



LOWER MINNESOTA RIVER WATERSHED DISTRICT

Executive Summary for Action

Lower Minnesota River Watershed District Board of Managers Meeting

Wednesday, July 20, 2022

Agenda Item

Item 5. A. – 2023 Budget Discussion

Prepared By

Linda Loomis, Administrator

Summary

Staff has been working on the FY 2023 Budget for the Board of Managers to consider. A proposed Budget is attached, and several other documents are included. The Board should review the budget and provide direction to staff with any changes the Board would like to make.

The Levy has increased by \$25,000 and the total budget increased by \$35,000. An explanation of budget lines is included as an attachment.

If the draft Proposed Budget is acceptable, the Board should call a public hearing for the August 17, 2022, Board of Managers meeting.

Attachments

Certificate of apportioned levies from the State of Minnesota

FY 2023 Budget apportioned levy detail

FY 2023 Budget

FY 2023 Administrative Budget

[CIP Spreadsheet](#)

Recommended Action

Motion to approve preliminary draft of FY 2023 proposed budget and call for public hearing for August 17, 2022

District 060 - Lower Minnesota River Watershed District
CERTIFICATION OF APPORTIONED LEVIES
PAYABLE 2023

(1) Payable 2023 Property Tax Levy: \$ _____

County	(2) Payable 2022 Taxable Net Tax Capacity	(3) Net Tax Capacity Percent Distribution	(4) Apportioned Payable 2023 Levy (1X3)
Carver	7,830,629	5.9623%	
Dakota	12,951,845	9.8616%	
Hennepin	53,221,471	40.5231%	
Scott	57,332,053	43.6530%	
Watershed Total	131,335,998	100.0000%	-- N/A --

Signature of Budget Officer

Title

Date

Proposed Levy 2022

General Fund	250,000.00
Planning and Implementation Fund	525,000.00
One time levy to balance channel fund	<u>-</u>
Apportioned Payable 2022 Levy	775,000.00

<u>County</u>	<u>Net Tax Capacity % Distribution</u>	<u>Apportioned Payable 2022 Levy</u>
Carver	5.9623%	46,207.83
Dakota	9.8616%	76,427.40
Hennepin	40.5231%	314,054.03
Scott	43.6530%	338,310.75
Watershed Total	100.0000%	775,000.00

2023 Proposed Total Budget
2021 Adopted Budget/Actuals - 2022 Adopted Budget/YTD/Projected - 2023 Proposed

Account	2021 Adopted	2021 Actual	2022 Adopted	2022 YTD	Projected 2022	Proposed 2023
Revenues:						
General Property Tax						
1 Carver County	\$ 42,871.42	\$ 43,099.02	\$ 41,762.17	\$ 23,064.12	\$ 41,762.17	\$ 46,207.83
2 Dakota County	\$ 72,959.65	\$ 71,141.02	\$ 72,153.45	\$ 37,957.79	\$ 72,153.45	\$ 76,427.40
3 Hennepin County	\$ 318,293.13	\$ 313,086.32	\$ 306,964.28	\$ 158,373.12	\$ 306,964.28	\$ 314,054.03
4 Scott County	\$ 290,875.80	\$ 207,976.91	\$ 304,120.10	\$ 160,347.34	\$ 304,120.10	\$ 338,310.75
Total Levy:	\$ 725,000.00	\$ 635,303.27	\$ 725,000.00	\$ 379,742.37	\$ 725,000.00	\$ 775,000.00
5 Interest Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6 MCES WOMP Grant	\$ 5,000.00	\$ 4,500.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
7 State of MN Grant for Dredge Material Management	\$ 240,000.00	\$ 240,000.00	\$ 240,000.00	\$ 240,000.00	\$ 240,000.00	\$ 240,000.00
8 Metro-Area Watershed Based funding grants	\$ -	\$ 63,866.00	\$ -	\$ -	\$ -	\$ -
9 License Revenue from placement of dredge	\$ 25,000.00	\$ -	\$ 25,000.00	\$ 11,406.00	\$ 29,036.00	\$ 25,000.00
10 Revenues from sale of dredge material	\$ 5,000.00	\$ -	\$ 5,000.00	\$ -	\$ 5,000.00	\$ 5,000.00
11 Permit Fees	\$ -	\$ 5,500.00	\$ -	\$ 19,094.25	\$ 1,000.00	\$ -
12 Miscellaneous Income	\$ -	\$ 252.15	\$ -	\$ -	\$ -	\$ -
Total Revenues:	\$ 1,000,000.00	\$ 949,421.42	\$ 1,000,000.00	\$ 655,242.62	\$ 1,005,036.00	\$ 1,050,000.00
Expenses:						
13 Administration (from Administrative Budget Page)	\$ 250,000.00	\$ 289,956.37	\$ 250,000.00	\$ 332,328.05	\$ 250,000.00	\$ 250,000.00
Cooperative Projects						
14 Eden Prairie Bank Stabilization -Area #3	\$ 100,000.00	\$ 57,996.40	\$ 100,000.00	\$ 57,996.40	\$ 100,000.00	\$ 250,000.00
16 Gully Erosion Contingency	\$ -	\$ 4,395.65	\$ -	\$ 4,395.65	\$ 4,395.65	\$ -
17 USGS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18 Ravine Stabilization at Seminary Fen in Chaska	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19 Riley Creek Cooperative Project with RPBCWD	\$ -	\$ 150,000.00	\$ -	\$ 150,000.00	\$ 150,000.00	\$ -
20 Seminary Fen Ravine Restoration site A	\$ 75,000.00	\$ -	\$ -	\$ -	\$ 75,000.00	\$ -
21 Seminary Fen Ravine C-2	\$ -	\$ -	\$ -	\$ -	\$ 20,000.00	\$ -
509 Plan Budget						
Resource Plan Implementation						
22 Watershed Resource Restoration Fund	\$ -	\$ -	\$ 120,000.00	\$ -	\$ -	\$ 125,000.00
23 Gully Inventory	\$ -	\$ 48,977.93	\$ -	\$ -	\$ -	\$ -
24 Minnesota River Corridor Management Project	\$ 75,000.00	\$ 52,786.97	\$ -	\$ 26,423.00	\$ 75,000.00	\$ -
25 TH 101 Ravine/Shakopee	\$ -	\$ 297.50	\$ -	\$ -	\$ 350.00	\$ -
26 Assumption Creek Hydrology Restoration Project	\$ -	\$ 2,125.50	\$ -	\$ 2,125.50	\$ 2,125.50	\$ -
27 Carver Creek restoration Project	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28 Groundwater Screening Tool Model	\$ -	\$ 952.00	\$ -	\$ 408.00	\$ 408.00	\$ -
30 Minnesota River Floodplain Model Feasibility Study	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31 Schroeder's Acres Park/Savage Fen Stormwater Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32 Downtown Shakopee Stormwater BMPs	\$ -	\$ -	\$ 50,000.00	\$ -	\$ -	\$ -
33 PLOC Realignment/Wetland Restoration	\$ 70,000.00	\$ 171,570.00	\$ 30,000.00	\$ -	\$ 70,000.00	\$ -
34 Spring Creek Project	\$ 75,000.00	\$ 8,742.36	\$ -	\$ 432.00	\$ 75,000.00	\$ -
35 West Chaska Creek Project	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36 Sustainable Lakes Management Plan (Trout Lakes)	\$ -	\$ -	\$ 50,000.00	\$ -	\$ -	\$ -
37 Geomorphc Assessments (Trout Streams)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38 Fen Stewardship Program	\$ 25,000.00	\$ 41,305.24	\$ 25,000.00	\$ 6,876.29	\$ 25,000.00	\$ 25,000.00
39 District Boundary Modification Project	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
40 East Chaska Creek Bank Stabilization Project	\$ -	\$ -	\$ -	\$ 77,176.21	\$ 60,000.00	\$ -
41 East Chaska Creek Water Quality Treatment Project	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42 Minnesota River Sediment Reduction Strategy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44 Local Water Management Plan reviews	\$ 15,000.00	\$ 1,285.50	\$ 5,000.00	\$ 1,285.50	\$ 15,000.00	\$ 5,000.00
45 Project Reviews	\$ 50,000.00	\$ 141,798.08	\$ 75,000.00	\$ 42,813.36	\$ 50,000.00	\$ 75,000.00
46 Monitoring	\$ 75,000.00	\$ 43,826.92	\$ 75,000.00	\$ 12,838.00	\$ 75,000.00	\$ 75,000.00
47 Watershed Management Plan						
48 Next Generation Watershed Management Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49 Plan Clarification and proposed rules/Rule implementation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50 Plan Amendment	\$ 10,000.00	\$ 8,457.39	\$ -	\$ 1,526.54	\$ 10,000.00	\$ -
51 Vegetation Management Standard/Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52 Public Education/Citizen Advisory Committee/Outreach Program	\$ 30,000.00	\$ 62,895.19	\$ 75,000.00	\$ 27,272.70	\$ 75,000.00	\$ 85,000.00
53 Cost Share Program	\$ 50,000.00	\$ 7,149.00	\$ 20,000.00	\$ 5,543.50	\$ 50,000.00	\$ 20,000.00
Nine Foot Channel						
54 Transfer from General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
55 Dredge site operations	\$ -	\$ -	\$ -	\$ 102.00	\$ 102.00	\$ 240,000.00
56 Dredge Site Restoration	\$ 240,000.00	\$ 459,845.30	\$ 240,000.00	\$ -	\$ 240,000.00	\$ -
57 Total Non-administrative Expenses:	\$ 890,000.00	\$ 1,264,406.93	\$ 865,000.00	\$ 417,214.65	\$ 1,172,381.15	\$ 900,000.00
58 Total Administrative Expenses (from line 13)	\$ 250,000.00	\$ 289,956.37	\$ 250,000.00	\$ 332,328.05	\$ 250,000.00	\$ 250,000.00
59 Total Expenses	\$ 1,140,000.00	\$ 1,554,363.30	\$ 1,115,000.00	\$ 749,542.70	\$ 1,422,381.15	\$ 1,150,000.00
60 Revenue less Expenses	\$ (140,000.00)	\$ (604,941.88)	\$ (115,000.00)	\$ (94,300.08)	\$ (417,345.15)	\$ (100,000.00)
61 Beginning Fund Balance - January 1			\$ (1,554,363.30)	\$ (1,554,363.30)		\$ (1,669,363.30)
62 Total Revenue			\$ 1,000,000.00	\$ 655,242.62		\$ 1,050,000.00
63 Total Expenses			\$ (1,554,363.30)	\$ (749,542.70)		\$ (1,150,000.00)
64 Ending Fund Balance - December 31 (bold figures are projected)			\$ (1,669,363.30)	\$ (1,648,663.38)		\$ (1,769,363.30)

2023 proposed LMRWD Budget for Administration Operations
2021 Adopted Budget/Actuals - 2022 Adopted Budget/YTD/Projected - 2023 Proposed

Account	Adopted 2021	2021 Actual	Adopted 2022	YTD 2022 (Through 6/30/22)	Projected 2022	Proposed 2023
Expenses:						
65 Wages-General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
66 Severance Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
67 Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
68 PERA Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
69 Payroll Tax (FICA/Medicare)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70 Unemployment compensation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71 Manager Per Diem	\$ 11,250.00	\$ 7,375.00	\$ 11,250.00	\$ -	\$ 11,250.00	\$ 11,250.00
72 Manager Expense (mileage/food/registrations)	\$ 3,000.00	\$ 434.56	\$ 3,000.00	\$ -	\$ 3,000.00	\$ 3,000.00
Data Management project (DRB Consulting)	\$ -	\$ 5,274.00	\$ -	\$ -	\$ -	\$ -
73 Telecommunications-Cell-Internet/Phone	\$ 1,000.00	\$ -	\$ 1,000.00	\$ -	\$ 1,000.00	\$ 1,000.00
74 Office Supplies	\$ 300.00	\$ 352.38	\$ 300.00	\$ 86.75	\$ 300.00	\$ 3,000.00
75 Meeting Supplies/Expense	\$ 100.00	\$ 842.12	\$ 100.00	\$ -	\$ 100.00	\$ 100.00
76 Rent	\$ 7,800.00	\$ 8,450.00	\$ 7,800.00	\$ 3,900.00	\$ 7,800.00	\$ 7,800.00
77 Dues	\$ 7,500.00	\$ -	\$ 7,500.00	\$ -	\$ 7,500.00	\$ 7,500.00
78 Miscellaneous-General	\$ 3,000.00	\$ 1,683.00	\$ 3,000.00	\$ 748.00	\$ 3,000.00	\$ 3,000.00
79 Training & Education	\$ 1,500.00	\$ 376.85	\$ 1,500.00	\$ -	\$ 1,500.00	\$ 1,500.00
80 Insurance & Bonds	\$ 11,000.00	\$ 9,762.00	\$ 11,000.00	\$ 180.00	\$ 11,000.00	\$ 11,000.00
81 Postage	\$ 375.00	\$ 2,171.00	\$ 375.00	\$ 18.00	\$ 375.00	\$ 375.00
82 Photocopying	\$ 875.00	\$ 1,564.38	\$ 875.00	\$ 2.43	\$ 875.00	\$ 875.00
83 Legal Notices-General	\$ 1,500.00	\$ 1,934.00	\$ 1,500.00	\$ 42.00	\$ 1,500.00	\$ 1,500.00
84 Subscriptions & License Fees	\$ 250.00	\$ 1,593.31	\$ 250.00	\$ 368.99	\$ 250.00	\$ 250.00
85 Mileage	\$ 5,000.00	\$ 516.48	\$ 5,000.00	\$ 162.00	\$ 5,000.00	\$ 5,000.00
86 Taxable meal reimbursement	\$ 500.00	\$ 20.00	\$ 500.00	\$ -	\$ 500.00	\$ 500.00
87 Lodging/ Staff Travel	\$ 1,500.00	\$ -	\$ 1,500.00	\$ -	\$ 1,500.00	\$ 1,500.00
88 Accounting/Financial Services	\$ 5,382.00	\$ 5,410.00	\$ 5,580.00	\$ 2,719.00	\$ 5,382.00	\$ 25,438.00
89 Audit Fees	\$ 15,000.00	\$ 15,265.00	\$ 15,000.00	\$ -	\$ 15,000.00	\$ 27,548.00
90 Professional Services-General	\$ 120,168.00	\$ 133,275.00	\$ 104,970.00	\$ 33,750.00	\$ 120,168.00	\$ 59,864.00
91 Legal Fees-General	\$ 10,000.00	\$ 11,710.00	\$ 10,000.00	\$ 3,796.00	\$ 10,000.00	\$ 10,000.00
92 Engineering-General	\$ 20,000.00	\$ 101,969.42	\$ 35,000.00	\$ 41,511.16	\$ 20,000.00	\$ 45,000.00
94 Equipment-Maintenance	\$ 500.00	\$ 332.31	\$ 500.00	\$ 157.24	\$ 500.00	\$ 500.00
95 Equipment-Lease	\$ 2,500.00	\$ 2,017.20	\$ 2,500.00	\$ 840.50	\$ 2,500.00	\$ 2,500.00
97 Lobbying	\$ 20,000.00	\$ 20,000.04	\$ 20,000.00	\$ 10,000.02	\$ 20,000.00	\$ 20,000.00
98 Total Expense for Administration:	\$ 250,000.00	\$ 332,328.05	\$ 250,000.00	\$ 98,282.09	\$ 250,000.00	\$ 250,000.00

2023 Budget Explanation of line items

Project funding proposed in the 2022 Budget is taken from Table 4-1 Implementation Program Budget found in Section 4 of the LMRWD Watershed Management Plan. Explanations for certain lines follow.	
Line #	Cooperative Projects
	<i>Cooperative Projects are those projects that are intended to be completed by the LMRWD with other partners</i>
14	Eden Prairie Bank Stabilization - Area #3 The LMRWD received a Clean Water grant (\$127, for this project under BWSR's Watershed Based Funding Program. The LMRWD allocated \$100,000 in 2022 for this project and \$250,000 in 2023 according to the implementation program in Section 4 of the LMRWD Watershed Management Plan (Plan)
	509 Plan Budget
22	Watershed Resource Restoration Fund This fund implements Goals 2 and 3, which are to protect, improve and restore surface water and ground water quality within the District. This program will fund projects sponsored by LGUs and were not identified at the time the Plan was adopted. Since the preliminary approval of the 2022 budget in August, the Board accepted a request from the City of Burnsville to partner on the stabilization of a ravine along Willow Creek. \$75,000 of this line will be set aside for that project. A request has been received from Scott County to partner in the collaborative LIDAR collection project. In the end, the Board declined to participate in this project as other Metro-area counties are participating in the LIDAR project and did not ask for funds from the LMRWD to pay for the project. The LMRWD will be able to use the information that will result from the project. In 2023, the Plan has allocated \$125,000 to this fund.
38	Fen Stewardship Program This project is a partnership between the LMRWD, the MN DNR and the Metropolitan Council. The effort will develop a management plan to protect, preserve and possibly restore calcareous fens within the LMRWD.
44	Local Water Management Plan Reviews The LMRWD has not yet approved the Local Water Management Plans for Savage and Mendota. Mendota Heights is working on an update to its Plan. Some Cities' Burnsville and Savage Plans are in the process of being updated due to LMRWD rules, which required cities to amend their official controls to conform to the rules.
45	Project Reviews This item includes costs incurred by the LMRWD to review non-LMRWD projects in cities that have either opted to have the LMRWD review projects or have not yet received a Municipal permit. Eden Prairie and Chaska have opted to have the LMRWD review projects within the boundaries of the LMRWD. The LMRWD is also responsible for reviewing MNDOT, and MAC (Metropolitan Airport Commission) projects and for the unincorporated areas of the District. Burnsville and Savage intend to apply for a municipal permit, but permits have not been approved for these cities yet. In Shakopee and Bloomington, the LMRWD will continue to review project in the floodplain and High Value Resource areas. The LMRWD collects permit fees on private projects, but fees do not entirely offset the cost of reviews.
46	Monitoring The LMRWD continues to review of its monitoring program to evaluate whether monitoring is providing the information needed to manage resources within the District. The LMRWD will look at how data collected is being utilized. The MN DNR informed the LMRWD that it really is not assessing the data.
47-51	Watershed Management Plan Amendment Staff is planning an update to the Watershed Management Plan; primarily to update Table 4-1 Implementation Program Budget for 2018 – 2027 and the LMRWD rules. \$10,000 was

2023 Budget Explanation of line items

	included in the budget 2021 for amending the Plan. This amount should be enough to cover any Plan Amendment and rules revision. This amount will be enough to cover cost related to the Plan in 2022. The plan process and rules revision should be completed in 2022
52	<p>Public Education/CAC/Outreach Program</p> <p>The 2023 projected costs the LMRWD plans to spend on public education include</p> <ul style="list-style-type: none"> • Citizen Advisory Committee (CAC).....\$13,248.00 • Master Water Steward Program.....\$2,500.00 • Continue School & NGO Engagement.....\$13,248.00 • Community Outreach & Engagement.....\$15,456.00 • Cost Share Program and Training.....\$4,896.00 • LMRWD website update/maintenance.....\$15,812.00 • Freshwater Society "Ice Out/Loon In".....\$800.00 • MN River Boat Tour/engagement activity.....\$7,500.00 • Sponsorship of Salt Symposium and Water Summit.....\$500.00 • Social Media.....\$11,040.00 <p>TOTAL:.....\$85,000.00</p>
...	Nine Foot Channel
54-56	<p>Transfer from General Fund</p> <p>The deficit that had built up in the Channel Fund was eliminated in 2019. All expenses incurred for managing dredge and maintenance of the dredge site are covered by the grant from the state of Minnesota. The transfer that was budgeted in 2020 was not necessary and a mid-year budget adjustment was done in August 2020 to reassign the money allocated to a transfer to the Channel Fund. \$80,000 was reassigned to the Gully Inventory. 15% of LMRWD Administrative costs such as rent, copier lease, lobbying, etc. are charged to the Channel Fund.</p>
Line #	Administrative Budget
71	<p>Manager Per Diem</p> <p>This amount is calculated for 5 Managers, using a per diem of \$125/meeting and 1.5 meetings per month per manager.</p>
77	<p>Dues</p> <p>MAWD dues were included at \$7,500. Staff is recommending that the MAWD dues be included in the budget.</p>
88	<p>Accounting /Financial Services</p> <p>The agreement for financial services with Carver County will expired at the end of 2021. Carver County no longer had the capability to provide financial services to the LMRWD. In 2022, the LMRWD retained the services of CLA (Clifton Larson Allen LLP). The amount in this line item reflects the amount in the Professional Services Agreement between the LMRWD and CLA.</p>
89	<p>Audit Fees</p> <p>In 2021, Redpath and Company informed the LMRWD that it could not longer provide audit services for the LMRWD. The LMRWD retained the services of Global Portfolio Consulting to provide audit services. The amount shown in this line reflect the amount contained in the Engagement Letter</p>
92	<p>Engineering</p> <p>This line has been increased to better reflect the actual cost of general engineering expenses. Costs incurred by the District that are charged to this line include preparation for monthly board meeting, Board meeting attendance by technical and engineering staff. To offset the increase to this line, line 86 was reduced. Line 86 is the line that administrative services (Naiad Consulting) are charged to. More administrative service fees can be charged to directly to project budgets than has been done in the past.</p>