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June 27, 2024

City Clerks

Member Cities

via email

West Mississippi Watershed Management Commission
Hennepin County, Minnesota

RE: West Mississippi Watershed Management Commission
2025 Operating Budget and Member Assessments

At its June 13, 2024, meeting, the West Mississippi Watershed Management Commission adopted an operating budget for calendar year 2025. The budget is in the amount of \$203,950 and is outlined in Table 1 on the following pages.

The 2025 budget generally continues the same activities at the same level of effort as in 2024. Each line item is explained in the 2025 Budget Explanation (Table 2).

Table 3 shows the 2025 assessments to the member cities. The 2025 budget provides for an assessment of \$160,000, a zero increase over the 2024 assessment. The Appendix attached to this letter explains the impact of the 2023 boundary changes on the member assessments in more detail.

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, 2024. If any objections are received, the Commission will hear the objections at its August 8, 2024, meeting and may modify the budget.

The West Mississippi Watershed Management Commission requests approval of its 2025 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

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Table 1. Approved West Mississippi Watershed Management Commission 2025 budget.

		2023 Budget	2023 Actual (pre-audit)	2024 Budget	Approved 2025
INCOME					
1	Application fees	\$20,000	\$8,900	\$20,000	\$20,000
2	Interest income	100	61,552	5,000	5,000
3	Assessment	156,200	156,200	160,000	160,000
4	Reserve - general	0		8,000	18,950
	Reserve – Hwy 252/94 EIS Review		8,299		
	TOTAL INCOME	\$176,300	\$234,951	\$193,000	\$203,950
EXPENSES					
	<i>Administration:</i>				
5	Administrative services	\$32,000	\$29,315	\$32,000	\$32,000
6	TAC/engineering support	4,000	3,746	4,000	4,500
7	Project reviews/WCA	1,500	495	1,500	1,000
	Subtotal	\$37,500	\$33,556	\$37,500	\$37,500
	<i>Engineering:</i>				
8	Engineering services	\$32,300	\$38,664	\$35,000	\$37,000
9	Grant writing	0		500	0
	Hwy 252/94 EIS Review		7,761		
10	Project reviews/WCA	25,000	30,086	30,000	32,000
	Subtotal	\$57,300	\$76,511	\$65,500	\$69,000
	<i>Legal:</i>				
11	Legal services	\$5,000	\$4,950	\$5,000	\$5,500
	MN DOT Scoping Project		538		
	JPA Update		409		
	Subtotal	\$5,000	\$5,897	\$5,000	\$5,500
	<i>Miscellaneous:</i>				
12	Accounting	\$3,400	\$4,487	\$4,000	\$4,700
13	Audit	6,500	4,700	6,500	6,500
14	Insurance & bonding	3,000	2,709	3,000	3,100
15	Meeting expense	3,000	2,700	3,000	3,250
	Subtotal	\$15,900	\$14,596	\$16,500	\$17,550
	<i>Monitoring:</i>				
16	Vol stream monitoring	\$0		\$0	\$0
17	Vol wetland monitoring	2,000		0	0
18	Outfall & stream monitoring	22,600	19,518	24,000	24,000
19	Annual monitoring report	7,500	9,643	8,000	8,900
	Subtotal	\$32,100	\$21,161	\$32,000	\$32,900
	<i>Education:</i>				
20	Education program	\$17,000	\$16,296	\$24,000	\$24,000
21	WMWA implementation activities	11,500	9,000	11,500	17,000
	Subtotal	\$28,500	\$25,296	\$35,500	\$41,000

		2023 Budget	2023 Actual (pre-audit)	2024 Budget	Approved 2025
	<i>Management Plans:</i>				
22	Plan amendments	\$0	\$265	\$1,000	\$500
23	Subwatershed BMP assessment	0	0	0	0
	Subtotal	\$0	\$265	\$1,000	\$500
24	Contribution to 5th Gen Plan	0	0	0	0
25	To reserves (pre-audit)	0	\$46,045	0	0
TOTAL OPERATING EXPENSE		\$176,300	\$234,951	\$193,000	\$203,950

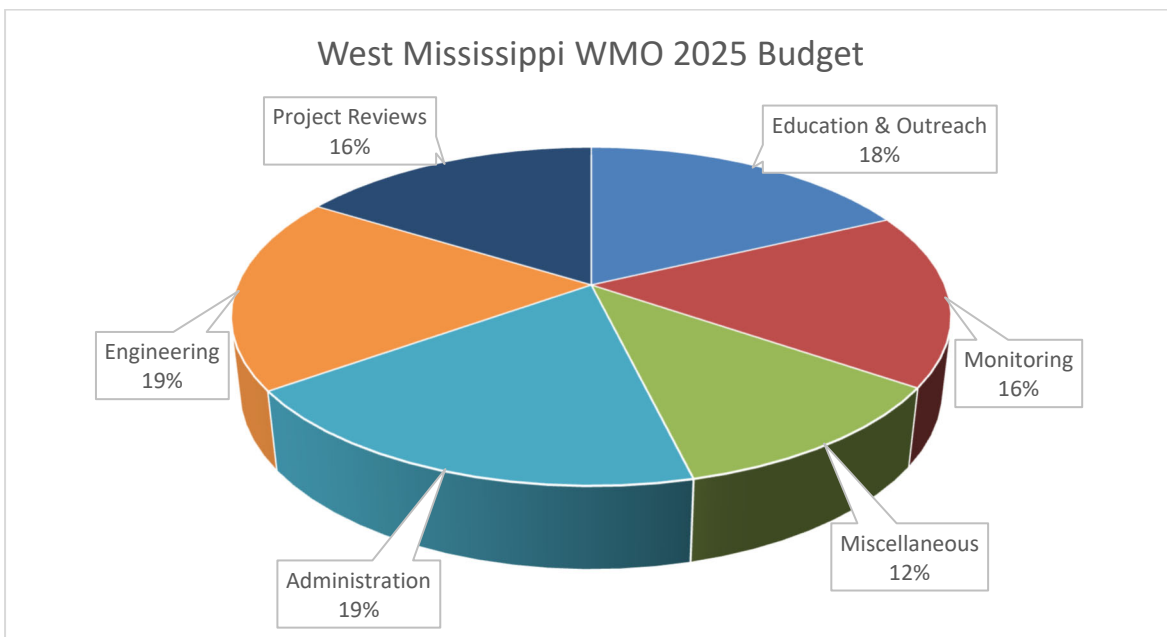


Figure 1. Approved 2025 West Mississippi operating budget by program area.
Note: "Miscellaneous" includes legal, bookkeeping, audit, insurance, and meeting expense.

Table 2 2025 Budget Explanation

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 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.
2	The Commission earns interest on its fund balance, which is held in the secure 4M Fund managed by the League of Minnesota Cities. The amount of interest earned varies based on the interest rate and on the balance, which varies throughout the year as city assessments are received early in the year and then expended throughout the year, and as levy and grant funds are received and held until project work is complete and the participating cities request reimbursement.
3	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. Assessments are not proposed to increase for 2025.
4	The Commission has in the past maintained a very healthy cash reserve. In previous years, those reserves were used to subsidize the assessments. As the reserves have been drawn down, the assessments are now funding most of the operating expenses. In 2024, the Commission budgeted \$8,000 from cash reserves to limit an assessment increase; in 2025 that amount is proposed as \$13,450.
5-7	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 Engineer continues to request the administrator to take on tasks that she can perform more cost effectively.
8-9	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, writing and administering grants, 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.
10	The Commission conducts reviews of development projects; 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.
11-15	Legal: general counsel: preparing for and attending meetings, drafting policies and variances, reviewing contracts and agreements. Misc: annual audit, bookkeeping services, insurance and bonding, and meeting expenses. The cost of the required annual audit has increased.
16-17	At this time we are not recommending budgeting for the volunteer stream and wetland programs administered by Hennepin County.
18	Routine flow and water quality monitoring at two stream and/or outfall sites each year on a rotating basis.
19	This line is the Commission's contribution to the Annual Shingle Creek and West Mississippi Water Quality Report that presents data gathered in the previous year and evaluates whether water quantity and quality goals are being achieved.
20	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 with the West Metro Water



Line	Explanation
	Alliance (WMWA) (with Shingle, Bassett, and Elm WMOs); work with area schools; maintain Web site. The cost of the Education program is split 50/50 between Shingle Creek and West Mississippi.
21	The Commission participates in the West Metro Water Alliance (WMWA), contributes to funds to support classroom activities, joint education messaging, and special projects on a regional basis. This budget is proposed to increase to support additional classroom and outreach activities and enhanced chloride education and outreach.
22	Plan amendment administrative expenses.
23	The Commission reviews its Capital Improvement Program (CIP) annually, and periodically formally revises the CIP through major and minor plan amendments.
24	No contributions are proposed to a dedicated 5 th Generation Watershed Management Plan account.
25	When expenses are less than collected revenues, the balance is transferred to the cash reserves.

Table 3. Approved 2025 Member City Assessments.

2023 Community	Acreage	2022 Tax Capacity	Cost Allocation Based on Area		Cost Based on Tax Capacity		Total Cost	
			%age	Dollars	%age	Dollars	%age	Dollars
Brooklyn Center	1,660	12,143,055	10.46%	8,169	10.41%	8,128	10.43%	16,298
Brooklyn Park	9,880	70,196,684	62.26%	48,623	60.16%	46,988	61.21%	95,611
Champlin	3,620	28,305,110	22.81%	17,815	24.26%	18,947	23.54%	36,762
Maple Grove	530	4,218,843	3.34%	2,608	3.62%	2,824	3.48%	5,432
Osseo	180	1,811,681	1.13%	885	1.55%	1,213	1.34%	2,098
Totals	15,870	116,675,373	100.00%	78,100	100.00%	78,100	100.00%	156,200
2024 Community	Acreage	2023 Tax Capacity	Cost Allocation Based on Area		Cost Based on Tax Capacity		Total Cost	
			%age	Dollars	%age	Dollars	%age	Dollars
Brooklyn Center*	1,660	12,820,589	10.46%	8,368	9.80%	7,840	10.13%	16,208
Brooklyn Park	9,880	76,834,739	62.26%	49,806	58.73%	46,987	60.50%	96,793
Champlin*	3,620	30,101,719	22.81%	18,248	23.01%	18,408	22.91%	36,657
Maple Grove*	530	6,081,491	3.34%	2,672	4.65%	3,719	3.99%	6,391
Osseo	180	4,979,253	1.13%	906	3.81%	3,045	2.47%	3,951
Totals	15,870	130,817,791	100.00%	80,000	100.00%	80,000	100.00%	160,000
2025 Community	Acreage	2024 Tax Capacity	Cost Allocation Based on Area		Cost Based on Tax Capacity		Total Cost	
			%age	Dollars	%age	Dollars	%age	Dollars
Brooklyn Center	1,736	12,857,776	11.68%	9,343	10.54%	8,430	11.11%	17,773
Brooklyn Park	9,870	75,766,477	66.40%	53,123	62.09%	49,675	64.25%	102,798
Champlin	2,591	26,961,713	17.43%	13,945	22.10%	17,677	19.76%	31,622
Maple Grove*	441	4,559,884	2.97%	2,374	3.74%	2,990	3.35%	5,363
Osseo	226	1,873,794	1.52%	1,215	1.54%	1,229	1.53%	2,444
Totals	14,864	122,019,644	100	80,000	100	80,000	100	160,000

*Includes WS 0: parcels with no assigned watershed

Table 4. Calculation of allowable member city assessments according to the JPA assessment cap.

	June CPI-U	Annual CPI % Change	Cumul. CPI % Change	WM Allowed	WM Actual
2003	183.7				
2004	189.7			\$119,450	\$ 76,200
2005	194.5	3.3%	3.3%	123,350	77,950
2006	202.9	2.5%	5.9%	126,470	80,350
2007	208.352	4.3%	10.5%	131,930	125,600
2008	218.815	2.7%	13.4%	135,480	125,600
2009	215.693	5.0%	19.1%	142,280	130,620
2010	217.965	-1.4%	17.4%	140,250	128,000
2011	225.722	1.1%	18.7%	141,730	128,000
2012	229.478	3.6%	22.9%	146,770	128,000
2013	233.504	1.7%	24.9%	149,220	135,700
2014	238.343	1.8%	27.1%	151,830	135,700
2015	238.638	2.1%	29.7%	154,980	135,700
2016	241.018	0.1%	29.9%	155,170	135,700
2017	243.801	1.0%	31.2%	156,720	145,000
2018	251.989	1.6%	33.3%	159,280	150,000
2019	254.202	1.9%	37.2%	163,850	153,600
2020	258.115	0.9%	39.4%	166,560	153,600
2021	264.877	0.6%	40.3%	167,840	153,600
2022	287.504	5.4%	47.9%	176,670	156,200
2023	301.836	9.1%	56.5%	186,950	156,200
2024	312.332*	3.0%	64.3%	196,270	160,000
2025		2.4%**	70.0%**	203,090**	

*March 2024 CPI-U is the latest available **June 2023 to March 2024
Includes WS 0: parcels with no assigned watershed

Appendix

Supplemental Information on the Recent Boundary Change

As part of their joint Third Generation Watershed Management Plan update, the Shingle Creek and West Mississippi (SCWM) WMOs reviewed and revised their legal boundaries with the adjacent Elm Creek, Bassett Creek, and Mississippi WMOs. The boundaries had been drawn in the early 1980s during the establishment of SCWM. Due to subsequent development and better data about topography and drainage over the years, it was known that the legal boundary deviated in some cases significantly from the hydrologic boundary.

The legal boundary is used to, among other things, apportion the costs of operating the WMOs between cities. Also, many of the affected WMOs rely on Hennepin County to levy the costs of capital projects across all the real property in the legal boundary. It is important that these costs be levied as accurately as possible only to property that is within the hydrologic boundary.

The affected cities and WMOs all had the opportunity to review and make corrections to the proposed boundary revisions, and all accepted the final boundaries. These boundaries were used as the basis for the proposed 2025 city assessments and will be used by Hennepin County to assign certified capital levies in Fall 2024 for collection in 2025.

The attached table compares the area of each city within the Shingle Creek, West Mississippi, and Elm Creek WMOs and how shifts in area may have affected the apportionment of that part of the city assessments based on area. The biggest shift was with parcels in Champlin and Maple Grove that moved from West Mississippi to Elm Creek. Brooklyn Park now represents a larger percent of the watershed. Most of the parcel reassignments were between the Shingle, Elm, and West Mississippi WMOs, but several parcels in Plymouth moved into Bassett Creek and several in Minneapolis moved to the Mississippi WMO.

The WMOs also use either net tax capacity or taxable market value to apportion part of the assessments. It's more difficult to parse the impact of the boundary change on those values because they change from year to year. We do not have an apples-to-apples comparison (i.e., 2024 net tax capacity using the old boundary compared to the new boundary.) However, it appears that most of the parcels moving between watersheds were residential and not large commercial or industrial properties where the values are more volatile. It is reasonable to assume that the tax capacity or market value change just due to the boundary change followed the same pattern as the areal change.

Shingle Creek WMO change in area and tax capacity 2023 to 2024 and 2024 and proposed 2025 assessments.

City	Area (acres)			% of watershed		Tax Capacity (\$)			% of watershed		Assessments		
	Old	New	Change	Old	New	Old (2023)	New (2024)	Change	Old	New	2024	2025	Change
Brooklyn Center	3,720	3,644	-2.0%	13.1%	13.3%	25,567,389	25,531,735	-0.1%	10.1%	10.0%	42,871	43,345	474
Brooklyn Park	7,080	7,087	0.1%	24.9%	25.8%	56,705,102	57,427,908	1.3%	22.4%	22.5%	87,473	89,974	2,501
Crystal	2,480	2,447	-1.3%	8.7%	8.9%	18,739,269	18,567,549	-0.9%	7.4%	7.3%	29,819	30,145	326
Maple Grove	5,020	4,937	-1.7%	17.6%	18.0%	53,080,785	53,131,240	0.1%	21.0%	20.9%	71,433	72,263	830
Minneapolis	1,950	1,872	-4.0%	6.9%	6.8%	16,419,161	17,391,200	5.9%	6.5%	6.8%	24,678	25,388	710
New Hope	2,070	1,953	-5.7%	7.3%	7.1%	22,759,451	22,778,439	0.1%	9.0%	8.9%	30,093	29,870	-223
Osseo	300	254	-15.3%	1.1%	0.9%	3,099,165	3,140,133	1.3%	1.2%	1.2%	4,216	4,014	-202
Plymouth	4,380	3,807	-13.1%	15.4%	13.9%	41,524,951	41,327,712	-0.5%	16.4%	16.2%	58,826	55,983	-2,843
Robbinsdale	1,460	1,435	-1.7%	5.1%	5.2%	15,187,729	15,463,104	1.8%	6.0%	6.1%	20,593	21,018	425
TOTAL	28,460	27,436		100.0%	100.0%	\$253,083,002	\$254,759,020		100.0%	100.0%	370,000	372,000	2,000

West Mississippi WMO change in area and tax capacity 2023 to 2024 and 2024 and proposed 2025 assessments.

City	Area (acres)			% of watershed		Tax Capacity (\$)			% of watershed		Assessments (\$)		
	Old	New	Change	Old	New	Old (2023)	New (2024)	Change	Old	New	2024	2025	Change
Brooklyn Center	1,660	1,736	4.6%	10.5%	11.7%	12,820,589	12,857,776	0.3%	10.0%	10.5%	16,208	17,773	1,565
Brooklyn Park	9,880	9,870	-0.1%	62.3%	66.4%	76,834,739	75,766,477	-1.4%	60.2%	62.1%	96,793	102,798	6,005
Champlin	3,620	2,591	-28.4%	22.8%	17.4%	30,101,719	26,961,713	-10.4%	23.6%	22.1%	36,657	31,622	-5,035
Maple Grove	530	441	-16.8%	3.3%	3.0%	6,081,491	4,559,884	-25.0%	4.8%	3.7%	6,391	5,363	-1,028
Osseo	180	226	25.6%	1.1%	1.5%	1,880,088	1,873,794	-0.3%	1.5%	1.5%	3,951	2,444	-1,507
TOTAL	15,870	14,864		100.0%	100.0%	\$127,718,626	\$122,019,644		100.0%	100.0%	160,000	160,000	0

Elm Creek WMO change in area and tax value 2023 to 2024 and 2024 and proposed 2025 assessments.

City	Area (sq mi)			% of watershed		Taxable Market Value (\$)			% of watershed		Assessments (\$)		
	Old	New	Change	Old	New	Old (2023)	New (2024)	Change	Old	New	2024	2025	Change
Champlin	3.08	3.68	16.3%	2.4%	2.8%	898,761,000	1,161,197,800	22.6%	4.0%	5.1%	9,998	13,151	3,153
Corcoran	36.06	36.07	0.0%	27.6%	27.5%	1,808,292,200	1,806,478,300	-0.1%	8.0%	8.0%	20,116	20,459	343
Dayton	25.17	25.08	-0.4%	19.3%	19.1%	2,031,786,500	2,038,390,200	0.3%	9.0%	9.0%	22,602	23,086	484
Maple Grove	26.32	26.06	-1.0%	20.2%	19.9%	10,043,624,100	10,089,589,600	0.5%	44.7%	44.5%	111,726	114,270	2,544
Medina	9.34	9.37	0.3%	7.2%	7.2%	1,680,727,800	1,684,881,900	0.2%	7.5%	7.4%	18,697	19,082	385
Plymouth	4.44	4.51	1.6%	3.4%	3.4%	2,671,442,700	2,570,902,100	-3.9%	11.9%	11.3%	29,717	29,117	-600
Rogers	26.2	26.2	0.0%	20.1%	20.0%	3,339,194,100	3,340,724,100	0.0%	14.9%	14.7%	37,145	37,835	690
TOTAL	130.61	130.97		100.0%	100.0%	\$22,473,828,400	\$22,692,164,000		100.0%	100.0%	250,000	257,000	7,000