

MEMORANDUM
Comfort Lake-Forest Lake Watershed District

To: Board of Managers

Date: May 5, 2022

From: Mike Kinney

Subject: 2023 Budget Process

Background/Discussion

In preparation for the 2023 budgeting cycle, staff recommends the Board discuss the budget process, including desired information and meeting format/frequency. In past years, the Board has been heavily involved in budgeting. Last year’s budget process entailed the Board discussing the budget at 8 regular meetings and 1 workshop, having detailed discussions about each of the 150+ individual budget line items, and reviewing/discussing 10 appendices to the main budget table. This was in part because the Board had also recently spent a significant amount of time working through the 10-year budget as part of the newly updated Watershed Management Plan (WMP). Thus making 2022 the first budget of the current WMP.

At the May 13 regular board meeting, staff recommends that the Board discuss the following items:

- **Meeting Frequency:** Discuss the enclosed proposed budget schedule.
 - **Staff Recommendation:** Hold budget discussions at the 2nd Thursday of the month board meetings (May 12th, June 9th, July 14th, August 11th discussions; August 25th public hearing and final adoption)

- **Meeting Format:** Discuss the level of detail the Board would like to review the budget at (i.e., review line item by line item vs. focus on program/project area subtotals).
 - **Staff Recommendation:** Focus on program/project area subtotals provided on the Budget Overview page and direct staff to implement projects consistent with the Watershed Management Plan. Staff can be available in between meetings to discuss/modify individual line items which are a part of the subtotals. Over time, we expect variations from the WMP due to the District’s adaptive management and continuous process improvement approach in the implementation of programs and projects. These variations can then be summarized and then be the focus at individual meetings rather than line by line reviews.

- **Desired Information:** The 2022 budget totals 23 pages, including informational appendices.
 - **Staff Recommendation:** Direct staff to prepare a proposed budget consistent with the Watershed Management Plan and include appendices for Revenue-Expenditure Recap, Grant & Other Revenue Summary, Levy Breakout, and Loan Repayment Projections. This proposed process will allow newer board members time up front to review the budget as a reflection of the current WMP which in turn will allow more time to ask questions about both the budget as well as details about the WMP that is used to construct the corresponding budget.

Recommended Action

Proposed Motion: Manager _____ moves to approve the 2023 budget schedule and direct staff to prepare a preliminary proposed budget that is consistent with the Watershed Management Plan. Seconded by Manager _____.

Attached: Proposed 2023 Budget Schedule

Board Involvement?	Tasks	Start Date	End/Due Date	Responsible
★	2023 Budget Process - Proposed Schedule			
☆	Staff recommends the Board discuss the budget at regular meetings held on the 2nd Thursday of the month. Workshops may be added to the meeting schedule as needed/as directed by the Board.			
☆	Draft preliminary proposed budget and discuss at staff level	04/07/22	06/02/22	Staff
★	May 12 regular board meeting - consider approving proposed budget schedule and discuss potential workshop dates	05/12/22	05/12/22	Board, Staff
☆	Post first draft budget in board packet	06/02/22	06/02/22	Staff, Engineer
★	June 9 regular board meeting - staff presents proposed budget and board discusses high-level expenditure and revenue totals	06/09/22	06/09/22	Board, Staff, Engineer
☆	Revise draft budget per board discussion, if needed, and post to board packet	06/10/22	07/07/22	Staff, Engineer
★	July 14 regular board meeting - discuss budget revisions, if necessary	07/14/22	07/14/22	Board, Staff, Engineer
☆	Revise draft budget per board discussion, if needed, and post to board packet	07/15/22	08/04/22	Staff, Engineer
☆	Send 8/25 public hearing notice to newspapers (run in 8/11 and 8/18 papers)	08/05/22	08/05/22	Staff
★	August 11 regular board meeting - discuss revisions, if necessary	08/11/22	08/11/22	Board, Staff, Engineer
☆	Revise draft budget per board discussion, post to board packet	08/12/22	08/18/22	Staff, Engineer
★	August 25 regular board meeting and public hearing - goal: adopt final budget and levy by resolution, discuss additional follow-up if necessary	08/25/22	08/25/22	Board, Staff, Engineer
☆	September 15 - Deadline to certify levy with counties	09/15/22	09/15/22	Staff
★	Public comments on adopted budget/levy (required announcement by Board President at a meeting, usually occurs at December regular meeting)	12/15/22	12/15/22	Board
☆	Deadline to submit revised budget and/or levy to counties (if necessary)	12/31/22	12/31/22	Staff