



## MEMORANDUM

**To:** MCWD Board of Managers

**From:** Becky Christopher

**Date:** May 20, 2019

**Re:** 2020 Budget Priorities

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### **Purpose:**

At the May 23, 2019 Policy and Planning Committee (PPC) Meeting, staff will provide an overview of the project, program, and operational priorities for 2020-2021 as part of the 2020 budget development process.

### **Background:**

Beginning in 2015, the District initiated a strategic planning process to focus and align the organization around its highest priorities. As part of this process, the MCWD Board of Managers implemented a series of fiscally responsible measures to maintain high levels of mission focused output and service, while carefully managing its levy, including:

- Aligning program budgets around strategic priorities and making targeted reductions
- Implementing operational efficiencies
- Evaluating, aligning, and investing in human resources
- Developing and implementing a strategy to secure increasing levels of outside funding
- Reallocating funds from activities that were delivered under budget or deprioritized

Those multi-year planning efforts have positioned MCWD well for the 2020 fiscal year. At the April 11, 2019 Operations and Programs Committee (OPC) meeting, the District began its 2020 budget development process by reviewing a preliminary budget-levy projection. The draft capital improvement plan was reviewed in more detail at the April 25, 2019 PPC meeting.

### **May 23, 2019 Meeting:**

As discussed at the April 11, 2019 OPC meeting, the 2020 budget and work plan will reflect a shift from planning to implementation for a number of strategic initiatives. As a result, staff is projecting several one-time budget increases within operations and programs. These initiatives, and the projected costs, are outlined below:

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- Information Technology (IT) – Development of the comprehensive IT update is underway with implementation expected to begin in late 2019 and extend into 2021. Preliminary cost estimates are listed below. These estimates will be refined in coordination with the IT consultant by July 15.
  - 2019 budget – \$265,000, including \$100,000 for IT and website consultants and initial implementation
  - 2020 budget – \$470,000, including \$210,000 for IT consultant and implementation and \$100,000 for website redesign
  - 2021 budget – \$347,000, including \$187,000 for IT consultant and implementation
- Facilities Improvements – Improvements to the District’s parking lot are being planned for implementation in 2020, including fixing drainage issues, repaving, and installing stormwater management and demonstration practices. The current budget estimate is approximately \$500,000 and will be further refined throughout the budget process.
- Research & Monitoring (R&M) Equipment – As discussed at the May 9, 2019 OPC meeting, the R&M program is proposing the purchase of remote sensing equipment in 2020 to automate field tasks and provide more robust data to inform dam management. The current estimate for this equipment is \$175,000.
- Permitting Program Alignment – To support the District’s efforts to optimize its regulations and processes to improve efficiency and promote partnership, staff has budgeted \$40,000 in legal and engineering services for 2019 and is estimating a budget of \$65,000 for 2020.

At the May 23, 2019 PPC meeting, staff will review these strategic initiatives and the projected one-time budget increases in the context of a 5-year budget-levy forecast for Board discussion.

**Next Steps:**

The remaining 2020 budget process, as discussed at the April OPC meeting, is outlined below:

- June 5 CAC – presentation of capital improvement plan and 2020 budget priorities
- July 11 OPC – review of refined budget-levy projection and draft work plan publication
- August 8 OPC – review of budget-levy recommendation and revised publication
- August 14 CAC – presentation of recommended budget-levy
- August 22 Board Meeting – public hearing
- September 12 Board Meeting – budget and work plan adoption, levy certification, and public meeting announcement
- December 5 Board Meeting – public comment meeting

If there are questions in advance of the meeting, please contact Becky Christopher at 952-641-5412 or [bchristopher@minnehahacreek.org](mailto:bchristopher@minnehahacreek.org).

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