

MEMORANDUM

Comfort Lake-Forest Lake Watershed District

To: Board of Managers
From: Mike Kinney
Subject: Resolution Adopting 2017 Budget and Levy

Date: September 2, 2016

Discussion Summary

Over the course of the past three months, the Board met seven times to discuss the details of various program and project line items that align with the District's 10 year Watershed Management Plan so as to arrive at a final proposed budget and levy.

Presently, the total proposed expenditures for 2017 are \$1,898,394. Total levy revenue for 2017 is proposed at \$998,000. This levy reflects the increased activity in District programs and projects. Expenses for two large capital improvement projects are planned for 2017. Overall, the District's activity in targeted program areas have also increased dramatically in recent years. Examples of some that have been expanded based on resource needs and citizen input include aquatic invasive species (AIS) management, education and outreach, grant research and preparation, and permitting.

Budget Highlights

Programs that are maintained or increased from 2016 include:

- District Rules and Rulemaking
- Permitting
- Monitoring and Data Assessment
- Education and Outreach
- Research
- Grant Research and Preparation
- Aquatic Invasive Species (AIS) Management

While some programs have maintained or increased their budgets, some line items have been reduced for cost control purposes. Examples of two program line items that have experienced reductions include the non-point source pollution abatement cost-share program (due to larger public interest in smaller "plant grant" projects) and the operations and maintenance program (due to re-prioritizing of activities and potential grant acquisition).

Projects proposed or continued in 2017 include:

- Moody Lake Wetland Restoration
- Forest Lake Wetland Treatment Basin (a.k.a. 3rd Lake Pond Project)
- Bone Lake Agricultural BMPs
- Bone Lake Partially Drained Wetland Restorations
- Shields Lake Stormwater Harvest and Irrigation Reuse System and Alum Treatment
- Forest Lake South Best Management Practices (BMPs)
- Forest Lake Enhanced Street Sweeping Plan
- Forest Lake Priority Subcatchment Implementation Planning

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Comfort Lake-Forest Lake Watershed District

From the list of projects itemized above, the first three are currently underway with the main construction of the first two planned for early 2017. The remaining projects have been identified as high priority and grant funding is being sought for all of them so as to be implemented starting in 2017. The Board of Water and Soil Resources grant committee is currently reviewing these grant proposals from the District and will give their recommendations for funding in December.

Again, the total proposed expenditures for 2017 are \$1,898,394. This represents about a 5% increase over the projected yearend expenditures for 2016 but far less than original 2017 projections. The reduction in potential expenditures was largely due to two factors: a more conservative project grant accounting strategy and re-prioritization in several budget line items.

Total levy revenue for 2017 is proposed at \$998,000 to fund the implementation of high priority programs as well as projects with the greatest calculated nutrient reductions. This levy represents an increase from 2016 but is partially offset by an increase in property values. A summary of the tax impact for residents within the CLFLWD in each of the adjoining counties is listed below.

Tax Impact Increase from 2016		
	Increase per \$100K	Increase for Average Home Value
Washington County	\$6.46	\$21.56
Chisago County	\$6.09	\$19.96

On a related note, the Board President is required to announce the date of the regular meeting at which the Board will have an agenda item to receive any further comment on the budget or levy. A reminder that the Board may reduce the levy if it chooses, but may not increase the levy. In 2015, public comments on the 2016 budget and levy were received during the November 19th regular board meeting. This year, we propose that public comments are received at the November 17th regular board meeting.

Attached: 2017 Final Proposed Budget
Resolution 16-09-01 to Adopt 2017 Budget and Tax Levies

RESOLUTION 16-09-01

**COMFORT LAKE - FOREST LAKE WATERSHED DISTRICT
BOARD OF MANAGERS**

RESOLUTION TO ADOPT 2017 BUDGET and TAX LEVIES

Manager _____ offered the following resolution and moved its adoption, seconded by Manager _____:

WHEREAS, Minnesota Statutes Sections 103D.911 and 103D.915 require that on or before September 15 of each year, the Board of Managers adopt a budget for the next year; decide on the total amount necessary to be raised from ad valorem tax levies to meet the watershed district's budget; and certify to the auditor of each county within the watershed district the county's share of the tax;

WHEREAS, pursuant to Minnesota Statutes Section 103D.911, the Comfort Lake-Forest Lake Watershed District Board of Managers held a public hearing, duly noticed, on September 8, 2016, for the purpose of receiving public comment on the proposed budget and levy, and the Board has given due consideration to comment provided;

THEREFORE BE IT RESOLVED, that a 2017 budget of \$1,898,394 is adopted, to be funded by carryover, reserves, grants and interest of \$900,394 and a watershed-wide ad valorem levy of \$998,000.

BE IT FURTHER RESOLVED, that a watershed-wide ad valorem levy in the total amount of \$998,000 is certified for the year 2017 and encompasses the following, each to be allocated between Chisago and Washington Counties in proportion to the net tax capacity of that part of the watershed lying within each county:

A levy of \$250,000, constituting not more than 0.048 percent of estimated market value, for the purpose of paying the General Fund expenses of the District as provided by Minnesota Statutes Section 103D.905, subdivision 3;

A levy of \$742,000, as authorized by the Metropolitan Surface Water Management Act, Minnesota Statutes Section 103B.241, for the purpose of paying the increased costs of preparing a watershed management plan and implementing the projects in that plan;

A levy of \$6,000, for the purpose of paying the premium costs of liability insurance as provided by Minnesota Statutes § 466.06.

BE IT FINALLY RESOLVED, that the District Administrator is directed to certify to the auditors of Chisago and Washington Counties each County's share of the District's ad valorem tax levy, by September 15 and otherwise in accordance with Minnesota Statutes section 103D.915.

The question was on the adoption of the Resolution and there were __ yeas and __ nays as follows:

	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>
ANDERSON	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MOE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SCHMALTZ	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SPENCE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
MCNAMARA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Upon vote, the Chair declared the Resolution _____.

Wayne Moe, Secretary

Dated: September 8, 2016

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I, Wayne Moe, Secretary of the Comfort Lake - Forest Lake Watershed District, do hereby certify that I have compared the above resolution with the original thereof as the same appears of record and on file with the District and find the same to be a true and correct transcript thereof.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 8th day of September, 2016.

Wayne Moe, Secretary



Comfort Lake - Forest Lake Watershed District Final Proposed 2017 Budget

2012-2021 WMP Code	Budget Item	2017 Est. Grant Spend	2017 Est. Other Inc. Spend	2017 Ongoing Expenses	2017 New Expenses	2017 Total Expense Budget
1000	ADMINISTRATION	\$0	\$0	\$265,462	\$17,115	\$282,577
1001	BOARD ADMINISTRATION			32,193	1,055	33,248
1002	GENERAL OFFICE EXPENSES			57,412	6,060	63,472
1003	GENERAL ADMINISTRATIVE			67,857	0	67,857
1004	PROFESSIONAL SERVICES			108,000	10,000	118,000

3000	PROGRAMS	\$40,299	\$122,500	\$562,294	\$170,067	\$895,160
3001	DISTRICT RULES AND RULEMAKING	0	0	8,979	30,000	38,979
3002	PERMITTING	0	55,000	43,457	0	98,457
3003	MONITORING & DATA ASSESSMENT	0	0	120,528	18,000	138,528
3004	NON-POINT SOURCE POLLUTION ABATEMENT	0	0	67,781	0	67,781
3005	EDUCATION AND OUTREACH	0	0	63,234	7,000	70,234
3006	TECH. RESOURCE SHARING/INTERAGENCY COMMUN.	0	0	26,346	0	26,346
3007	RESEARCH	0	0	7,693	75,000	82,693
3008	MEASUREMENT OF PROGRESS	0	0	2,429	0	2,429
3009	GRANT RESEARCH & PREPARATION	0	0	27,816	0	27,816
3010	OPERATION & MAINTENANCE - DISTRICT WIDE	0	0	13,700	20,000	33,700
Various	AQUATIC INVASIVE SPECIES (AIS) MANAGEMENT	40,299	67,500	180,330	20,067	308,196

5000	PROJECTS	\$452,000	\$0	\$232,961	\$35,697	\$720,658
5100	FLOODPLAIN	0	0	0	0	0
5200	LAKES	142,000	0	160,426	25,697	328,123
5300	STREAMS	0	0	2,834	0	2,834
5400	WETLANDS	310,000	0	46,884	0	356,884
5500	UPLAND RESOURCES	0	0	1,080	0	1,080
5600	GROUNDWATER	0	0	3,779	0	3,779
5700	PUBLIC EDUCATION	0	0	0	0	0
5800	INTERAGENCY COMMUNICATION	0	0	11,884	0	11,884
5900	LAND ACQUISITION AND MANAGEMENT	0	0	6,074	10,000	16,074

TOTAL BUDGET		\$492,299	\$122,500	\$1,060,717	\$222,879	\$1,898,394
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