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June 27, 2017

City Clerks

Member Cities

via email

West Mississippi Watershed Management Commission

Hennepin County, Minnesota

RE: West Mississippi Watershed Management Commission
2018 Operating Budget and Member Assessments

At its June 8, 2017 meeting, the West Mississippi Watershed Management Commission adopted an operating budget for calendar year 2018. The budget is in the amount of \$183,500 and is outlined in Table 1 on the following page. Table 2 describes the line items in more detail.

The 2018 budget generally continues the same activities at the same level of effort as in 2017. Each line item is explained in the 2018 Budget Explanation (Table 2).

Table 3 on page 4 shows the 2018 assessments to the member cities. A 2004 amendment to the JPA set an "assessment cap" on the Commission's administrative budget that limits the annual city assessment increase to the increase in the Consumer Price Index (CPI-U), using the 2004 assessment as a base. The Commission could increase member city assessments for 2018 to \$158,530. However, the 2018 budget provides for an assessment of \$150,000, an increase of 3.4%. In past years the Commission supplemented the assessments with a contribution from cash reserves to draw down what was a substantial balance. The unrestricted fund balance at the end of 2015 was estimated to be about \$77,490. Staff recommends that the assessments be increased by steps over a few years to fully fund the operating budget without that supplement.

Article VIII, Subdivision 4 of the Joint Powers Agreement (JPA) that established the Commission provides that a member city may object to the budget by giving written notice to the Commission before August 1, 2017. If any objections are received, the Commission will hear the objections at its August 10, 2017 meeting and may modify the budget.

The West Mississippi Watershed Management Commission requests approval of its 2018 Operating Budget. Your cooperation in continuing the important work of the Commission is greatly appreciated. Questions may be directed to this office or to your representative.

Sincerely,

Judie A. Anderson
Administrator
JAA:tim

Cc via email: City Managers
Commissioners
TAC Members
Commission Staff



Table 1. Approved West Mississippi Watershed Management Commission 2018 operating budget.

		2016 Budget	2016 Actual	2017 Budget	2018 Budget
INCOME					
1	Application fees	\$18,000	\$18,100	\$18,000	\$18,000
2	Interest income	60	2,505	65	500
3	Assessment	135,700	135,700	145,000	150,000
4	Blue Line Extension	6,595	3,405		2,000
5	Reserve - General	23,740	(6,323)	11,535	13,000
	TOTAL INCOME	\$184,095	\$157,387	\$174,600	\$183,500
EXPENSES					
OPERATIONS					
<i>Administration:</i>					
6	Administrative services	\$30,000	\$29,792	\$31,000	\$31,000
7	TAC/engineering support	3,500	2,693	4,500	4,000
8	Project reviews/WCA	1,000	771	1,000	1,000
	Subtotal	\$34,500	\$33,256	\$36,500	\$36,000
<i>Engineering:</i>					
9	Engineering services	21,500	24,224	25,000	30,000
10	Grant writing	1,500	0	1,500	1,500
11	Project reviews/WCA	20,000	23,867	23,000	25,000
12	Blue Line Extension	6,595	4,268	0	2,000
	Subtotal	\$49,595	\$52,359	\$49,500	\$58,500
<i>Legal:</i>					
13	Legal services	5,000	4,383	5,000	5,000
	Subtotal	\$5,000	\$4,383	\$5,000	\$5,000
<i>Miscellaneous:</i>					
14	Accounting	2,500	2,335	2,500	2,700
15	Audit	5,000	4,500	5,000	5,000
16	Contingency	0	0	0	0
17	Insurance & bonding	2,800	2,525	2,300	2,800
18	Meeting expense	1,700	1,400	1,800	2,000
	Subtotal	\$12,000	\$10,760	\$11,600	\$12,500
<i>Monitoring:</i>					
19	Vol stream monitoring	1,000	0	1,000	1,000
20	Vol wetland monitoring	2,000	2,000	2,000	2,000
21	Outfall & stream monitoring	17,000	15,145	17,000	17,000
22	Annual monitoring report	6,000	5,834	6,000	6,000
	Subtotal	\$26,000	\$22,979	\$26,000	\$26,000
<i>Education:</i>					
23	Education program	14,000	12,786	15,000	15,000
24	Rain garden workshops	3,000	2,114	2,000	2,000
25	WMWA impl activities	10,000	9,750	10,000	10,500
26	Education grants	2,000	0	2,000	2,000
	Subtotal	\$29,000	\$24,650	\$29,000	\$29,500
<i>Management Plans:</i>					
27	3 rd Gen Plan/plan amendments	3,000	0	2,000	1,000
28	Subwatershed BMP assessment	20,000	0	10,000	10,000
	Subtotal	\$23,000	\$0	\$12,000	\$11,000
29	Contrib to constr/grant match	5,000	5,000	5,000	5,000
30	Contribution to 4th Gen Plan	0	0	0	0
	TOTAL OPERATING EXPENSE	\$163,550	\$153,387	\$177,500	\$183,500



Table 2. Budget Line Item Descriptions

Income

Line	Explanation
1	The application fee structure is intended to recover the cost of completing current project reviews. While the fees do not fully fund that activity, they are set and periodically reviewed and adjusted so as to recover a majority of the cost. It is difficult to predict and budget for project review revenues and fees because it varies based on the economy. The fees will next be reviewed at the end of 2017.
3	The 2018 assessment to member cities is recommended increase by 3.4% to continue to phase out the use of cash reserves to subsidize the budget..
4	The Blue Line Extension project will be built through the watershed, and there will be a number of wetland and floodplain impacts and stream crossings. The Metropolitan Council will reimburse the Commission for the cost of the Watershed Engineer’s participation in planning meetings.

Expenses

6-8	These line items are to provide administrative support (scheduling, minutes, etc.) for regular Commission and TAC meetings and any Commission, TAC, or other meetings that require support, as well as general administrative duties such as notices, mailings, and correspondence. The Watershed Engineer continues to request the administrator to take on tasks that she can perform more cost effectively.
9	This line item includes general engineering support, including preparation for and attendance at Commission and TAC meetings, general technical and engineering assistance, minor special projects, etc. There has been an increasing amount of work including more frequent TAC meetings, more technical assistance to the member cities, managing the CIP process, etc., so this line item is proposed for increase.
11-12	These line items are for project reviews, review of Local Water Management Plans and Comprehensive Plan amendments and updates, environmental assessments, large projects such as the Blue Line Extension and general inquiries about past and upcoming projects. This activity has noticeably increased in the past few years, as there have been more planning and pre-submittal meetings and reviews. It is difficult to predict what the expense for a coming year will be, as it is based on the number of project reviews, inquiries, etc. received.
13-18	Legal and administrative costs necessary to operate the Commission and hold meetings.
19-20	At this time we are not recommending changes to the volunteer stream or wetland monitoring budgets. One stream site is monitored (Mattson Brook) through the RiverWatch program, and two wetlands through the Wetland Health Evaluation Program, both volunteer programs managed by Hennepin County.
21	Routine flow and water quality monitoring at two stream and/or outfall sites each year on a rotating basis.
22	This line is the Commission’s contribution to the Annual Shingle Creek and West Mississippi Water Quality Report.
23,26	The cost of the Education program is split 50/50 between Shingle Creek and West Mississippi.
24-25	The Commission participates in the West Metro Water Alliance (WMWA), contributes to funds to support rain garden workshops, classroom activities, and special projects on a regional basis.
27	The Commission reviews its Capital Improvement Program (CIP) annually, and periodically formally revises the CIP through major and minor plan amendments.
28	Completion of subwatershed BMP assessments systematically in the areas of the watershed that could benefit from additional treatment as recommended in the Third Generation Plan.
29	Grant match set-aside.



Table 3. 2018 Member Assessments

Community	Acreage	2016 Tax Capacity	Cost Allocation		Cost Based		Total Cost	
			Based on Area		On Tax Capacity			
			%age	Dollars	%age	Dollars	%age	Dollars
Brooklyn Center	1,660	6,820,682	10.46%	7,845	10.53%	7,896	10.49%	15,741
Brooklyn Park	9,880	38,593,631	62.26%	46,692	59.57%	44,680	60.91%	91,372
Champlin	3,620	15,846,207	22.81%	17,108	24.46%	18,345	23.64%	35,453
Maple Grove	530	2,414,514	3.34%	2,505	3.73%	2,795	3.53%	5,300
Osseo	180	1,108,861	1.13%	850	1.71%	1,284	1.42%	2,134
Totals	15,870	64,783,895	100.00%	75,000	100.00%	75,000	100.00%	150,000

Budget Background

INCOME

- Assessments: annual assessments to the member cities to pay the operating expenses of the Commission. Assessments are apportioned 50 percent based on land area within the watershed and 50 percent based on tax capacity of land within the watershed.

EXPENSES

OPERATIONS: All activities **mandated** by statute or state administrative rule except where noted.

Administration

- Administrative Services: clerical and office support duties on behalf of the Commission, such as preparing for and attending meetings, preparing minutes and agendas, correspondence, mailings, official records, official publications, annual reporting, preparing budget.
- Engineering Support: correspondence, official publications, attendance and minutes at TAC and other special meetings, and other support regarding engineering activities.
- Project Reviews/WCA: correspondence and other support regarding project reviews and Wetland Conservation Act actions.

Engineering

- Administration: technical and administrative duties on behalf of the Commission, such as: investigation and resolution of drainage, flood control, bank stabilization, erosion and water quality problems; research; preparing for and attending meetings; correspondence; responding to inquiries; annual reporting; preparing budget
- Grant Application Writing: researching and writing grant applications to supplement Commission funds. **Not mandated.**
- Project Reviews/WCA: reviewing projects and wetland replacement plans for conformance with Commission and WCA requirements; reviewing local plans and comprehensive plan amendments; consultation on upcoming projects; reviewing environmental assessments



Legal

- Legal Services: general counsel, preparing for and attending meetings, drafting policies and variances, reviewing contracts and agreements.

Miscellaneous

- Miscellaneous: annual audit, bookkeeping services, insurance and bonding, and meeting expenses.

MONITORING AND INFORMATION GATHERING: State administrative rules **mandate** water quantity and quality monitoring programs that are "...capable of producing accurate data to the extent necessary to determine whether water quantity and quality goals are being achieved" but *do not specify* what those programs should entail.

- Volunteer Stream Monitoring: Macroinvertebrate monitoring: in partnership with Hennepin County Environmental Services, students are trained to sample streambeds for macroinvertebrates and to classify the sampled organisms as an indicator of stream health. Monitoring is done on Mattson Brook.
- Volunteer Wetland Monitoring: Macroinvertebrate and vegetation monitoring: in partnership with Hennepin County Environmental Services, adults are trained to monitor and sample wetlands for plants and macroinvertebrates and to classify the sampled organisms and plants as an indicator of wetland health. Two to three sites are monitored each year.
- Commission Stream and Outfall Monitoring: Field data collection, equipment maintenance, sample lab analysis, and data analysis for flow monitoring and water quality sampling at two sites which rotate among Mattson Brook, the outlet of the Brooklyn Park Environmental Preserve, and various Mississippi River storm sewer outfalls.
- Water Quality Monitoring Report: An annual report that presents data gathered in the previous year and evaluates whether water quantity and quality goals are being achieved.

EDUCATION AND PUBLIC OUTREACH: A public information program is **mandated** by state administrative rules. The Commission also provides at the member cities' request NPDES Phase II education and public outreach programs **mandated** by the federal and state governments; the NPDES specifies the types of education and outreach that should be provided.

Education

- General public information and NPDES education program: target one or two messages per year; coordinate messages with cities; prepare materials for distribution by member cities; work with lake associations; Great Shingle Creek Watershed Cleanup; work with Watershed Partners; coordinate Education and Public Outreach Committee (EPOC); coordinate with the West Metro Water Alliance (WMWA) (with Shingle, Bassett, and Elm WMOs); work with area schools; maintain Web site.

Education Grants:

- Financial assistance for activities such as classes or programs to improve water quality education; curriculum and educational materials for use in the classroom; expenses for field trips or fieldwork related to water quality education; implementation projects that include an education component.

MANAGEMENT PLANS: The Commission is **mandated** by state statute and administrative rule to pursue an Implementation Program that consists of nonstructural, structural, and programmatic solutions to problems, issues, and management goals, although it does not specify what must be included.

3rd Gen Plan/Management Plans: Each year the Commission reviews the Capital Improvement program (CIP), and if necessary modifies it through a major or minor plan amendment.



Subwatershed BMP Assessments: Using a method developed by the Metro Conservation District and the Center for Watershed Protection, these analyses evaluate and model smaller subwatersheds for possible small Best Management practice implementation, including rain gardens, bioinfiltration and filtration basins, pond expansions and iron-enhanced filter retrofits, pervious pavement, tree trenches, capture and reuse, and other practices. Such an assessment has been completed in Champlin, in select direct drainage areas to the Mississippi River, and in Brooklyn Center, in the Evergreen Park area.

CONSTRUCTION/MATCHING GRANT FUND: Not mandated

An annual capital contribution towards a fund to be used to match grants or for high-priority projects as designated by the Commission.

CONTRIBUTION TO 4TH GENERATION MANAGEMENT PLAN

The Commissions are required by statute to update their plans at least every ten years. The Shingle Creek Commission is accumulating funds in a dedicated account to pay for this plan, expected in 2021-2022. The West Mississippi Commission at this time expects to pay its share from fund balance.

PROJECTS: The Commission is **mandated** by state statute and administrative rule to pursue an Implementation Program that consists of nonstructural, structural, and programmatic solutions to problems, issues, and management goals. The Commission maintains an updated Capital Improvement Program (CIP) identifying potential projects, and has a policy of participating in 25 percent of the cost of qualifying capital projects. The Commission does not have the authority to construct capital projects; all projects are completed by the member cities who fund the balance of the cost.