COON CREEK WATERSHED DISTRICT
Request for Board Action

MEETING DATE: May 13, 2019
AGENDA NUMBER: 29
ITEM: Budget Guidelines

AGENDA: Discussion

ACTION REQUESTED
Receive Updates to Budget Guidelines

BACKGROUND
The following are the District’s budget development guidelines established by the Board of Manager with the adoption of the Comprehensive Water Management Plan in 2013. The guidelines are used by staff while preparing proposed 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 Capacity Rate to meet the needs of the organization and positioning the District for long-term effectiveness using sustainable revenue sources and operational efficiencies.

Note: The Anoka County Assessor taxable market value figures for the District are reflecting a 8% increase in total taxable market value from 2018. The 2019 property tax levy that was approved forecasted a 0% increase in the District tax rate. Actual change was -5%

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 55 to 75% of total revenues, cash flow designations approaching 40% 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.

3) A comprehensive review of the condition of capital equipment to ensure that the most cost-effective replacement schedule is followed. Equipment will be replaced based on a cost benefit analysis rather than a year-based replacement schedule.
Note: An annual review of Capital Equipment needs has not yet been performed nor made recommendations to the Board of Manager.

4) 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 expenditures and financing decisions. Fiscal assumptions are based upon various financial indicators including growth factors, tax capacity valuations, and per capita spending. In addition, the District continues to build a comprehensive asset inventory which includes level of performance and depreciated value for easier maintenance and reinvestment decisions.

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

Note: An annual report and watershed condition as well as a detailed strategic planning session will be held in preparation of the 2019 budget. Direction provided in that document is being integrated into various program work plans and budgets.

6) 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 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.

RECOMMENDATION