



2025 Budget

May Meeting



Picture: Wetland near Washington Judicial Ditch 6



Budget Outline

- **Recommended Pages to Focus on:**
 - Expense-Revenue Summary Chart
 - Expense-Revenue Recap
 - Budget Overview
 - Loan Repayment Projections
 - 10-Year Budget Projection
 - Earned Grant Revenue Projections
- **Additional Budget Detail:**
 - 1000 Administration Budget Detail
 - 2000 Debt Services Budget Detail
 - 3000 Programs Budget Detail
 - 5000 Projects Budget Detail
- **Supplemental Attachment:**
 - Project Planning Summary



CLFLWD
WATERSHED DISTRICT

Draft 2025 Budget

Comfort Lake-Forest Lake Watershed District



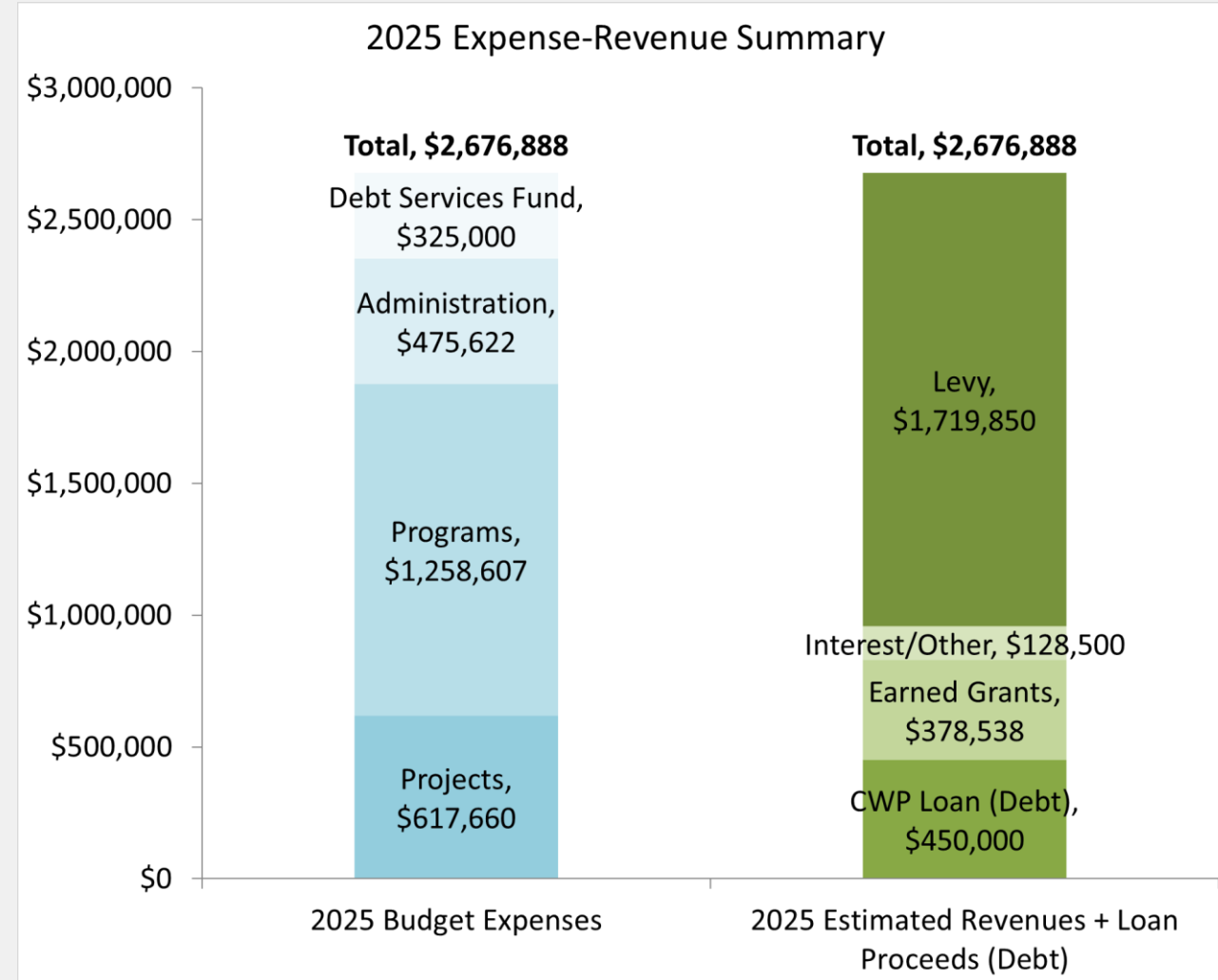
Expense-Revenue Summary

Expenses

- Roughly in line with WMP
- Amend budget and increase expenses as grants are awarded

Revenues

- Grants w/ high certainty, amend as more are awarded
- Maximize interest through banking
- Last phase of CWP loan: apply for another \$500K, potentially split between '24 and '25 (depending on availability)
- No proposed levy increase in 2025, but may consider increases in 2026+ after loan disbursements are finished



Expense-Revenue Recap

Budget Item		2023 Audited Yearend	2024 Estimated Yearend	2025 Total Expense Budget
TOTAL - COMFORT LAKE-FOREST LAKE				
REVENUE & LOAN PROCEEDS	TAX LEVY	\$1,608,686	\$1,633,858	\$1,719,850
	INTEREST REVENUE	\$39,526	\$50,000	\$50,000
	EARNED GRANT REVENUE (awarded/high probability)	\$1,309,491	\$743,096	\$378,538
	OTHER (partnerships, permit revenue)	\$107,391	\$78,500	\$78,500
	CWP LOAN DISBURSEMENT (DEBT)	\$986,604	\$800,000	\$450,000
	UNEARNED GRANT REVENUE (Not Included in Total)	\$30,738	\$213,440	\$0
	UNCERTAIN GRANTS (Not Included in Total)	N/A	\$81,000	\$401,000
	TOTAL REVENUE:	\$4,051,698	\$3,305,454	\$2,676,888
EXPENSES	1000 ADMINISTRATION	\$539,522	\$587,660	\$475,622
	2000 DEBT SERVICES FUND (CWP LOAN REPAYMENT)	\$150,000	\$325,000	\$325,000
	3000 PROGRAMS	\$994,638	\$1,282,115	\$1,258,607
	5000 PROJECTS	\$2,397,813	\$931,230	\$617,660
	TOTAL EXPENDITURES:	\$4,081,972	\$3,126,005	\$2,676,888
	REVENUE OVER/(UNDER) EXPENDITURES:	(\$30,274)	\$179,448	\$0
FUND INFORMATION				
	unearned/dedicated revenues are already subtracted from this as part of the audit	\$1,126,958	\$1,096,684	\$1,251,132
	Unearned Grant Revenue (already subtracted from YE reserve balance)	already taken out	already taken out	already taken out
	Loan Repayment Savings (built up in 2022-2025, start drawing from savings in 2026 - see loan repayment projections)	already taken out	(\$25,000)	(\$75,000)
	End of Year Reserve Minus Dedicated Funds	\$1,096,684	\$1,251,132	\$1,176,132
	Reserve percentage of budget (beginning of year)	28%	35%	47%



Budget Overview

What's in the budget?

- Ongoing, regular admin expenses
- Loan repayment (Loans A & B)
- Ongoing programs
- Ongoing project efforts and awarded grants
- Match for new projects/potential grants if unable to fund 100% with multiple grants

What's NOT in the budget, but still planned?

- New office – amend once a direction is reached and funding is confirmed
- Land acquisitions – amend once landowner is on board, price confirmed, timeline confirmed
- New projects – amend once funding confirmed

Account Code	Budget Item	2025 Total Expense Budget
	<i>Staff/Consultant Summaries (pulled out from budget below)</i>	
	<i>District Staff Wages/Benefits (Rolled in to each subca</i>	\$990,000
	<i>Engineering Costs (Rolled in to subcategories below)</i>	\$450,000
	<i>Legal Costs (Rolled in to subcategories below)</i>	\$82,000
1-000	ADMINISTRATION	\$475,622
1-001	BOARD ADMINISTRATION	35,000
1-002	GENERAL OFFICE EXPENSES	118,000
1-003	GENERAL ADMINISTRATIVE	197,622
1-004	PROFESSIONAL SERVICES	125,000
2-000	DEBT SERVICES FUND	\$325,000
2-000	CWP LOAN PRINCIPAL REPAYMENT	325,000
3-000	PROGRAMS	\$1,258,607
3-000	GENERAL PROGRAM DEVELOPMENT	18,338
3-001	DISTRICT RULES AND RULEMAKING	0
3-002	PERMITTING	277,297
3-003	MONITORING & DATA ASSESSMENT	200,770
3-004	NON-POINT SOURCE POLLUTION ABATEMENT	194,417
3-005	EDUCATION AND OUTREACH	171,027
3-006	INTERAGENCY COMMUNICATION	40,444
3-007	RESEARCH	9,919
3-008	MEASUREMENT OF PROGRESS	9,919
3-009	GRANT RESEARCH & PREPARATION	25,330
3-010	OPERATIONS & MAINTENANCE	25,419
3-011	AMS PREVENTION & MANAGEMENT	230,051
3-012	LAND ACQUISITION & MANAGEMENT	36,757
3-013	WATERSHED PLANNING & RESILIENCY	18,919
5-000	PROJECTS	\$617,660
5-000	GENERAL PROJECT DEVELOPMENT	82,432
5-100	FLOODPLAIN	81,757
5-200	LAKES	453,470
5-300	STREAMS	0
5-400	WETLANDS	0
5-500	UPLAND RESOURCES	0
5-600	GROUNDWATER	0
TOTAL BUDGET		\$2,676,888



Loan Projections

Year	Disbursement Loan A (Closed Out)	Disbursement Loan B (Closed Out)	Disbursement Loan C (In Progress)	Total Disbursement	Repayment Loan A (0% Interest, 10-yr Payment)	Repayment Loan B (0% Interest, 10-yr Payment)	Repayment Loan C (1.5% Interest, 7-yr Payment)	Total Repayment
2019	\$282,076			\$282,076				
2020	\$361,231			\$361,231				
2021	\$856,693			\$856,693				
2022		\$763,395		\$763,395	\$150,000			\$150,000
2023		\$986,605		\$986,605	\$150,000			\$150,000
2024			\$800,000	\$800,000	\$150,000	\$175,000		\$325,000
2025			\$450,000	\$450,000	\$150,000	\$175,000		\$325,000
2026					\$150,000	\$175,000	\$191,903	\$516,903
2027					\$150,000	\$175,000	\$191,903	\$516,903
2028					\$150,000	\$175,000	\$191,903	\$516,903
2029					\$150,000	\$175,000	\$191,903	\$516,903
2030					\$150,000	\$175,000	\$191,903	\$516,903
2031					\$150,000	\$175,000	\$191,903	\$516,903
2032						\$175,000	\$191,903	\$366,903
2033						\$175,000		\$175,000
TOTAL	\$1,500,000	\$1,750,000	\$1,250,000	\$4,500,000	\$1,500,000	\$1,750,000	\$1,343,319	\$4,593,319



Loan Projections

Loan Repayment Strategy

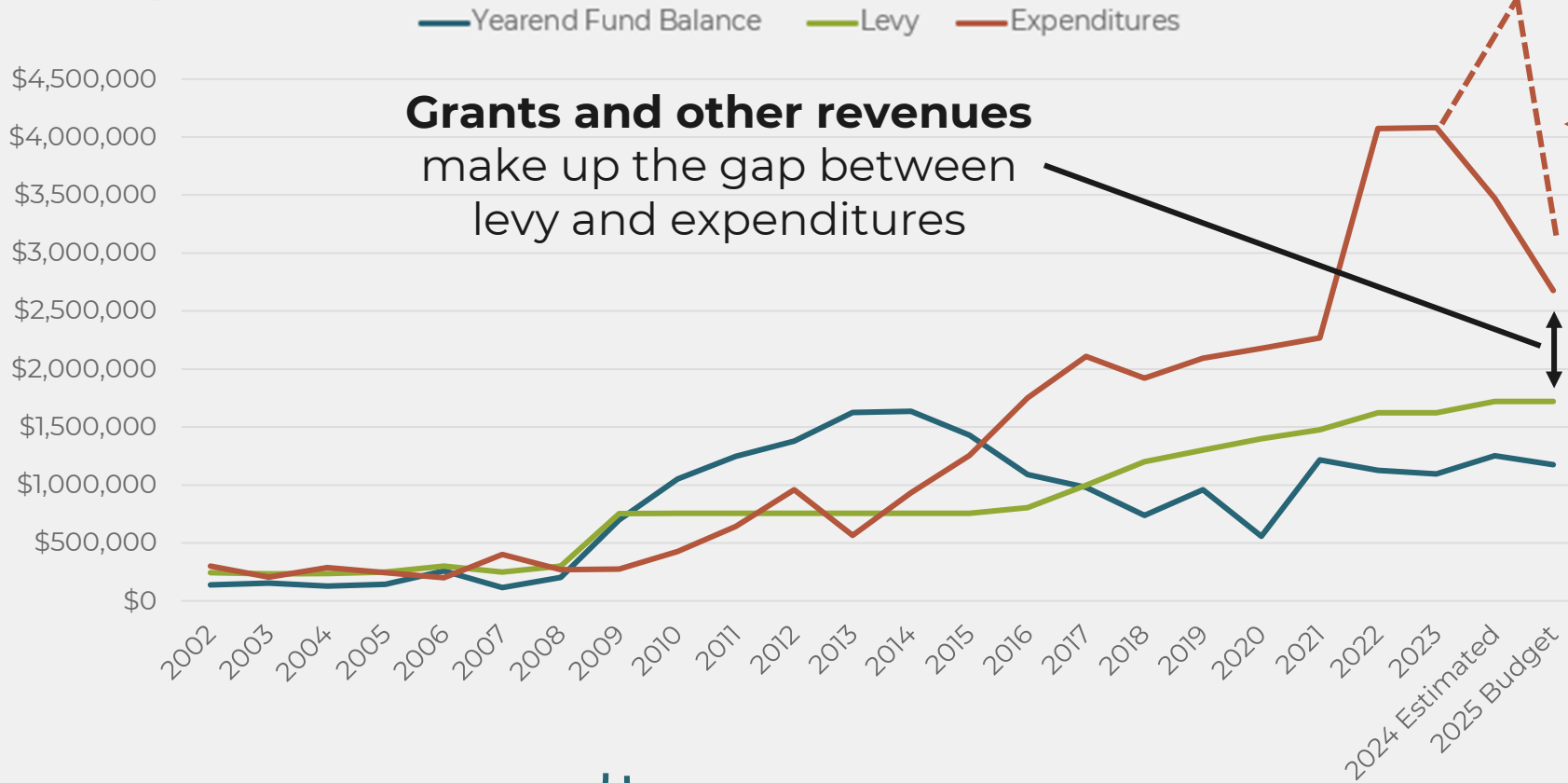
- Levied extra to build loan savings (“restricted” funds that are set aside in the bank)
- Build savings from 2022-2025
- Start drawing from savings in 2026-2030 so Debt Service Levy doesn’t have to be so high
- Board can tweak Debt Service Levy as desired to adjust timing

Year	Total Repayment	Estimated Debt Service Levy	Debt Service Levy Minus Repayment	Debt Service Levy YE Savings Balance (Dedicated Fund)	Disbursement-Repayment Balance
2019					\$282,076
2020					\$361,231
2021					\$856,693
2022	\$150,000	\$350,000	\$200,000	\$200,000	\$613,395
2023	\$150,000	\$350,000	\$200,000	\$400,000	\$836,605
2024	\$325,000	\$350,000	\$25,000	\$425,000	\$475,000
2025	\$325,000	\$400,000	\$75,000	\$500,000	\$125,000
2026	\$516,903	\$400,000	-\$116,903	\$383,097	(\$516,903)
2027	\$516,903	\$400,000	-\$116,903	\$266,195	(\$516,903)
2028	\$516,903	\$400,000	-\$116,903	\$149,292	(\$516,903)
2029	\$516,903	\$450,000	-\$66,903	\$82,389	(\$516,903)
2030	\$516,903	\$475,000	-\$41,903	\$40,486	(\$516,903)
2031	\$516,903	\$476,416	-\$40,487	\$0	(\$516,903)
2032	\$366,903	\$366,903	\$0	\$0	(\$366,903)
2033	\$175,000	\$175,000	\$0	\$0	(\$175,000)
TOTAL	\$4,593,319	\$4,593,319	\$0		(\$93,319)

Estimated interest



20-Year History and Future Outlook



Grants and other revenues make up the gap between levy and expenditures

Expenditures may be higher depending on grants and land acquisitions

Levy adjusted over time with tax impacts in mind

Fund balance rule of thumb: fund balance should be approx. 1/3 of expense budget

Planning Period:
Collect data, build fund balance

Water Quality Implementation Period:
Achieve major water quality improvements w/ targeted projects, used loan & grants to offset fund balance depletion

O&M Period:
Maintain projects, repay loans, continue to offer programs/services, leverage grants to implement additional projects



10-Year Projection: Proposed Approach

10-Year Projected Expenses

*Which expenses are core/critical?**

- Loan repayment
- District staff (workload analysis = 11.5 FTE)
- Admin/overhead
 - Office space, board admin, some professional services
 - Doesn't include staff wages/benefits
- Permit program legal/engineering
 - Some is covered by permit fees, but not all
 - Doesn't include staff wages/benefits
- Project O&M
 - Protect the District's investments
 - Required by statute to maintain projects
- Aggressively seek grants and/or use reserves to fund additional programs/projects that are not considered core/critical

10-Year Projected Revenues

Which revenues can we count on?

- Levy
 - Consider incremental (3%) increases to offset lack of loan revenues and keep pace with increasing taxable market value
- Interest revenue
 - Maximize as much as possible
 - Will fluctuate depending on District's cash balance
- Other revenues (partners, permit fees)
 - Subject to fluctuation, but can make ballpark estimates
- Earned grant revenue
 - Aggressively pursue grants in hopes of funding 100% of project and program expenses
 - Consider balancing budget with high probability revenues, then grants allow us to do more work above and beyond

[*See core/critical functions analysis in 2020 Workload Analysis Report](#)



Earned Grant Revenue Projections

	Total Grant Award (may span beyond 2025)	Estimated FY2024				Estimated FY2025			
		FY24 Grant Revenue	FY24 Grant Expenditures	FY24 Unearned Revenue	FY24 EARNED Revenue	FY25 Grant Revenue	FY25 Grant Expenditures	FY25 Unearned Revenue	FY25 EARNED Revenue
GRAND TOTAL	\$11,204,600	\$2,972,250	\$3,266,096	\$0	\$3,266,096	\$1,199,538	\$779,538	\$420,000	\$779,538

Divided into categories based on certainty:

- Awarded or high probability
- Awarded and revenue is pending landowner agreement (i.e., land acquisitions)
- In progress or under review
- Potential future grant applications
 - List of potential grants that are tied to known priorities
 - Not an exhaustive list



Questions/Comments/Discussion



Next Steps From Approved Budget Schedule

June Workshop

Follow-up w/ more info as needed

Discuss schedules now or do an email poll (also need to schedule a floodplain workshop in early June)

Submit questions, comments, requests for more info to Emily by May 31st

July Workshop

Additional discussion as needed, resolve final comments, and decide draft budget and levy amounts to post in public hearing notice

July 19th

Deadline to post public hearing notice in official newspapers if holding public hearing on August 8th

Adopt Budget in August

August 8th regular meeting – hold public hearing

Adopt budget if possible, or revise per public hearing input/additional discussion and adopt budget at August 22nd mtg

Certify levy before September 15th