COON CREEK WATERSHED DISTRICT
Request for Board Action

MEETING DATE: April 14, 2014
AGENDA NUMBER: 9
ITEM: Budget Guidelines

POLICY IMPACT: Policy
FISCAL IMPACT: Budgeted

REQUEST
Adopt the Budget Guidelines.

BACKGROUND
Minnesota Statutes require the Watershed District to adopt an annual budget on or before September 15 of each year. In addition District policy requires the District Administrator to submit an annual budget to the District Board of Managers, which accurately reflects the financial needs of the District. 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.

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.

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.

In summary, policy issues are identified by the Board of Managers, evaluated, and cost out by the Administrator, and returned to Board for appropriations if necessary. If no appropriation is necessary, the new policy is implemented as soon as practical by the Administrator.
Each program coordinator is given a monthly financial report of expenditures compared to the adopted budget. Expenditures related to District activities may not exceed appropriations without approval of the Board of Managers.

**ISSUES/CONCERNS**

The District’s Mission is

To manage groundwater and the surface water drainage system to prevent property damage, maintain hydrologic balance and protect water quality for the safety and enjoyment of citizens, and the preservation and enhancement of wildlife habitat.

**BUDGET GUIDELINES**

The following are Budget Development guidelines/financial goals presented in the Comprehensive Plan and used by District Staff while preparing their proposed operating budget, 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 District and positioning the District for long-term operation through the use of sustainable revenue sources and operational efficiencies.

2. A fiscal goal that works toward establishing the General Fund balance for working capital at no less than 35% of planned General Fund expenditures and the preservation of emergency fund balances (Natural disasters and emergencies, public safety, facility management and information technology) through targeting revenue enhancements or expenditure limitations.

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 on the basis of a cost benefit analysis rather than a year-based replacement schedule.

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

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

**RECOMMENDATION**

Adopt the Budget Guidelines.