

MEMORANDUM
Comfort Lake-Forest Lake Watershed District

To: Board of Managers
From: Mike Kinney
Subject: 2018 Draft Budget Adjustments

Date: August 18, 2017

Background/Discussion

At the August 8th special meeting, the Board approved a total budget of \$2,242,223 with a total levy amount of \$1,200,000. After scrubbing the budget, staff concluded that the budget was missing funds for two key items. The first item is under 3007 Research. More specifically, line item 3-007-A. This would be for the analysis of the sediment core taken from Bone Lake earlier this summer. The estimated total cost would be roughly \$30,000.

The other item is under 5900 Land Acquisition and Management or, more specifically, line item 5-920-B - General Project Development. Given the Board's consensus to move forward with the acquisition of Site B west of I-35 at the July 27th regular board meeting, staff feels it is important to have this item budgeted in 2018 so as to complete the work likely started this fall. The originally proposed amount in the budget was for \$10,000.

Adding these two items would bring the total budget amount for 2018 up to \$2,282,223.

As a reminder, funding for several other programs were reduced during the July 13th regular board meeting discussion. This is consistent with opinions the board has expressed about prioritizing capital projects over programs. Staff wants to confirm that these programs are to be cut before the budget is made final. These cuts were included in the full detailed budget provided for the 8-8-17 workshop as "Attachment B". The second page of the attachment to this memo is a table summarizing which items were cut along with notes to state why. This same attachment includes the two items that staff recommends putting back into the 2018 budget.

Recommended Action

Staff requests that the Board revise the total budget to \$2,282,223 at the budget hearing on September 7th to accommodate for the aforementioned expenses.

Attached:

Page 1 - Recap page of "approved" draft budget from 8-8-17 workshop
Page 2 - Summary of Budget cuts & suggested additions
Page 3 - Recap page of "approved" draft budget with suggested additions



Comfort Lake - Forest Lake Watershed District
8-8-17 "Approved" 2018 Draft Budget

Revenue/Expenditures Recap
No Bonding

Budget Item		2016 Actual Yearend	2017 Adopted Expense Budget	2017 Est. Yearend	Proposed 2018 Total Expense Budget
ADMINISTRATION					
REVENUE	TAX LEVY	\$236,504	\$256,000	\$250,880	\$256,000
	OTHER (INTEREST)	\$2,791	\$2,800	\$2,800	\$2,800
	TOTAL REVENUE:	\$239,295	\$258,800	\$253,680	\$258,800
EXPENSES:	ADMINISTRATION	\$299,387	\$282,577	\$255,914	\$191,067
	TOTAL EXPENDITURES:	\$299,387	\$282,577	\$255,914	\$191,067
	REVENUE OVER/(UNDER) EXPENDITURES:	(\$60,092)	(\$23,777)	(\$2,234)	\$67,733

PROJECTS/PROGRAMS					
REVENUE	TAX LEVY	\$558,754	\$742,000	\$727,160	\$944,000
	GRANT REVENUE	\$564,936	\$630,608	\$867,920	\$620,531
	OTHER (PERMIT FEES & OTHER INCOME)	\$46,790	\$106,100	\$106,100	\$123,100
	TOTAL REVENUE:	\$1,170,480	\$1,478,708	\$1,701,180	\$1,687,631
EXPENSES:	PROGRAMS	\$561,161	\$895,160	\$879,887	\$706,528
	PROJECTS	\$890,415	\$720,658	\$896,717	\$1,344,628
	TOTAL EXPENDITURES:	\$1,451,576	\$1,615,817	\$1,776,603	\$2,051,156
	REVENUE OVER/(UNDER) EXPENDITURES:	(\$281,096)	(\$137,110)	(\$75,424)	(\$363,525)

TOTAL - COMFORT LAKE FOREST LAKE					
REVENUE	TAX LEVY	\$795,258	\$998,000	\$978,040	\$1,200,000
	GRANT REVENUE	\$564,936	\$630,608	\$867,920	\$620,531
	OTHER (PERMIT FEES & OTHER INCOME)	\$49,581	\$108,900	\$108,900	\$125,900
	TOTAL REVENUE:	\$1,409,775	\$1,737,508	\$1,954,860	\$1,946,431
EXPENSES	ADMINISTRATION	\$299,387	\$282,577	\$255,914	\$191,067
	PROGRAMS	\$561,161	\$895,160	\$879,887	\$706,528
	PROJECTS	\$890,415	\$720,658	\$896,717	\$1,344,628
	TOTAL EXPENDITURES:	\$1,750,963	\$1,898,395	\$2,032,518	\$2,242,223
	REVENUE OVER/(UNDER) EXPENDITURES:	(\$341,188)	(\$160,887)	(\$77,658)	(\$295,792)

20% Levy Increase from 2017

Prior Yearend/Beginning of Year Fund Balance (Reserve)	\$1,430,998		\$1,089,734	\$1,012,076
Est Current Yearend Balance	\$1,089,810		\$1,012,076	\$716,284
First 6 months minimum operating estimate		\$949,197		\$1,121,111
Beginning of year reserve over/(under) First 6 months minimum operating estimate		\$140,612		(\$109,036)
Actual reserve percentage of budget	57.41%	57.41%	45.14%	45.14%



Comfort Lake - Forest Lake Watershed District 2018 Major Budget Cuts and Proposed Add-Ins

Account Number	Budget Item	Proposed 2018 Total Expense Budget	Approved Cut
3-003	Monitoring & Data Assessment	104,225	(59,100)
3-003-A	Ongoing Initiatives	104,225	(10,800)
3-003-K	BMP Effectiveness Monitoring	0	(48,300)
3-004	Non-Point Source Pollution Abatement	17,500	(16,000)
3-004-A	Ongoing Initiatives	10,000	(8,500)
3-004-C	Agricultural and Rural BMP Incentives/Cost-Share	7,500	(7,500)
3-005	Education and Outreach	10,000	(10,000)
3-005-B	Standard Project Signage	10,000	(10,000)
3-006	Technical Resource Sharing & Interagency Communication	2,000	(5,000)
3-006-A	Ongoing Initiatives (Miscellaneous Projects)	2,000	(5,000)
3-007	Research	0	(35,000)
3-007-A	Ongoing Initiatives	0	(30,000)
3-007-B	New Initiatives	0	(5,000)
3-010	Operation & Maintenance - District Wide	1,200	(18,800)
3-010-A	Ongoing Initiatives	1,200	(18,800)
3-011	Aquatic Invasive Species (AIS) Prevention & Management	113,000	(69,210)
3-011-20-I	(District-Wide) General Program Management (NEW)	1,000	(1,000)
3-011-21-G	(Moody) AIS Management	0	(2,700)
3-011-22-F	(Bone) Point-Intercept Macrophyte Survey	0	(2,640)
3-011-22-G	(Bone) AIS Management	3,300	(6,600)
3-011-26-G	(Shields) AIS Management	0	(2,800)
3-011-28-F	(Forest) Point-Intercept Macrophyte Survey	0	(2,970)
3-011-28-G	(Forest) AIS Management	106,700	(43,300)
3-011-29-G	(Comfort) AIS Management	2,000	(7,200)
5900	Land Acquisition and Management	0	(10,000)
5-920-A	Land Acquisition and Management	0	(10,000)
TOTAL OF MAJOR REDUCED ITEMS		\$247,925	(\$223,110)

Reason for budget cut
Cut: lake WQ and gage monitoring of Keewahtin (Sylvan), Twin, Clear lakes.
Cut: Eff. monitoring of District capital projects that don't have monitoring built into grant work plan such as Bixby, 3rd Lake Pond, & Hilo.
Cut: reduce estimate compared to 2017 budget due to plant grants/no design
Cut: enough to cover existing cropland rental agmt (Dahlin: \$3,040) + \$4,460 leftover for new BMPs (Bone SWA Impl)
Cut: scale back CWF signage initiative. Still do more than bare minimum (CWF requirements) so as to get public ed. Benefits, but wait to do all projects
Cut: some of this can be covered under General Program Development (\$10K in latest '18 budget)
Propose put back: Bone Lake sediment core analysis (not included in original s. core scope)
Cut: Starter funding for potential new research initiatives (e.g. coordination with local universities)
Cut: vehicle (get magnet instead) Keep some for: Moody aeration, BMP maint (non-permitted, e.g. dead end raingardens/Bone natives)
Cut: time for Smith Partners to review contract docs, consultant time from EOR
Cut and see if can fund via grant: BWS+herbicide costs. CLP treatment to reduce internal loading
Cut: delay point-intercept survey or perform by staff. Last PIS in 2013; every five years = next survey in 2018
Cut: EWM surveys+herbicide costs. Keep: CLP surveys+herbicide
Cut and see if can fund via grant: BWS+herbicide costs. CLP treatment to reduce internal loading
Cut: delay point-intercept survey or perform by staff. Last PIS in 2013; every five years = next survey in 2018
Cut: EWM surveys+herbicide costs. Keep: CLP and FR surveys+herbicide
Cut: EWM surveys+herbicide costs. Keep: CLP surveys+herbicide
Propose put back: Board direction to acquire Site B at 7/27/17 regular mtg

Account Number	Budget Item	Proposed 2018 Total Expense Budget	Suggested Addition
3-007	Research	30,000	30,000
3-007-A	Ongoing Initiatives	30,000	30,000
5900	Land Acquisition and Management	10,000	10,000
5-920-A	Land Acquisition and Management	10,000	10,000
TOTAL OF SUGGESTED ADDITIONS		\$40,000	\$40,000

Reason for addition
Propose put back: Bone Lake sediment core analysis (not included in original s. core scope)
Propose put back: Board direction to acquire Site B at 7/27/17 regular mtg

■ Bone Lake Management District
 ■ Forest Lake Management District
■ Little Comfort Lake Management District
 ■ Comfort Lake Management District



Comfort Lake - Forest Lake Watershed District

8-8-17 "Approved" 2018 Draft Budget W/ Proposed Add-Ins

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