



MEMORANDUM

Comfort Lake-Forest Lake Watershed District

Date: May 26, 2023
To: CLFLWD Board of Managers
From: Mike Kinney, District Administrator
Subject: 2024 Budget Workshop – June



District Wide

Background

The Board held the first budget workshop of the year on May 24th. Staff presented the proposed 2024 budget including project highlights, differences from the Watershed Management Plan budget, estimated grant revenues, estimated loan disbursements and loan repayment schedule, and information about the levy and estimated market values. The managers asked for follow-up information on a few topics; see sections below.

Estimated Market Values

The Board discussed how estimated market values (EMV) in the District have increased over the years and discussed the associated tax impacts with respect to the levy. The Board asked for more information on EMV increases over the years and comparisons with respect to the levy. Enclosed is an expanded version of the final page of the budget – Net Tax Capacities and Estimated Market Values.

It is difficult to estimate 2024 tax impacts without the calculators provided by the counties, which are usually available in August. Even with these calculators, Minnesota taxes are complicated. Despite the fact that the District did not increase its levy from 2022 to 2023, the median home tax impact still went up, because taxable values increased more than the tax rate itself. The 2023 Budget and Tax Levy Impacts information sheet provides more information on this topic on page 2. This info sheet was provided to the board and public last year, and it is enclosed here for reference and additional context.

Clean Water Partnership Loan Program Projections

The Board also asked for a cash flow projection for the Clean Water Partnership (CWP) Loan Program, and District staff got in touch with MN Pollution Control Agency (MPCA) staff later that day. At this time, MPCA is unable to provide an up-to-date projection quite yet, but they indicated that the program's cash flow issue should be rectified with the passage of the bonding bill on Monday May 22nd. The bill entailed a transfer of funds that gave CWP an infusion of cash. This bill didn't pass last year in the bonding session, which resulted in cash flow issues in the CWP loan program. MPCA staff indicated they do not anticipate that CLFLWD will have any difficulty obtaining additional loans. MPCA staff will share a dollar amount projection once they have a number to share.



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Floodplain and Watershed Resiliency Work

Managers also requested for a summary of proposed floodplain and watershed resiliency work.

- 3013 Watershed Planning & Resiliency: 2024 budget includes \$55,564 for staff time and consultant assistance to perform a floodplain vulnerability assessment. The District has gathered some data already, but it still needs to do some more modeling scenarios and community/interagency coordination to further this planning effort.
- 5100 Floodplain: 2024 budget includes \$34,943 for staff time and engineering assistance to continue coordination with the City of Forest Lake on the Regional Treatment Facility.
- Note that many of the District's water quality improvement projects and programs have multiple benefits, such as floodplain storage creation. The District can make measurable progress toward its floodplain goals by continuing its ongoing work in programs and projects.

June Workshop Itinerary

As discussed at the May workshop, the June workshop will provide more time for managers to give feedback on the proposed budget and have an open discussion about funding priorities. As always, managers are encouraged to send their comments/questions to staff in advance. Please send emails to both Emily Heinz and Mike Kinney.

Attached:

- Updated Net Tax Capacities and Estimated Market Values Sheet
- 2023 Budget and Tax Levy Impacts Information Sheet