

## MEMORANDUM

**To:** MCWD Board of Managers  
**From:** Lars Erdahl, District Administrator  
**Date:** October 12, 2015  
**Re:** 2016 Budget Refinements

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### **Purpose:**

At the October 15, 2015 Planning and Policy Committee (PPC), staff will present a revised list of recommended budget adjustments to reach the budget and levy set by the Board of Managers at the August 13, 2015 meeting. To facilitate discussion, these proposed adjustments will be presented in the context of the recently approved strategic planning framework.

### **Background:**

At the August 6, 2015 joint meeting of the Operations and Programs Committee (OPC) and Policy and Planning Committee (PPC), staff presented a prioritized list of budget adjustments that could be used to reduce the District's 2016 levy. Staff requested that the Board establish a desired levy and staff would then refine the list of budget reductions based on that direction. The joint committee recommended a five percent increase in the levy from the previous year, and this recommendation was approved by the Board at its August 13, 2015 meeting.

The original list of proposed reductions presented to the joint committee totaled \$980,700. The total reductions needed to meet the budget and levy set by the Board is \$1,019,889. Staff has continued to refine program and project budgets and has developed a revised list of reductions to reach the budget and levy set by the Board. This revised list is attached along with the original list reviewed by the joint committee on August 6, 2015.

Two additional budget reductions have been identified and added to the list:

- \$269,200 from the Japs Olson project based on refined budget estimates and the final cooperative agreement
- \$25,000 from Aquatic Invasive Species for communication and education activities

Staff recommends that this additional \$294,200 in reductions be used to restore funding for the following items from the original list:

- \$66,000 in Cost Share grant funds
- \$12,500 to the Master Water Stewards budget
- \$25,000 to the Cynthia Krieg Stewardship Grant
- \$157,949 to the Bushaway Road Project

The proposed changes result in a total budget reduction of \$1,019,889, corresponding to a budget of \$12,796,094 that can be supported by the five percent levy increase set by the Board.

At the August and September PPC meetings, the Committee reviewed and discussed a strategic planning framework that is intended to be used to evaluate and align programs. This process includes review of the allocation of resources across District programs and activities. The Committee requested that the proposed 2016 budget be provided in the context of the strategic planning framework to facilitate final budget decisions. These frameworks will be provided at the meeting for Committee review.

**Next Steps:**

If the Committee agrees with staff's recommended budget adjustments, staff asks that the Committee provide its recommendation to the Board of Managers. Once a final list of budget adjustments is approved, staff will update work plans accordingly. A complete package of revised work plans and budget summaries will be provided for a final public comment opportunity at the December 10, 2015 Board meeting.

## 8-6-15 DRAFT POTENTIAL 2016 BUDGET ADJUSTMENTS

Year	Total Budget	Tax Levy	Levy Change	Budget Change
2015	\$ 14,206,850.00	\$ 8,291,310.00	4.99%	\$ 394,215.00
2016	\$ 13,813,295.00	\$ 9,723,076.00	17.27%	\$ 1,431,766.00

Department	Program Element	Budget/Levy Cut	Total 2016 Budget	Total 2016 Levy	Budget Change %	Levy Change %
N/A	N/A	N/A	\$ 13,813,295.00	\$ 9,723,076.00	-2.77%	17.27%
Capital Projects	Change Bushaway Road 2 year levy ratio (2016 = \$1,000,000)	\$ 200,000.00	\$ 13,613,295.00	\$ 9,523,076.00	-4.18%	14.86%
Research & Monitoring	Cut Joint Watershed Research Grant in 2016	\$ 100,000.00	\$ 13,513,295.00	\$ 9,423,076.00	-4.88%	13.65%
Education / Project & Land Management	Postpone signage and canoe launch implementation	\$ 67,000.00	\$ 13,446,295.00	\$ 9,356,076.00	-5.35%	12.84%
Operations and Support Services	Cut the contingency fund for building IT in 2016	\$ 20,000.00	\$ 13,426,295.00	\$ 9,336,076.00	-5.49%	12.60%
Operations and Support Services	Delay scheduled IT hardware upgrades	\$ 5,000.00	\$ 13,421,295.00	\$ 9,331,076.00	-5.53%	12.54%
Operations and Support Services	Internally complete IT operations guidance (email retention etc)	\$ 15,000.00	\$ 13,406,295.00	\$ 9,316,076.00	-5.63%	12.36%
Aquatic Invasive Species	Cut flowering rush control in 2016	\$ 40,000.00	\$ 13,366,295.00	\$ 9,276,076.00	-5.92%	11.88%
Aquatic Invasive Species	Split cost over 2 years for AIS social marketing signage, leaving \$35,000 in 2016	\$ 40,000.00	\$ 13,326,295.00	\$ 9,236,076.00	-6.20%	11.39%
Aquatic Invasive Species	Split cost over 2 years for zebra mussel research, leaving \$20,000 in 2016	\$ 20,000.00	\$ 13,306,295.00	\$ 9,216,076.00	-6.34%	11.15%
Education and Communications	Reduce budget for stakeholder audit for 50th anniversary planning to \$15,000	\$ 10,000.00	\$ 13,296,295.00	\$ 9,206,076.00	-6.41%	11.03%
Education and Communications	Reduction in budget for building video library of MCWD work to \$10,000	\$ 10,000.00	\$ 13,286,295.00	\$ 9,196,076.00	-6.48%	10.91%
Operations and Support Services	Postpone the replacement of MCWD vehicles	\$ 28,000.00	\$ 13,258,295.00	\$ 9,168,076.00	-6.68%	10.57%
Operations and Support Services	Postpone the development of a District wide database	\$ 54,700.00	\$ 13,203,595.00	\$ 9,113,376.00	-7.06%	9.91%
Permitting	Reduce budget to \$25,000 to develop project partnerships	\$ 25,000.00	\$ 13,178,595.00	\$ 9,088,376.00	-7.24%	9.61%
Education and Communications	Reduce education and outreach programming in MC subwatershed to \$10,000	\$ 10,000.00	\$ 13,168,595.00	\$ 9,078,376.00	-7.31%	9.49%
Education and Communications	Reduce marketing material budget to \$5,000	\$ 10,000.00	\$ 13,158,595.00	\$ 9,068,376.00	-7.38%	9.37%
Cynthia Krieg	Reduce Cynthia Krieg budget to \$100,000 (rolls back 2014 increase)	\$ 25,000.00	\$ 13,133,595.00	\$ 9,043,376.00	-7.55%	9.07%
Aquatic Invasive Species	Delay portion of early detection/baseline AIS monitoring, leaving \$35,000 in 2016	\$ 25,000.00	\$ 13,108,595.00	\$ 9,018,376.00	-7.73%	8.77%
Planning	Reduce greenway planning and project development budget to \$120,000	\$ 30,000.00	\$ 13,078,595.00	\$ 8,988,376.00	-7.94%	8.41%
Education and Communications	Reduce publication and graphic design budget to \$15,500	\$ 5,000.00	\$ 13,073,595.00	\$ 8,983,376.00	-7.98%	8.35%
Planning	Reduce planning and project development budget for Six Mile subwatershed	\$ 25,000.00	\$ 13,048,595.00	\$ 8,958,376.00	-8.15%	8.05%
Education and Communications	Reduce MCWD developed workshops and training budget to \$15,000	\$ 5,000.00	\$ 13,043,595.00	\$ 8,953,376.00	-8.19%	7.99%
Education and Communications	Eliminate watershed heroes event in 2016 (10th anniversary)	\$ 10,000.00	\$ 13,033,595.00	\$ 8,943,376.00	-8.26%	7.86%
Education and Communications	Reduce Master Water Stewards budget to \$25,000 and from 15 to 10 recruits	\$ 12,500.00	\$ 13,021,095.00	\$ 8,930,876.00	-8.35%	7.71%
Research and Monitoring	Delay data collection for E Grade in Painter and Long Lake subwatershed	\$ 88,500.00	\$ 12,932,595.00	\$ 8,842,376.00	-8.97%	6.65%
Cost Share Grants	Reduce grant budget to \$534,000	\$ 66,000.00	\$ 12,866,595.00	\$ 8,776,376.00	-9.43%	5.85%
Cost Share Grants	Eliminate the proposed Cost Share Program intern position	\$ 34,000.00	\$ 12,832,595.00	\$ 8,742,376.00	-9.67%	5.44%

Total Cuts \$ 980,700.00

**10-12-15 DRAFT POTENTIAL 2016 BUDGET ADJUSTMENTS**

Year	Total Budget	Tax Levy	Budget Change
2015	\$ 14,206,850.00	\$ 8,291,310.00	9.12% \$ 1,187,619.00
2016	\$ 13,815,983.00	\$ 9,723,076.00	-2.75% \$ (390,867.00)

Department	Program Element	Budget/Levy Cut	Total 2016 Budget	Total 2016 Levy	Budget Change %	Levy Change %
N/A	N/A	N/A	\$ 13,815,983.00	\$ 9,723,076.00	-2.75%	17.27%
Capital Projects	Powell-Meadowbrook Stormwater	\$ 269,200.00	\$ 13,546,783.00	\$ 9,453,876.00	-4.65%	14.02%
Aquatic Invasive Species	Communication/Education Activities	\$ 25,000.00	\$ 13,521,783.00	\$ 9,428,876.00	-4.82%	13.72%
Capital Projects	Change Bushaway Road 2 year levy ratio (2015 = \$757,949, 2016 = \$842,051)	\$ 42,051.00	\$ 13,479,732.00	\$ 9,386,825.00	-5.12%	13.21%
Joint Watershed Research Grant	Cut Joint Watershed Research Grant in 2016	\$ 100,000.00	\$ 13,379,732.00	\$ 9,286,825.00	-5.82%	12.01%
Education / Project & Land Management	Postpone signage and canoe launch implementation	\$ 67,000.00	\$ 13,312,732.00	\$ 9,219,825.00	-6.29%	11.20%
Operations and Support Services	Cut the contingency fund for building IT in 2016	\$ 20,000.00	\$ 13,292,732.00	\$ 9,199,825.00	-6.43%	10.96%
Operations and Support Services	Delay scheduled IT hardware upgrades	\$ 5,000.00	\$ 13,287,732.00	\$ 9,194,825.00	-6.47%	10.90%
Operations and Support Services	Internally complete IT operations guidance (email retention etc)	\$ 15,000.00	\$ 13,272,732.00	\$ 9,179,825.00	-6.58%	10.72%
Aquatic Invasive Species	Cut flowering rush control in 2016	\$ 40,000.00	\$ 13,232,732.00	\$ 9,139,825.00	-6.86%	10.23%
Aquatic Invasive Species	Split cost over 2 years for AIS social marketing signage, leaving \$35,000 in 2016	\$ 40,000.00	\$ 13,192,732.00	\$ 9,099,825.00	-7.14%	9.75%
Aquatic Invasive Species	Split cost over 2 years for zebra mussel research, leaving \$20,000 in 2016	\$ 20,000.00	\$ 13,172,732.00	\$ 9,079,825.00	-7.28%	9.51%
Education and Communications	Reduce budget for stakeholder audit for 50th anniversary planning to \$15,000	\$ 10,000.00	\$ 13,162,732.00	\$ 9,069,825.00	-7.35%	9.39%
Education and Communications	Reduction in budget for building video library of MCWD work to \$10,000	\$ 10,000.00	\$ 13,152,732.00	\$ 9,059,825.00	-7.42%	9.27%
Operations and Support Services	Postpone the replacement of MCWD vehicles	\$ 28,000.00	\$ 13,124,732.00	\$ 9,031,825.00	-7.62%	8.93%
Operations and Support Services	Postpone the development of a District wide database	\$ 54,700.00	\$ 13,070,032.00	\$ 8,977,125.00	-8.00%	8.27%
Permitting	Reduce budget to \$25,000 to develop project partnerships	\$ 25,000.00	\$ 13,045,032.00	\$ 8,952,125.00	-8.18%	7.97%
Education and Communications	Reduce education and outreach programming in MC subwatershed to \$10,000	\$ 10,000.00	\$ 13,035,032.00	\$ 8,942,125.00	-8.25%	7.85%
Education and Communications	Reduce marketing material budget to \$5,000	\$ 10,000.00	\$ 13,025,032.00	\$ 8,932,125.00	-8.32%	7.73%
Aquatic Invasive Species	Delay portion of early detection/baseline AIS monitoring, leaving \$35,000 in 2016	\$ 25,000.00	\$ 13,000,032.00	\$ 8,907,125.00	-8.49%	7.43%
Planning	Reduce greenway planning and project development budget to \$120,000	\$ 30,000.00	\$ 12,970,032.00	\$ 8,877,125.00	-8.71%	7.07%
Education and Communications	Reduce publication and graphic design budget to \$15,500	\$ 5,000.00	\$ 12,965,032.00	\$ 8,872,125.00	-8.74%	7.01%
Planning	Reduce planning and project development budget for Six Mile subwatershed	\$ 25,000.00	\$ 12,940,032.00	\$ 8,847,125.00	-8.92%	6.70%
Education and Communications	Reduce MCWD developed workshops and training budget to \$15,000	\$ 5,000.00	\$ 12,935,032.00	\$ 8,842,125.00	-8.95%	6.64%
Education and Communications	Eliminate watershed heroes event in 2016 (10th anniversary)	\$ 10,000.00	\$ 12,925,032.00	\$ 8,832,125.00	-9.02%	6.52%
Water Quality Program	Anchor Monitoring	\$ 6,938.00	\$ 12,918,094.00	\$ 8,825,187.00	-9.07%	6.44%
Water Quality Program	Subwatershed Monitoring	\$ 4,750.00	\$ 12,913,344.00	\$ 8,820,437.00	-9.10%	6.38%
Water Quality Program	Contracted Services: Subwatershed Monitoring	\$ 68,250.00	\$ 12,845,094.00	\$ 8,752,187.00	-9.59%	5.56%
Water Quality Program	Misc. Contracted Services	\$ 5,000.00	\$ 12,840,094.00	\$ 8,747,187.00	-9.62%	5.50%
Water Quality Program	Engineering/Consultant Services	\$ 10,000.00	\$ 12,830,094.00	\$ 8,737,187.00	-9.69%	5.38%
Cost Share Grants	Eliminate the proposed Cost Share Program intern position	\$ 34,000.00	\$ 12,796,094.00	\$ 8,703,187.00	-9.93%	4.97%

Total Cuts \$ 1,019,889.00  
 5% Target \$ 1,019,889.00 \$ 12,796,094.00 \$ 8,705,875.00