

**MINUTES OF THE SPECIAL MEETING
OF THE
BOARD OF MANAGERS
OF THE
NINE MILE CREEK WATERSHED DISTRICT**

THURSDAY, AUGUST 1, 2019

Call to Order

Chair Peterson called the meeting of the Board of Managers of the Nine Mile Creek Watershed District to order at 5:30 p.m., Thursday, August 1, 2019, at the Nine Mile Creek Watershed District Office, 12800 Gerard Drive, Eden Prairie, MN 55346.

Managers Present: Bob Cutshall, Erin Hunker, Steve Kloiber, Grace Sheely and Jodi Peterson

Managers Absent: None.

Advisors Present: Randy Anhorn and Erica Sniegowski

Budget Workshop

Administrator Anhorn stated that he would be reviewing the 2020 workplan and budget items and comparing the 2020 budget figures to the 2019 amounts. He explained that the budget is split into three categories: administrative, programs, and capital projects. He began by reviewing the different line items in the administrative category, highlighting proposed increases and decreases over that budgeted in 2019.

Administrator Anhorn stated that the overall draft budget for 2020 is \$4,674,000. He said that it represents roughly a 13.5% increase in the budget over the amended 2019 budget which was \$4,119,673. He further stated that the main reason for the increase is the implementation of projects identified in the District's Plan to be undertaken in 2020, including; Lake Cornelia, Lake Edina and SE Anderson Lake.

Administrator Anhorn said that while the draft budget in 2020 proposes an increase over that in 2019, the proposed levy of \$2,720,000 is essentially flat from that in 2019, which was \$2,714,500. He said that the difference between the proposed budget and levied amounts, \$1,954,000, will be made up using reserve funds.

Manager Cutshall referenced the salary line item and noted that most likely the District will come in about \$100,000 lower than that amount.

Administrator Anhorn explained that item was reflective of potentially having a fifth employee and provided additional details. He continued to review the proposed administrative budget noting that section of the budget will be slightly under the 2019 amount.

Manager Cutshall referenced the building maintenance and landscaping line item and asked if some of that work could be completed by volunteers.

Program and Project Manager Sniegowski stated that the District did try that method but found that it takes a lot of staff time and there were not enough volunteers to stay on schedule for the needed work. She stated that the District is at the point where it needs an expert. She noted that some volunteer help could occur on certain projects but not as the only method. She stated that a company who may be hired to complete landscaping maintenance offered to participate in leading volunteer projects as well.

Administrator Anhorn reviewed the proposed 2020 budget for the program line items. He stated that staff condensed the ~~number~~ amount of budget codes for the education and outreach program. He further stated that he and Program and Project Manager Sniegowski really looked at the potential to reduce the budgeted amount for the education and outreach program and as result, it is quite a bit lower that it had been over the past few years.

Manager Kloiber asked for details on the costs for the volunteer program and education and outreach, noting that staff time would be accounted for in another budget item.

Program and Project Manager Sniegowski provided additional information on the volunteer program, noting that the Master Water Stewards fall under that item. She provided additional details on the items found within education and outreach.

Manager Kloiber stated that perhaps some detail can be provided in a footnote, for those that desire additional information, of as part of a more descriptive narrative of what each budget code consists of.

Program and Project Manager Sniegowski agreed that could be helpful to identify items that have been combined together.

It was the consensus of the Board that in the future capital projects should include a budget for signage, rather than using the education and outreach line item to fund that signage, as that should be part of the project cost.

Administrator Anhorn explained how a project is budgeted in terms of staff and engineering time. He noted that for projects the ~~desire isy-like~~ to remain near the engineer's estimate and signage is generally not included in the engineer's estimates so any signage would increase the costs.

Administrator AnhornHe continued to review the proposed programs budget.

Manager Kloiber stated that in the past the Board has stated that if an aquatic invasive species (AIS) impairing the water quality that would be a top priority for the watershed. He stated that if the water quality is not impaired and the issue is more about recreation, it would not be as high of a priority of the District.

Administrator Anhorn stated that there has not been a formal policy in the past and reviewed some of the proposed language that could be used in a policy, using examples of different AIS and the level at which the District would consider participating.

Manager Kloiber agreed that it would make sense to formalize the strategy.

Administrator Anhorn noted that item will appear as a presentation at an October or November meeting.

Chair Peterson noted that the permit review budget is already at 100 percent in 2019 and asked for additional details, on whether the number of permits have decreased, or the complexity of the permits has increased.

Administrator Anhorn replied that the permits have been more complex. He noted that Barr is actually reviewing less permits, they have just been more complex. He provided additional details on the permit program and the reasons that item is coming in higher in 2019. He stated that as the District becomes more efficient on permit review and with the new permit review process, he would hope that some of the permit review costs would decrease. He explained how reserves would be used and the amount that would be proposed to be levied.

Administrator Anhorn moved to the capital projects portion of the agenda, which is higher than the 2019 amount because of the projects proposed in the District's Water Management Plan and provided details on the different projects.

Program and Project Manager Sniegowski provided additional details on the non-profit planning grant projects process. It was noted that the Board recently rejected the bids received and all three projects will be bid together later this year, along with the other three projects. She stated that while some of these projects are expensive, the District needs to go into the watershed in order to improve some of these lakes, which has a higher cost. As a result, \$30,000 was added to the non-profit planning grant project line item.

Manager Kloiber stated that even though there is a higher construction cost for some of these projects, there is a longer lifespan and little to no maintenance for the District over the course of that longer lifespan, which provides a better return.

Administrator Anhorn reviewed the proposed levy amount and use of reserves. He reviewed the past budgets and levies from 2016 to 2019, noting that the levy has remained fairly flat during that time. He noted that because of the increase in the total market value within the boundaries of the District, the impact to the average home has decreased during that time.

Manager Kloiber stated that he would like to see the unallocated reserve trend for the past three years.

Manager Cutshall stated that he and Administrator Anhorn will be meeting with the District accountant to discuss investment strategy for the District's reserve funds.

Manager Sheely stated that perhaps beginning next year there would be an option to track on some of the lines items such as building equipment to receive additional information, such as age and depreciation. She stated that once you click on the item it could give background information on when the item is proposed for replacement or improvements that have occurred or are planned.

Manager Kloiber noted that some of the reserves are identified for specific projects. He noted that the other unallocated reserves would be used for those type of unexpected repairs, such as replacing a water heater.

Administrator Anhorn stated that perhaps that does not need to appear as a budget line item but noted that he could work with someone to develop a plan that would include some of that information.

Manager Sheely stated that she would be interested in helping.

Manager Cutshall referenced the desire of Manager Sheely to place more information online and asked if that has been included in the budget.

Administrator Anhorn stated that he did not include funds in the budget for that activity. He noted that the Board and staff could still choose to do those activities using reserve funds or amending the budget.

Program and Project Manager Sniegowski stated that she did not believe there would not be a large outside cost to place information on the website, it would just take a large portion of staff time.

Manager Kloiber noted that may be a good task for an intern.

Manager Sheely stated that perhaps someone be hired for that task rather than using District staff in that capacity.

Manager Kloiber stated that there are most likely funds within the staff salary item that would cover the cost of hiring someone to place additional information on the District website.

Chair Peterson stated that she likes the idea of keeping the levy somewhat flat and would agree to staying with that strategy.

Administrator Anhorn noted that the draft budget will come back before the Board at the August meeting. He noted that a public hearing date would need to be scheduled and could be combined with the ground water and surface water interaction presentation. He confirmed the consensus of the Board to hold that on Wednesday, September 4th.

Adjournment

It was moved by Manager Kloiber, seconded by Manager Hunker, to adjourn the meeting at 6:50 p.m. Upon a vote, the motion carried.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Erin Hunker", written in black ink.

Erin Hunker, Secretary

