COON CREEK WATERSHED DISTRICT
Request for Board Action

MEETING DATE: April 25, 2016
AGENDA NUMBER: 28
ITEM: Financial Objectives

AGENDA: Discussion

ACTION REQUESTED
Review and receive

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.
   ✓ The District's Comprehensive Plan schedules a review of watershed financing approaches, including operating as a storm water utility where the amount paid would be based on the amount and quality of runoff from properties including the approximately 30% of the District that is currently tax exempt in 2017 to 2018.

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.
   ✓ The District has used its programs as its principal cost centers in its accounting since the early 1990’s. For instance permit review time is accounted for on a Permit Application File basis. As time and financial accounting systems become better linking, the District hopes to add program activities to that system.

3. The development of work performance goals for each program to ascertain and measure how each operating program contributes to the District's mission.
   ✓ Program and task/activity objectives have existed and been reported by the District since 1992. Annual reviews these objectives and their measures will continue

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.

- The District maintains various financial models to determine the long-term impacts of present day expenditure and financing decisions. Fiscal assumptions are based upon a complex set of financial data including growth factors, tax capaDistrict valuations, per capita spending and debt ratios. The financial models are used as part of the budget planning process to ensure that key short-term fiscal targets are in line with long-term fiscal projections.

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

- Investment of District funds is controlled by state statute and managed by the Anoka County Finance Department. Idle funds are invested in a variety of financial instruments such as certificates of deposit, municipal bonds, federal agencies and corporate paper and are designed to maximize municipal investment income. Long-term investing is designed to achieve the best yield in the current market, following a strategy that secures income streams at a higher rate of return for a longer period of time.

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

- The District has taken steps to invest additional time and energy on labor saving technology, such as new software, enhanced programming and optical imaging paper files. Staff is in the process of implementing an optical imaging solution for records and plans that enables the District to reduce storage areas previously dedicated to paper files and provide a more economical and efficient data retrieval system both in the office and in the field. The District is also in the process of modifying software that allows inspections and field work to be recorded and recalled from the field. Both implementations have allowed the District to reduce staffing due to the increased efficiencies with each new system.

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.

- The District continues to capitalize the cost of significant capital expenditures over several years to ensure that the present value of both existing and future taxpayers share equally in the cost. The ten year Capital Improvement planning process is critical in achieving these results.
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.

   ✓ District staff is encouraged to identify work practice issues that are inefficient or overly bureaucratic. The Administrator and Program Coordinators are committed to involving their employees and fostering an environment that challenges the status quo of 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.

   ✓ The District has established several collaborative working relationships and service delivery sharing arrangements with the cities within the District as well as other organizations and associations. The District also has several joint powers agreements in place on a variety of local and regional issues in the area of public education and outreach, erosion control, permitted and inspection, stormwater inspections and maintenance.