



Item 5C.
BCWMC 6-20-19

Bassett Creek Watershed Management Commission

MEMO

To: BCWMC Commissioners
From: Laura Jester, Administrator
Date: June 11, 2019

RE: 2020 Operating Budget Options

At the May 16th meeting, the Commission reviewed the Budget Committee's recommendation for the 2020 Operating Budget. At the meeting there was considerable discussion about the appropriate amount of funding that should be set aside for development of the 2025 Watershed Management Plan.

I met with Commission Engineers Karen Chandler and Greg Williams to discuss possible costs of plan development and have the following notes:

- The BCWMC planning process should begin in early 2023 and should be completed by fall 2025.
- Costs to develop the 2015 plan: budgeted expenses = \$95,485; actual expenses = \$169,680 (178% of budget).
- 2015 plan development process was much more time consuming and took 12 months longer than expected, mostly due to the extensive stakeholder engagement early in the process, and a high level of detailed discussion/negotiation with the TAC and the Plan Steering Committee regarding significant issues including MIDS (development standards), and new buffer regulations, among others.
- There are several significant issues that have been or will be addressed between the last plan and next plan including: Flood Control Project maintenance/repair roles, responsibilities, and funding; CIP prioritization; AIS roles and responsibilities; chlorides (to be tackled in 2020 or 2021); and the long-term monitoring plan (workshop planned for this fall). These items should not need to be addressed during development of the next plan.
- However, there are several "unknowns," current gaps, or items that could take significant time and effort to discuss during development of the 2025 plan including: possible overhaul of the way the CIP program is implemented; requirements for linear projects; development of subwatershed assessments; development of a grant program; in-depth public engagement effort during plan development; emerging pollutants; resiliency to climate change impacts; addressing underserved communities; groundwater; and BWSR expectations for the plan.
- We reviewed planning costs for other similar sized watersheds recently completed or budgeted: Riley Purgatory Bluff Creek WD = \$160,000 (excludes public engagement); Capitol Region WD = \$200,000; Valley Branch WD = \$190,000 (included writing 38 subwatershed plans), and Ramsey-Washington Metro WD = approximately \$200,000 (included writing 24 subwatershed plans). In these cases, Barr Engineering staff performed (or will perform) all or a very significant portion of the plan writing. For the BCWMC, it's anticipated that I could write much of the plan, reducing costs.
- Staff believes \$100,000 - \$150,000 is needed for the next BCWMC plan and currently recommends a budget of \$120,000.

The tables below include a description of options and a summary of the impact on city assessments. Greater detail is included in the budget tables attached. At the May meeting there was also some discussion about whether or not the Commission should remain a member of the MN Association of Watershed Districts. All figures assume the Commission remains a MAWD member with 2020 dues approximately \$7,500.

City assessments could be reduced in any option if other revenue streams were higher. Although we typically do not include interest earnings as revenue due to their volatility, we could show up to \$500 in interest revenue. Or, although I don't recommend it, the Commission could decide to use more fund balance.

Plan Funding Options			
	Option 1	Option 2	Option 3
Option Description	Partially funds the plan with little impact to budget until 2023 when planning begins and a significant budget increase is needed.	Partially funds the plan with slightly more impact to budgets until 2023 when planning begins and a significant budget increase is needed.	Fully funds the plan equally between now and end of plan development.
Existing, Proposed, and Possible Future Planning Budgets			
2019 (already budgeted)	\$12,000	\$12,000	\$12,000
2020 (proposed per option)	\$10,000	\$12,000	\$18,000
2021	\$10,000	\$12,000	\$18,000
2022	\$10,000	\$12,000	\$18,000
2023	\$26,000	\$24,000	\$18,000
2024	\$26,000	\$24,000	\$18,000
2025	\$26,000	\$24,000	\$18,000
TOTAL	\$120,000	\$120,000	\$120,000

Impact of Options on City Assessments				
	2019	2020 Option 1 (+3.0% over 2019)	2020 Option 2 (+3.4% over 2019)	2020 Option 3 (+4.5% over 2019)
Crystal	\$27,877	\$28,825	\$28,930	\$29,247
Golden Valley	\$138,553	\$143,510	\$144,036	\$145,613
Medicine Lake	\$3,846	\$3,942	\$3,957	\$4,000
Minneapolis	\$35,805	\$37,323	\$37,460	\$37,870
Minnetonka	\$28,989	\$29,722	\$29,831	\$30,157
New Hope	\$27,987	\$28,750	\$28,855	\$29,171
Plymouth	\$237,986	\$243,931	\$244,825	\$247,505
Robbinsdale	\$8,523	\$8,864	\$8,897	\$8,994
St. Louis Park	\$20,284	\$21,083	\$21,160	\$21,392
TOTAL	\$529,850	\$545,950	\$547,950	\$553,950