective replacement schedule is followed. Equipment will be replaced on the basis of a cost benefit analysis rather than a year-based replacement schedule.

Note: A District Vehicle Purchasing Committee has not performed an analysis nor made recommendations to the Board of Manager.
5) The use of long-term financial models that identify anticipated trends in community growth and financial resources that will help designate appropriate capital resources for future District needs. The financial models will be used in the budget planning process to ensure that key short-term fiscal targets are in line with long-term fiscal projections.

Note: The District continually maintains various financial models to determine the long-term impacts of present day expenditures and financing decisions. Fiscal assumptions are based upon various financial indicators including growth factors, tax capaDistrict valuations, and per capita spending. These models were utilized in the development of the 2017 Budget.

6) A team approach that encourages strategic planning to meet immediate and long-term operational, staffing, infrastructure and facility needs.

Note: A detailed strategic planning session was held in preparation of the 2016 budget. Direction provided in that document is being integrated into various department work plans and budgets.

7) A management philosophy that actively supports the funding and implementation of Board policies and goals, and a commitment to being responsive to changing community conditions, concerns and demands, and to do so in a cost-effective manner.

Note: The Board of Manager formally adopted a District Mission Vision and Organizational Goals and Values document in 1990 and has reviewed that policy and procedure every year since then. Management, through these goals and values, pays special attention to fiscal trends, commercial & residential development or redevelopment, collaboration opportunities, service delivery, Hard, soft and program assets and the sustainability of the water and related resources of the watershed.

ISSUES/CONCERNS

RECOMMENDATION
Discuss and receive budget guidelines with any clarification, additions or subtractions