



Nine Mile Creek Discovery Point

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# MEMO

**TO:** Nine Mile Creek Watershed District Board of Managers  
**FROM:** Randy Anhorn  
**DATE:** September 28, 2021  
**RE:** Proposed 2021 Budget Amendments and Reallocations

## Background

As briefly discussed at previous Board meetings and individually with the Board President and Treasurer, there is a need for a couple reallocations and amendments to the District's 2021 budget. The proposed amendments (shown on the attached table and highlighted in yellow on the attached 2021 budget spreadsheet) include the reallocation of funds from one line item to another, the addition of unassigned reserve funds from previous budget years to undertake additional workplan items not taken into account when the budget was developed and approved in the summer of 2020, and to show a more realistic CIP budget for various projects undertaken in 2021 (as detailed in our workplan).

The attachment shows proposed amendments and reallocations for administration, programs and capital projects.

- Administration – simply reallocations within the administration budget to a couple budget codes where we will be overbudget due to unanticipated costs (manager per diems, hire of a fifth employee, IT and hybrid meeting needs). These costs will be balanced out with reducing other line items with the administration budget.
  - End result - \$0 increase in the amended administration budget
- Program – an increase in numerous monitoring activities (HAB, D.O monitoring Braemar nitrogen monitoring, Lake Nancy and Lake Otto, etc...), Atlas-14 modeling and flood assessment, and regulatory (permitting, WCA, rules).
  - End result - \$188,000 increase in the amended program budget

- Capital Project – an increase in the Lake Cornelia/Lake Edina line item due to the higher bids for the Rosland Park Stormwater Filtration BMP project coming (~\$850,000 in grant funds will offset). The other reductions are meant to provide a more accurate line item amount when compared to the most recent Treasurer’s report.
  - End result - \$79,752 increase in the amended project budget

The result of the reallocations and amendments is an increase of \$252,752 in the 2021 Budget from \$3,956,250 to \$4,224,002.

Staff will discuss the proposed reallocations and amendments.

### **Request**

Staff is recommending the board approve the proposed amendments to the 2021 budget.

## Proposed 2021 Budget Amendments (October, 2021)

Administrative Reallocations					
Acct #	Budget Item	Change	Was	Now	Reason
5101	Advisory Committee	-\$7,000	\$8,000	\$1,000	Virtual meetings and conferences reduce to real costs
5103	Dues/Conferences/Membership Fees	-\$4,000	\$16,000	\$12,000	Anticipated adjusted cost via tracking 2021 Treasurer's report
5105	Manager Per Diem	+\$10,000	\$10,000	\$20,000	More meetings/workshops and increased per diem amount
5106	Manager Expenses	-\$2,000	\$3,000	\$1,000	Virtual meetings and conferences reduce to real costs
5201	Employee Salary	+\$20,000	\$450,000	\$470,000	Anticipate hiring of 5 <sup>th</sup> employee during last quarter of 2021
5206	Employee Expenses	-\$5,000	\$6,000	\$1,000	Work from home, virtual meetings, reduce to real costs
5207	Staff Training	-\$6,000	\$12,000	\$6,000	Virtual meetings and conferences reduce to real costs
5301	Office Supplies & Expenses	-\$8,000	\$15,000	\$7,000	Anticipated adjusted cost via tracking 2021 Treasurer's report
5303	Office Network Managed Services	+\$17,000	\$15,000	\$32,000	Increased IT security, moving from server to cloud storage
5304	Office Equipment Maintenance	-\$5,000	\$8,000	\$3,000	Anticipated adjusted cost via tracking 2021 Treasurer's report
5305	Office Furniture/Equipment	+\$20,000	\$15,000	\$35,000	Anticipated adjusted cost via tracking 2021 Treasurer's report
5307	Operating Expenses	-\$10,000	\$22,000	\$12,000	Anticipated adjusted cost via tracking 2021 Treasurer's report
5308	Discovery Point Maintenance	-\$10,000	\$30,000	\$20,000	Anticipated adjusted cost via tracking 2021 Treasurer's report
5401	Other Consultants	-\$10,000	\$10,000	\$0	Anticipated adjusted cost via tracking 2021 Treasurer's report
	Change to overall administrative budget	\$0			Reallocated within administrative budget

Program Amendments		Using Unassigned Reserve and Reallocated Funds			
Acct #	Budget Item	Change	Was	Now	Reason
6101	Lake Level Monitoring	+\$10,000	\$25,000	\$35,000	Anticipated adjusted cost via tracking 2021 Treasurer's report
6106	Lake & Stream Monitoring	+\$13,000	\$157,000	\$170,000	Carryover of 2020 monitoring development report (more monitoring than previous years) and added HAB monitoring/assessment
6107	Targeted Monitoring	+50,000	\$70,000	\$120,000	Added work undertaken after adoption of 2021 budget _ Normandale O2, Arrowhead/Indianhead O2, Braemar nitrogen, sediment analysis of numerous lakes and Lake Nancy/Otto, O2 and WQ - Anticipated adjusted cost via tracking 2021 Treasurer's report
6109	Modeling and Atlas-14 Flood Planning	+\$40,000	\$160,000	\$200,000	To undertake Phase 2 of Flood Risk/Atlas-14 Flood Assessment
6401	Permit Tracking	+ \$30,000	\$180,000	\$210,000	Anticipated adjusted cost via tracking 2021 Treasurer's report
6403	WCA	+ \$10,000	\$25,000	\$35,000	Anticipated adjusted cost via tracking 2021 Treasurer's report
6404	Rules	+ \$30,000	\$10,000	\$40,000	Anticipated adjusted cost of rule revisions via tracking 2021 Treasurer's report
6501	Technical Assistance to Residents	+\$5,000	\$5,000	\$10,000	Anticipated adjusted cost via tracking 2021 Treasurer's report
	Change to overall program budget	+ \$188,000			<i>From unassigned reserves</i>

	<b>CIP Amendments</b>	<b>To CIP Budgets Using Allocated Levied &amp; Grant Funds</b>			
<b>Acct #</b>	<b>Budget Item</b>	<b>Change</b>	<b>Was</b>	<b>Now</b>	<b>Reason</b>
7100	Edina Streambank Project	-\$25,000	\$50,000	\$25,000	<i>From assigned Edina streambank reserves to cover ongoing easement and vegetation work</i>
7105	Normandale Lake	-\$65,000	\$100,000	\$35,000	Anticipated adjusted cost due to only doing a spot herbicide treatment as opposed to whole lake
7110	Lake Cornelia/Lake Edina	+250,000	\$1,250,000	\$1,500,000	Cost for Rosland BMP and Lynmar Basin BMP (grant funds will help offset)
7120 & 7125	Combine two budget items	0	7120 (\$100,000) 7125 (\$45,000)	\$145,000	The phase 2 restoration and raingarden as part of building addition were actually undertaken under the same contractor agreement
7126	Project Repair Maintenance	-\$75,000	\$100,000	\$25,000	Anticipated adjusted cost via tracking 2021 Treasurer's report and anticipated repair maintenance needs
7500	SW Facility Fund (SFF) Projects	- \$5,248	\$10,000	\$4,752	More realistic due to what was paid out in 2021.No other projects underway
		-			
	Change to capital project overall budget	+\$79,752			These CIP funds have already been levied for and assigned to specific projects and remain assigned for those projects to be used at a later date.
	<b>Result to overall budget</b>	<b>+\$267,752</b>			

The result of the reallocations and amendments is an increase in the 2021 Budget from \$3,956,250 to \$4,224,002.

2021 Draft Budget

Budget Item		New Account	Adopted 2021 Budget	Proposed 2021 Budget Amendments	Amended amount
<b>Administration</b>					
<b>Board</b>		5100			
	Advisory Committees (CAC and TAC)	5101	\$ 8,000	\$ 1,000	(\$7,000)
	Annual Audit	5102	\$ 15,250	\$ 15,250	
	Dues/Conferences/Membership Fees	5103	\$ 16,000	\$ 12,000	(\$4,000)
	Insurance	5104	\$ 14,000	\$ 14,000	
	Per Diems and Payroll tax	5105	\$ 10,000	\$ 20,000	\$10,000
	Manager Expenses	5106	\$ 3,000	\$ 1,000	(\$2,000)
<b>Staff</b>		5200			
	Employee Salaries and Benefits	5201	\$ 450,000	\$ 470,000	\$20,000
	Employee Expenses	5206	\$ 6,000	\$ 1,000	(\$5,000)
	Staff Training/Professional Development	5207	\$ 12,000	\$ 6,000	(\$6,000)
	Education Assistance	5208	\$ 6,000	\$ 6,000	
<b>Office</b>		5300			
	Office Supplies & Expenses	5301	\$ 15,000	\$ 7,000	(\$8,000)
	Office Utilities	5302	\$ 18,000	\$ 18,000	
	Office Networking Managed Services	5303	\$ 15,000	\$ 32,000	\$17,000
	Office Equipment Maintenance	5304	\$ 8,000	\$ 3,000	(\$5,000)
	Office Furniture/Equipment	5305	\$ 15,000	\$ 35,000	\$20,000
	Official Minutes	5306	\$ 6,500	\$ 6,500	
	Operating Expenses	5307	\$ 22,000	\$ 12,000	(\$10,000)
	Discovery Point Maintenance (building and landscaping)	5308	\$ 30,000	\$ 20,000	(\$10,000)
<b>Professional Services</b>		5400			
<b>Auditor/Accounting</b>		5410			
	General/Monthly Accounting	5411	\$ 29,000	\$ 29,000	
	Payroll Processing Fees	5412	\$ 2,000	\$ 2,000	
<b>Engineering</b>		5420			
	Administration	5421	\$ 90,000	\$ 90,000	
<b>Legal</b>		5430			
	General Legal Advice	5431	\$ 45,000	\$ 45,000	
	Policies/Bylaws	5432	\$ 5,000	\$ 5,000	
<b>Other</b>		5440			
	Other Consultant	5441	\$ 10,000	\$ -	(\$10,000)
<b>Total-Administration</b>			\$ 850,750	\$ 850,750	\$ -
<b>Programs</b>					
<b>Data Collection, Assessment and Management</b>		6100			
	Lake Level Monitoring	6101	\$ 25,000	\$ 35,000	\$10,000
	Groundwater Level Monitoring	6102	\$ 15,000	\$ 15,000	
	Precipitation Monitoring	6104	\$ 3,000	\$ 3,000	
	WOMP Stations	6105	\$ 115,000	\$ 115,000	
	Lake Water Quality and Stream Monitoring	6106	\$ 157,000	\$ 170,000	\$13,000
	Targeted Monitoring	6107	\$ 70,000	\$ 120,000	\$50,000
	Regional SW Volume Reduction Study	6108	\$ 5,000	\$ 5,000	
	Modeling and Atlas 14 Flood Planning/Management	6109	\$ 160,000	\$ 200,000	\$40,000

2021 Draft Budget

Budget Item		New Account	Adopted 2021 Budget	Proposed 2021 Budget Amendments	Amended amount
	TMDL & UAA Studies	6110	\$ 130,000	\$ 130,000	
	Special Studies	6111	\$ 15,000	\$ 15,000	
	Monitoring Equipment	6112	\$ 10,000	\$ 10,000	
	<b>Education and Outreach</b>	6200			
	<b>Public Involvement /Education</b>	6210			
	Education and Outreach Programs	6211	\$ 30,500	\$ 30,500	
	Volunteer Programs	6213	\$ 10,000	\$ 10,000	
	<b>Communications &amp; Education Materials</b>	6230			
	Communication and Marketing Materials	6231	\$ 20,000	\$ 20,000	
	Website & Web-Based Programs	6237	\$ 25,000	\$ 25,000	
	<b>Grant Program</b>	6300			
	Cost Share Grant Program	6301	\$ 300,000	\$ 300,000	
	Research Collaborative Grant Funding	6304	\$ 20,000	\$ 20,000	
	<b>Regulatory Controls and Permitting</b>	6400			
	Permit Application Review/Tracking	6401	\$ 180,000	\$ 210,000	\$30,000
	Inspections	6402	\$ 5,000	\$ 5,000	
	Wetland Conservation Act	6403	\$ 25,000	\$ 35,000	\$10,000
	Rules	6404	\$ 10,000	\$ 40,000	\$30,000
	<b>Technical Assistance</b>	6500			
	Residents	6501	\$ 5,000	\$ 10,000	\$5,000
	Cities	6502	\$ 5,000	\$ 5,000	
	Professional Project and Plan Review	6503	\$ 10,000	\$ 10,000	
	<b>Water Management Plan</b>	6600			
	Water Management Plan Workplan Implementation	6603	\$ 65,000	\$ 65,000	
	<b>Total-Programs</b>		\$ 1,415,500	\$ 1,603,500	\$ 188,000
<b>Capital Projects</b>					
	Edina Streambank	7100	\$ 50,000	\$ 25,000	(\$25,000)
	Normandale Lake	7105	\$ 100,000	\$ 35,000	(\$65,000)
	Lake Cornelia and Lake Edina	7110	\$ 1,250,000	\$ 1,500,000	\$250,000
	Project Repair/Maintenance	7115	\$ 100,000	\$ 25,000	(\$75,000)
	Discovery Point Landscape Restoration/Renovations	7120	\$ 100,000	\$ 145,000	Combine with #7125
	Discovery Point Construction/Renovations	7125	\$ 45,000	\$	
	Southeast Anderson Lake	7130	\$ 15,000	\$ 15,000	
	Stormwater Facilities Fund Project	7500	\$ 10,000	\$ 4,752	(\$5,248)
	Watershed-Based Funding Grant Projects	7601			
	Non-Profit Planning Grant Stormwater BMP Project	7602	\$ 20,000	\$ 20,000	
	<b>Total-Capital Projects</b>		\$ 1,690,000	\$ 1,769,752	\$ 79,752
	<b>Total</b>		\$ 3,956,250	\$ 4,224,002	

2021 Draft Budget

Budget Item		New Account	Adopted 2021 Budget	Proposed 2021 Budget Amendments	Amended amount
	<b>Total Levy</b>		\$ 2,600,000	\$ 2,600,000	
	<b>Total Budget</b>		\$ 3,956,250	\$ 4,224,002	
	<b>Budget Total</b>				
2021 Amended Budget	\$4,224,002				
2021 Adopted Budget	\$3,956,250				

6.77

% Budget increase