



2024 Budget

May Workshop





Meeting Presentation & Discussions

Budget Outline In Page Order

- Recommended Pages to Focus on:
 - Expense-Revenue Summary Chart
 - Expense-Revenue Recap
 - Budget Overview
- Additional Budget Detail:
 - 1000 Administration Budget Detail
 - 2000 Debt Services Budget Detail
 - 3000 Programs Budget Detail
 - 5000 Projects Budget Detail
 - Levy Breakout
 - 2021-2028 Projections
 - Grant & Other Revenue Inventory
 - Loan Repayment Projections
 - Estimated Market Values and Net Tax Capacities





Expense-Revenue Summary

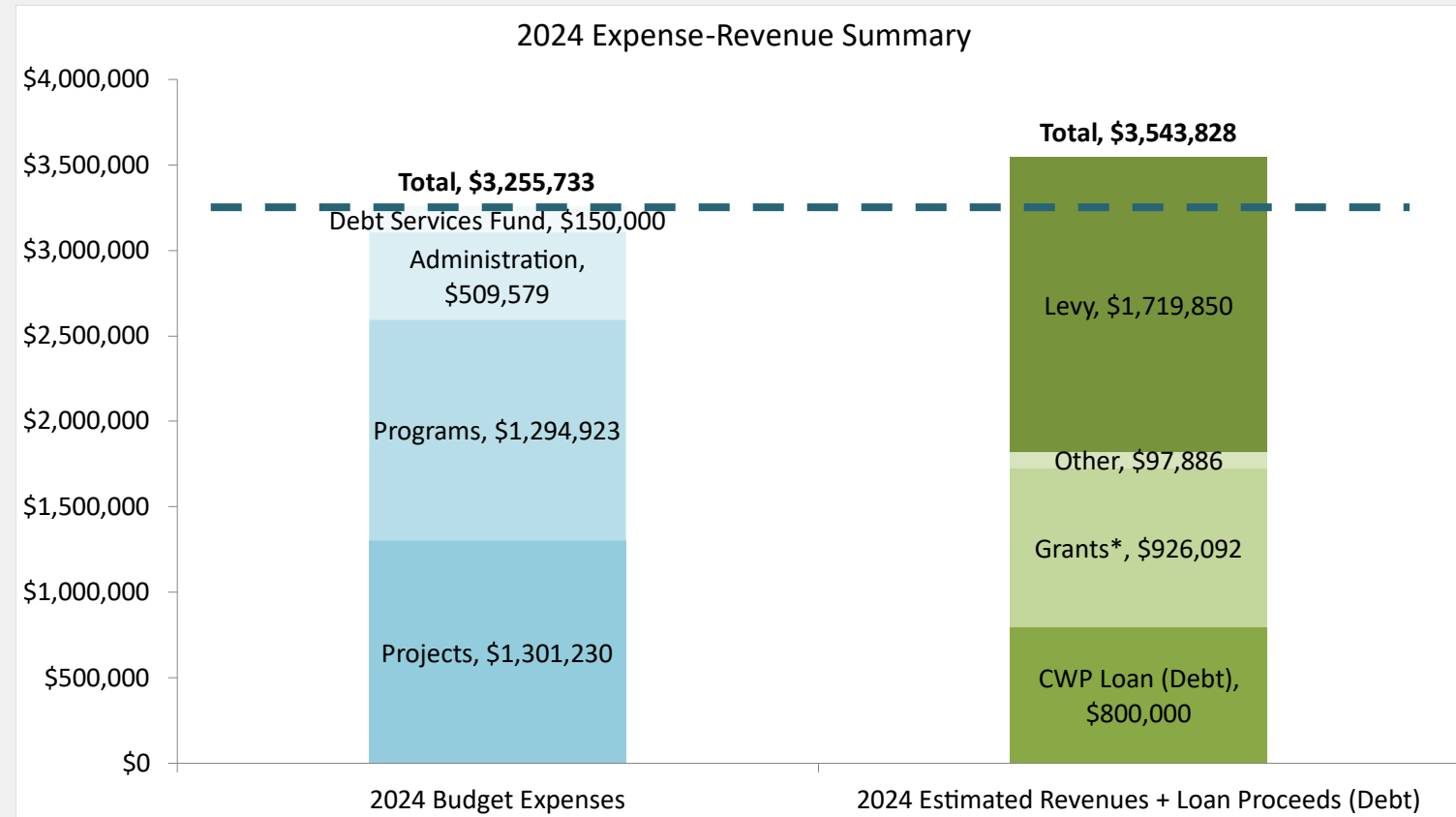
Revenue-Expense Differential = \$288,095

Expenses

- Differs from WMP estimates, but still includes necessary items to ultimately achieve WMP priority goals

Revenues

- Consider 6% levy increase
- Only grants w/ high certainty
- CWP loan: complete big projects while also reserving:
 - \$200K of levy for future loan repayments
 - \$88K of levy for future expenditures (build reserve fund)





Expense-Revenue Summary

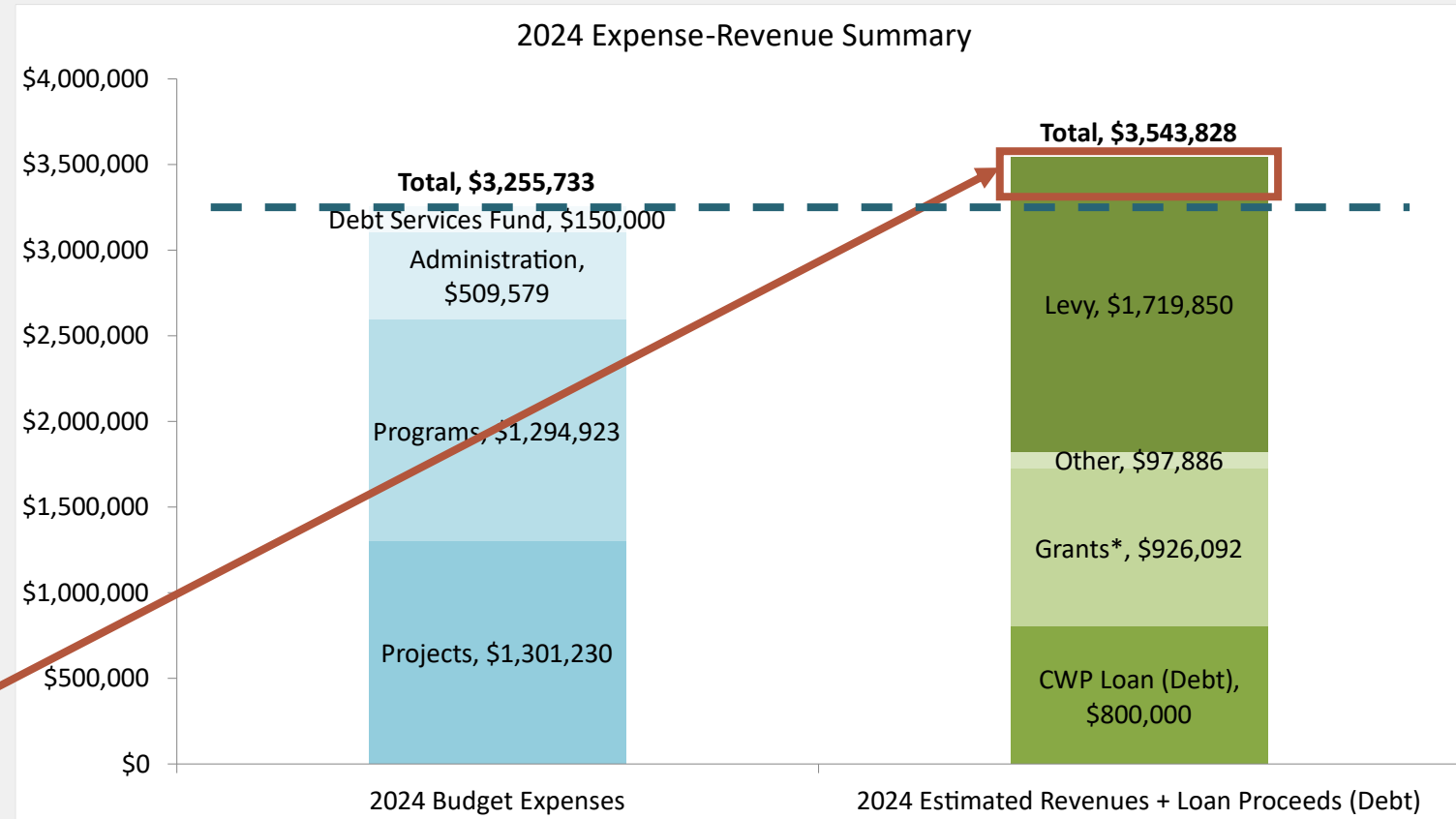
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Recommended Rules of Thumb

1. Do not budget for uncertain grants
 - Can process budget amendment if/when grant is awarded
 - 2023 budget included some uncertain grant revenues
2. If the expense budget for a line item increases, then review against revenue-expenditure recap and potentially:
 - Decrease another line item proportionally, or
 - Increase levy or loan, or
 - Instead of increasing the item, leave it as-is and note that the District will seek grant/partner funding for it. Amend budget if/when funding is secured.





Expense Budget Priorities

Jam Board Exercise

<https://jamboard.google.com/d/1kN1OzIghQBCI4mT8XAf450XOXRC-CcGoWcCcCOrzQrg/edit?usp=sharing>





Expense Budget Priorities

Office Space

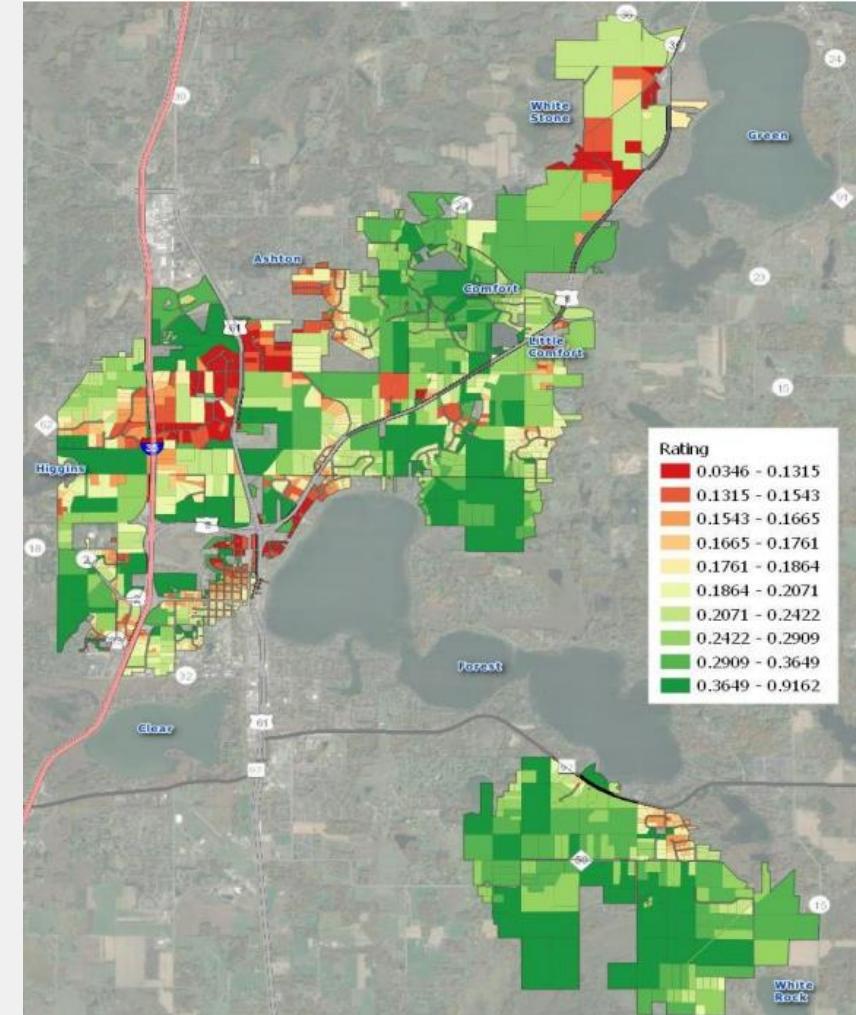
- WMP cost table included \$300,000 in 2022
- Did not proceed as planned
- Re-evaluating priorities with public input and assistance from ISG
- Will likely eventually obtain a bond or loan for the office space
- Can do a budget amendment when expense/revenues/financing are clear
- Make annual payments (e.g., \$2.5M over 25-yr period = \$100,000/yr)



Expense Budget Priorities

Greenway Corridor

- Have spent \$65,000 on greenway visioning w/ help from EOR
 - Conservation Prioritization in Sunrise River/WJD-6 corridors
 - Integration of activities: flooding, H&H model, Nat. Resources Inventory, projects
 - Multi-jurisdictional – ongoing coord. w/ interagency partners

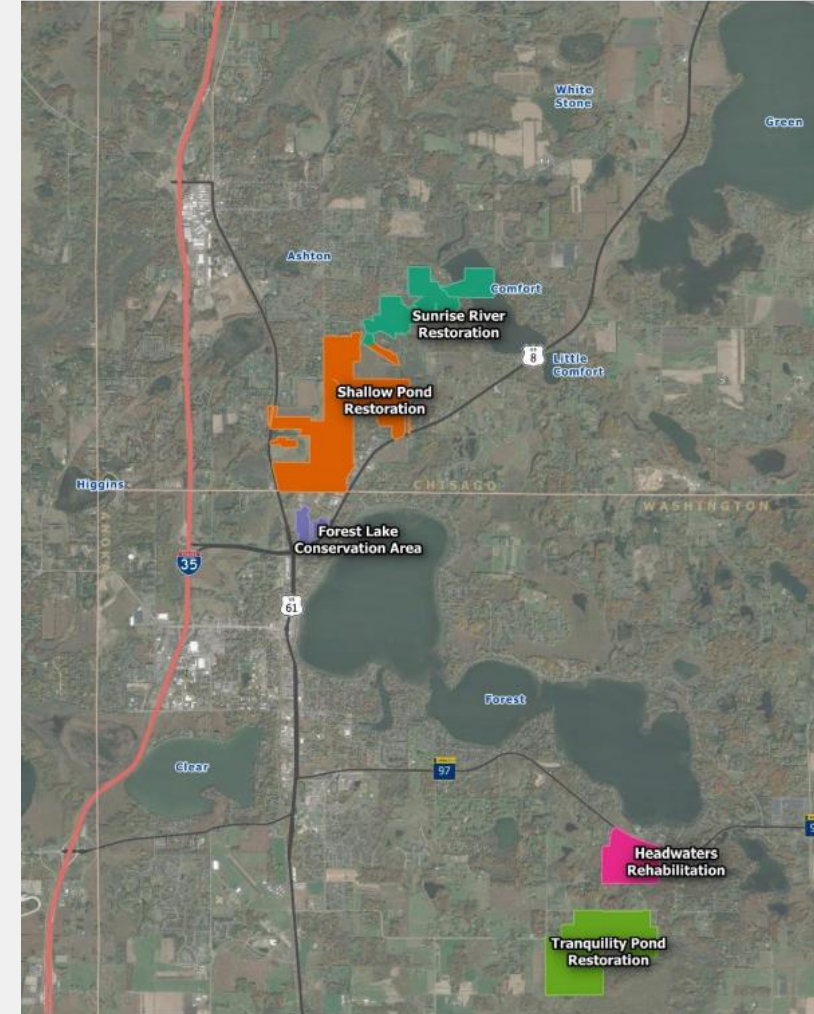




Expense Budget Priorities

Greenway Corridor

- \$0 budget for *visioning* in 2024, but other ongoing efforts keep us moving forward
 - Finishing up WQ capital projects – projects have multiple benefits (e.g., Highway 61 project could be considered part of a protected habitat zone, provides floodplain storage)
 - Shoreline buffer program is growing (provides habitat in key direct drainage/shoreland zones surrounding highest priority water resources)
 - Land acquisition and management opportunities have arisen – protect/enhance habitat and piece together key corridors bit by bit





Expense Budget Priorities

High Priority Visioning Exercises

- Office space visioning
- Floodplain vulnerability assessment
- Regional stormwater treatment assessment/feasibility/visioning in close partnership with City of Forest Lake



Expense Budget Priorities

Recommended priorities for 2024 budget → continue progress toward WMP goals and priorities

- Maintain staff of 11 FTE, per workload analysis, to lead implementation (with support from consultants): \$972,780 (10% ↑ from 2023)
- Wrap up projects to achieve lake water quality goals (consider how cost-benefit may change)
- Dedicate resources to priority programs per workload analysis visioning.
 - 3004 Shoreline Restorations & Cost-Share
 - 3005 Education & Outreach
 - 3006 Interagency Communication/Partnerships
 - 3010 Operations & Maintenance

Large-Scale Project
(Shields Stormwater Reuse)



Small-Scale Projects
(Lake Shoreline Buffers)





Expense Budget Overview

- Compare Watershed Management Plan (WMP) estimates to actual project timelines
- The WMP 10-yr budget is our guide, but estimates are just that... estimates
- Proposed budget continues to make progress toward all WMP goals
- 2024 WMP Total: \$4.2 million
- 2024 Draft Budget Total: \$3.2 million
- Difference: \$966K



Main WMP Differences – Some items are lower



5420B Wetland Bank

- -\$820,000
- Sites ID'd, but no landowner interest yet
- Still working toward wetland goals in other ways
- Has its own revenue



5120A Volume Control Facility/ Regional Treatment

- -\$72,000
- Working closely with City of Forest Lake
- Not ready for construction yet



3003 Monitoring

- -\$120,000
- WMP assumed all contracted
- Most of this program is now in-house
- Staff-led w/ help from volunteers



3011 AIS Mgmt

- -\$80,000
- Watercraft inspection program in-house
- Herbicide choices result in major savings (Diquat vs Aquathol)



Main WMP Differences – Some items are lower

Several projects under 5200 Lakes are already on slightly different timelines compared to the Watershed Management Plan

- 5228E Forest Lake Direct Drainage Retrofits
 - Amend budget if win grant
- 5228F Forest Lake Alum Treatment
 - Treatments in 2023/2025 (only monitoring in 2024)
- 5229D Shallow Pond Restoration
 - Not ripe; still implementing other projects in this area, such as regional treatment facility; this project will require significant landowner participation; amend budget if win grant
- 5229E City of Forest Lake Urban Retrofits
 - Staff is prioritizing and investigating options in coordination with City; amend budget if win grant



Main WMP Differences – **Some items are higher**

Several projects under 5200 Lakes are already on slightly different timelines compared to the Watershed Management Plan

- 5221B Moody Lake Capstone Projects
 - Shifted design compared to WMP (nix 5221D Lofton Pond)
- 5228D WJD-6 Wetland Restoration
 - Construction is merely occurring 1 year later than WMP estimated
- 5225C Little Comfort Infiltration Basin
 - Hoping to amend grant and shift project design, pending landowner willingness. Still some uncertainties with grant and acquisition elements. We are also investigating other potential projects in the Little Comfort drainage area.

Budget Overview

Account Code	Budget Item	2024 WMP	2024 Est. Grant Spend	2024 Est. Other Rev. Spend	2024 Ongoing Expenses	2024 New Expenses	2024 Total Expense Budget
	<i>Staff/Consultant Summaries (pulled out from budget below)</i>						
	<i>District Staff Wages/Benefits (Rolled in to each sub)</i>	\$806,814	\$0	\$49,886	\$922,893	\$0	\$972,780
	<i>Engineering Costs (Rolled in to subcategories below)</i>	\$698,072	\$50,000	\$0	\$705,000	\$0	\$755,000
	<i>Legal Costs (Rolled in to subcategories below)</i>	\$94,420	\$5,000	\$0	\$80,000	\$0	\$85,000
1-000	ADMINISTRATION	\$462,224	\$0	\$0	\$509,579	\$0	\$509,579
1-001	BOARD ADMINISTRATION	73,213			36,000	0	36,000
1-002	GENERAL OFFICE EXPENSES	110,365			107,006	0	107,006
1-003	GENERAL ADMINISTRATIVE	184,671			256,573	0	256,573
1-004	PROFESSIONAL SERVICES	93,975			110,000	0	110,000
2-000	DEBT SERVICES FUND	\$150,000	\$0	\$0	\$150,000	\$0	\$150,000
2-000	CWP LOAN PRINCIPAL REPAYMENT	150,000			150,000	0	150,000
3-000	PROGRAMS	\$1,613,266	\$29,954	\$87,886	\$1,177,083	\$0	\$1,294,923
3-000	GENERAL PROGRAM DEVELOPMENT	15,845	0	0	8,814	0	8,814
3-001	DISTRICT RULES AND RULEMAKING	0	0	0	0	0	0
3-002	PERMITTING	218,545	0	78,386	183,901	0	262,287
3-003	MONITORING & DATA ASSESSMENT	297,222	0	0	176,144	0	176,144
3-004	NON-POINT SOURCE POLLUTION ABATEMENT	134,405	0	0	181,629	0	181,629
3-005	EDUCATION AND OUTREACH	136,773	0	0	164,254	0	164,254
3-006	INTERAGENCY COMMUNICATION	61,193	0	0	60,513	0	60,513
3-007	RESEARCH	18,030	0	0	9,314	0	9,314
3-008	MEASUREMENT OF PROGRESS	12,566	0	0	10,314	0	10,314
3-009	GRANT RESEARCH & PREPARATION	23,494	0	0	13,314	0	13,314
3-010	OPERATIONS & MAINTENANCE	61,193	0	0	98,692	0	98,692
3-011	AIS PREVENTION & MANAGEMENT	302,904	29,954	9,500	196,315	0	235,769
3-012	LAND ACQUISITION	302,139	0	0	18,314	0	18,314
3-013	WATERSHED PLANNING & RESILIENCY	28,957	0	0	55,564	0	55,564
5-000	PROJECTS	\$1,996,791	\$896,138	\$0	\$405,092	\$0	\$1,301,230
5-000	GENERAL PROJECT DEVELOPMENT	101,077	0	0	91,572	0	91,572
5-100	FLOODPLAIN	103,263	0	0	34,943	0	34,943
5-200	LAKES	895,686	896,138	0	198,691	0	1,094,829
5-300	STREAMS	39,520	0	0	54,943	0	54,943
5-400	WETLANDS	833,751	0	0	16,629	0	16,629
5-500	UPLAND RESOURCES	0	0	0	0	0	0
5-600	GROUNDWATER	23,494	0	0	8,314	0	8,314
TOTAL BUDGET		\$4,222,281	\$926,092	\$87,886	\$2,241,755	\$0	\$3,255,733



Revenues



**Levy
(Taxes)**



Grants

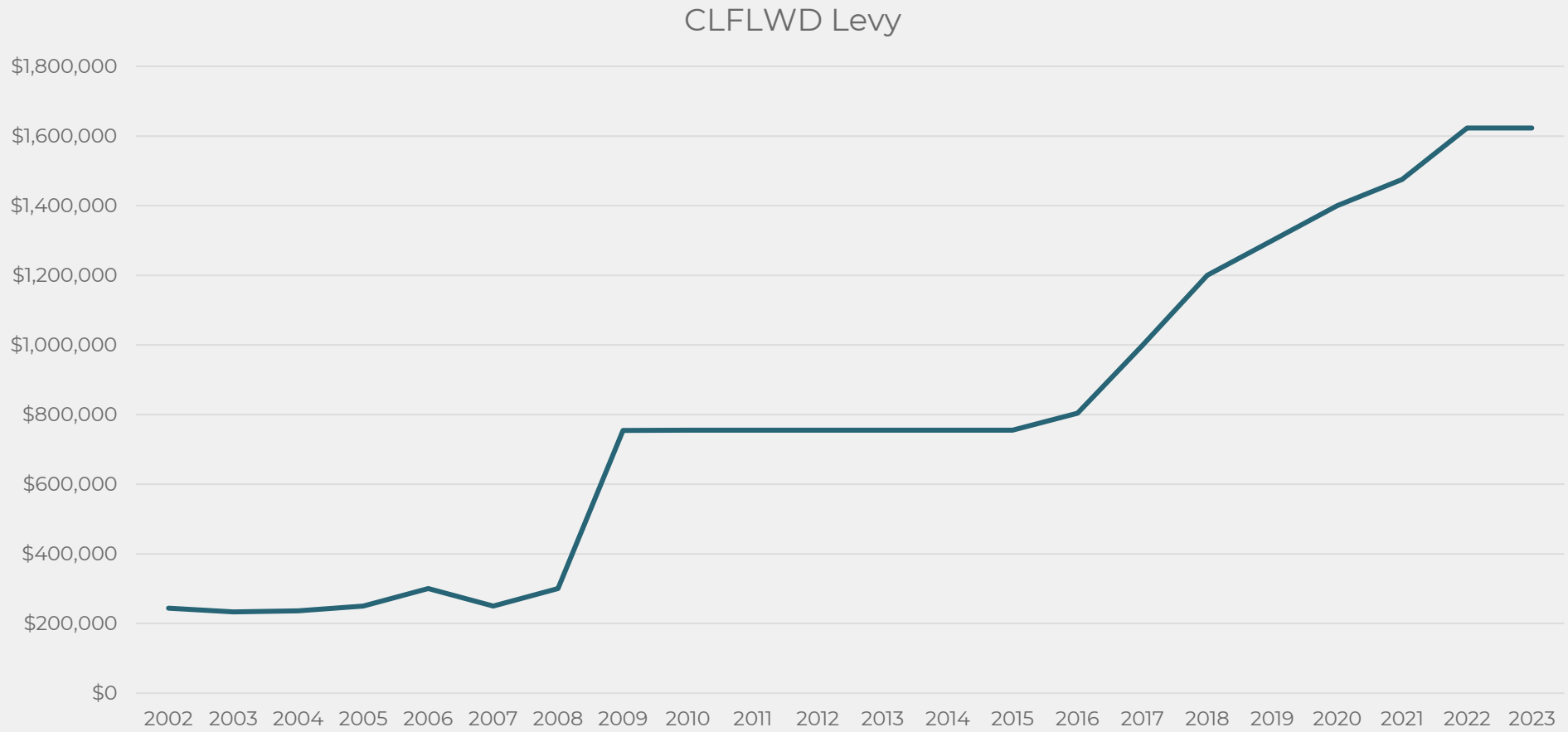


**Clean Water
Partnership Loan
(Debt)**

Other potential funding/financing sources include partner contributions, permit fees, stormwater impact fund, interest, bonds, bank loans, special assessments, water management charges, emergency projects, sales tax.



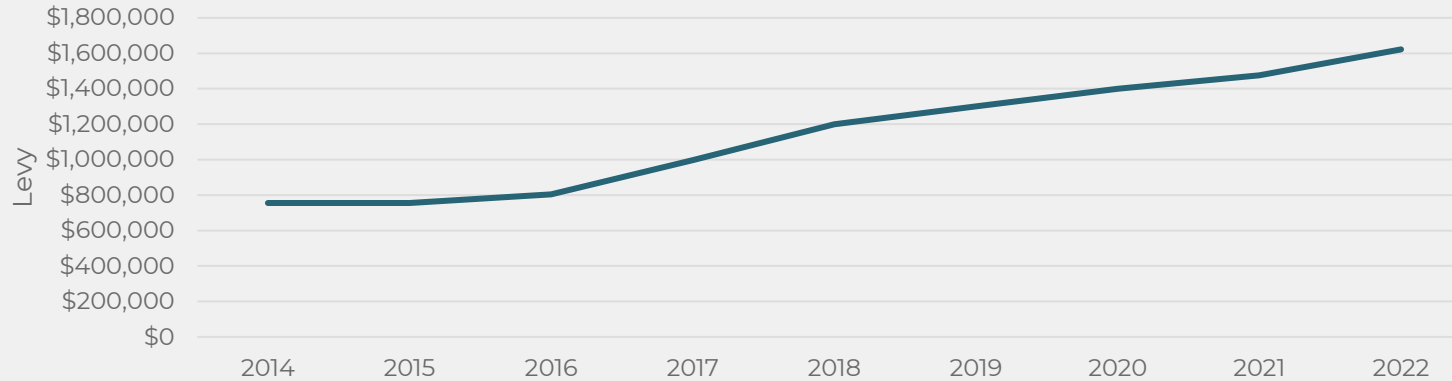
Levy





Levy

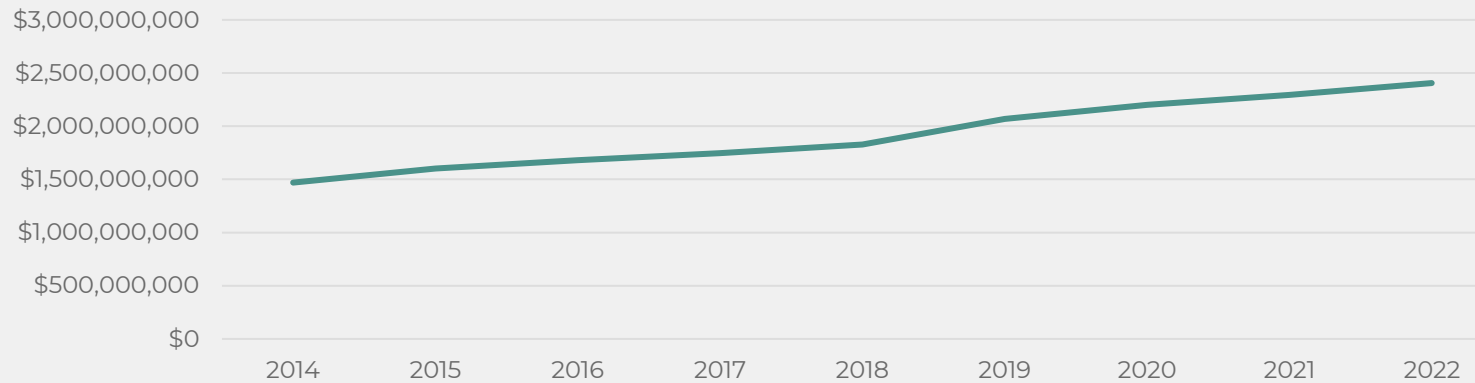
CLFLWD Levy



Average 10% increase per year since 2014

Consider 6% increase in 2024

CLFLWD Estimated Market Value



Average 6% increase per year since 2014



Levy

Summary Table of EMV, NTC, Levy, Impact								
Budget Year	Estimated Market Value (EMV) (Prior Year Basis)*	Net Tax Capacity (NTC) (Prior Year Basis)*	Budget Year Levy	Ratio Levy/Estimated Market Value	Ratio Levy/Net Tax Capacity	Ratio Year/Year Levy Increase	Washington Co. Median Tax Impact	Chisago Co. Median Tax Impact
2017	\$1,679,944,600	\$16,215,018	\$998,000	0.06%	6.15%	24%	\$133.17	\$123.03
2018	\$1,747,607,400	\$18,053,592	\$1,200,000	0.07%	6.65%	20%	\$135.42	\$139.44
2019	\$1,826,385,900	\$18,955,914	\$1,300,000	0.07%	6.86%	8%	\$144.61	\$140.58
2020	\$2,068,377,700	\$20,586,584	\$1,400,000	0.07%	6.80%	8%	\$162.33	\$152.36
2021	\$2,200,044,800	\$21,733,418	\$1,475,000	0.07%	6.79%	5%	\$163.54	\$205.29
2022	\$2,294,312,700	\$22,805,705	\$1,622,500	0.07%	7.11%	10%	\$175.27	\$224.99
2023	\$2,406,482,200	\$24,076,992	\$1,622,500	0.07%	6.74%	0%	\$184.35	\$226.22

*Government Budgets, and the levies needed to support them, are always for the coming (next) year. However, the basis for the levy (i.e., the Estimated Market Value (EMV) and Net Tax Capacity (NTC) data) is from the year prior to the budget year. E.g., the 2023 line above indicates the 2022 EMV and 2022 NTC because the 2023 EMV and 2023 NTC are not yet calculated.

Washington County 2023 median house value in CLFLWD: \$389,400

Chisago County 2023 median house value in CLFLWD: \$418,745



Grants

Estimated 2024 EARNED Grant Revenues

Grant revenue is earned when expenditures are incurred.

Budget currently contains grants with high certainty.

Construction projects slated for 2024:

- 5221B Moody Lake Capstone Projects
- 5225C Little Comfort Lake Infiltration Basin
- 5228D WJD-6 Wetland Restoration



If we spend it, funds will come.



Clean Water Partnership Loan

Reimbursement-basis disbursement, zero-interest repayment

Loan Disbursements - Debt Incurred

Loan A	\$1,500,000
Loan B1	\$1,000,000
Loan B2	\$750,000
Total Disbursed to Date	\$3,250,000
Loan B3 (latter half of 2023)	\$376,093
Loan B4 (2024)	\$800,000
Loan B5 (2025)	\$73,907
Total Potential Future Disbursements	\$1,250,000
Total Potential Debt	\$4,500,000
General Obligation Note (max debt)	\$5,000,000





Clean Water Partnership Loan

Reimbursement-basis disbursement, zero-interest repayment

Loan Repayment Schedule Projection Scenario (Loans A, B)

Year	Disbursement Loan A (Closed Out)	Disbursement Loan B (Active)	Total Disbursement	Repayment Loan A	Repayment Loan B	Total Repayment	Repayment % of Estimated Levy	Disbursement- Repayment Balance	Comment
2019	\$282,076		\$282,076					\$282,076	Loan A disbursements
2020	\$361,231		\$361,231					\$361,231	Loan A disbursements
2021	\$856,693		\$856,693					\$856,693	Final Loan A disbursements
2022		\$763,395	\$763,395	\$150,000		\$150,000	9%	\$613,395	Loan A repayments; Loan B disbursements
2023		\$1,362,698	\$1,362,698	\$150,000		\$150,000	9%	\$1,212,698	Loan A repayments; Loan B disbursements
2024		\$800,000	\$800,000	\$150,000		\$150,000	9%	\$650,000	Loan A repayments; Loan B disbursements
2025		\$73,907	\$73,907	\$150,000		\$150,000	8%	(\$76,093)	Loan A repayments; Loan B potential disbursements
2026			\$0	\$150,000	\$300,000	\$450,000	23%	(\$450,000)	Loan A repayments; Loan B repayments
2027			\$0	\$150,000	\$300,000	\$450,000	22%	(\$450,000)	Loan A repayments; Loan B repayments
2028			\$0	\$150,000	\$300,000	\$450,000	21%	(\$450,000)	Loan A repayments; Loan B repayments
2029			\$0	\$150,000	\$300,000	\$450,000	20%	(\$450,000)	Loan A repayments; Loan B repayments
2030			\$0	\$150,000	\$300,000	\$450,000	18%	(\$450,000)	Loan A repayments; Loan B repayments
2031			\$0	\$150,000	\$300,000	\$450,000	17%	(\$450,000)	Loan A repayments; Loan B repayments
2032			\$0		\$300,000	\$300,000	11%	(\$300,000)	Loan B repayments
2033			\$0		\$300,000	\$300,000	10%	(\$300,000)	Loan B repayments
2034			\$0		\$300,000	\$300,000	10%	(\$300,000)	Loan B repayments
2035			\$0		\$300,000	\$300,000	9%	(\$300,000)	Loan B repayments
TOTAL	\$1,500,000	\$3,000,000	\$4,500,000	\$1,500,000	\$3,000,000	\$4,500,000		\$0	



Expense-Revenue Recap

	Budget Item	2022 Audited Yearend	2023 Total Expense Budget	2023 Estimated Yearend	2024 Total Expense Budget
TOTAL - COMFORT LAKE-FOREST LAKE					
REVENUE	TAX LEVY	\$1,617,288	\$1,622,500	\$1,617,288	\$1,719,850
	EARNED GRANT REVENUE (Reported in Audit Financial Report)	\$1,540,369	\$2,926,563	\$1,275,148	\$926,092
	OTHER (see Grant & Other Revenue Summary)	\$63,306	\$73,500	\$83,500	\$97,886
	UNEARNED GRANT REVENUE (Not Included in Total)	\$398,650	\$38,040	\$0	\$213,440
	TOTAL REVENUE:	\$3,220,963	\$4,622,563	\$2,975,936	\$2,743,828
LOAN PROCEEDS	CWP LOAN DISBURSEMENT (DEBT)	\$763,394	\$1,200,000	\$1,362,698	\$800,000
	TOTAL LOAN PROCEEDS:	\$763,394	\$1,200,000	\$1,362,698	\$800,000
EXPENSES	1000 ADMINISTRATION	\$479,492	\$470,488	\$480,688	\$509,579
	2000 DEBT SERVICES FUND (CWP LOAN REPAYMENT)	\$150,000	\$150,000	\$150,000	\$150,000
	3000 PROGRAMS	\$1,614,149	\$2,035,605	\$1,186,110	\$1,294,923
	5000 PROJECTS	\$1,831,087	\$2,288,596	\$2,319,835	\$1,301,230
	TOTAL EXPENDITURES:	\$4,074,728	\$4,944,689	\$4,136,634	\$3,255,733
	REVENUE OVER/(UNDER) EXPENDITURES (without loan proceeds):	(\$853,765)	(\$322,126)	(\$1,160,698)	(\$511,905)
	NET CHANGE IN FUND BALANCE (includes loan proceeds):	(\$90,371)	\$877,874	\$202,000	\$288,095

- Consider 6% levy increase in 2024

- Loan cash flow flexible and dependent on PCA
- Focus on total debt to incur

FUND INFORMATION				
Prior Yearend/Beginning of Year Fund Balance (Reserve) - unearned/dedicated revenues are already subtracted from this as part of the audit	\$1,217,329	\$1,126,958	\$1,126,958	\$1,328,958
Est Current Yearend Balance	\$1,126,958	\$2,004,832	\$1,328,958	\$1,617,054
Unearned Grant Revenue (already subtracted from YE reserve balance)	already taken out	already taken out	already taken out	already taken out
Future Loan Payback (debt service portion of levy - subtracted during audit)	already taken out	\$200,000	\$200,000	\$200,000
End of Year Reserve Minus Dedicated Funds	\$1,126,958	\$1,804,832	\$1,128,958	\$1,417,054
Reserve percentage of budget (beginning of year)	29.88%	22.79%	27.24%	40.82%

- Fund balance in good shape



Next Steps

June Workshop

Between June 12-30

Discuss schedules now

or do a doodle poll

Submit question,
comments, requests for
more info to Mike and
Emily.

July Workshop

Between July 10-31

Agenda TBD, pending
outcome of June
workshop.

Adopt Budget in August

August 10th regular
meeting – use if
necessary.

August 24th regular
meeting – public
hearing and adoption.