

COON CREEK WATERSHED DISTRICT
Request for Board Action

MEETING DATE: September 9, 2024
AGENDA NUMBER: 9
ITEM: Hearing on 2025 Budget

FISCAL IMPACT: Policy
POLICY IMPACT: Budgeted

REQUEST

Hold hearing and adopt 2025 budget as required by M.S. 103D.

PURPOSE & SCOPE OF ITEM

The approval and adoption of the 2025 budget.

The budget represents the set of planned revenues and expenses needed to fund District programs and activities that fulfill the District’s legal obligations for managing water and related resources within the Watershed District

BACKGROUND

In March 2024, the Board adopted a budget calendar for the development of the 2025 operating budget. Budget development occurred in three basic phases (detail development, Board review and refinement, public and stakeholder review).

On July 29, the Board approved a rough draft budget for review and comment by the advisory committees and requested feedback from those committees. The District received no comments that led to a change in the budget. Comments were addressed at the August 12 and 26th Board meetings.

On August 26 the Board approved a Draft budget for public review and hearing.

COORDINATION

Advisory Committees: Both advisory committees were briefed and consulted monthly during the budget development phase in April, May, and June. They reviewed the Rough Draft and Draft Budgets at their July and August meetings.

Citizen Advisory Committee (CAC): Presented and discussed rough draft and draft budget with the Citizen Advisory Committee. July 10, and August 14.

Technical Advisory Committee (TAC): Presented and discussed rough draft and draft budget with the Citizen Advisory Committee. July 11, and August 8.

FACTS

- Adoption of an operating budget is required by statute to be adopted by the Board by September 15 of each year (M.S. 103B & M.S. 103D)
- A public hearing is required prior to Board adoption of the operating budget (M.S. 103B & M.S. 103D)

- Participation by the public and major stakeholders is encouraged (MR 8410)
- The 2025 budget development process commenced in March, and some element of the budget has been before the Board at each of the 12 Board meetings since that time.
- Comments from the Advisory Committees were presented and discussed at the August 12 and 26th meetings.
- The Board has reviewed and commented on the 2025 budget in its entirety on four separate occasions. All approved changes have been included.

ISSUES/CONCERNS

1. **Public Notice:** The draft budget was noticed on the District web site August 27 and August 30 and September 6, in the Anoka County Union Herald and the Blaine/Spring Lake Park/Fridley Life
2. **Hearing requirements:** Minnesota Statutes 103B & 103D requires the Board to convene a public hearing to allow the public to comment on the proposed 2025 budget. A potential outline for the hearing would be:
 - a. Call to order
 - b. Review Statutory Purpose of the District and the Requirement for the development and adoption of annual budget
 - c. Review proposed 2025 budget
 - d. Receive public comment
 - e. Close public comment
 - f. Discuss public comment
 - g. Close hearing
3. **Adoption of the Budget:** Adoption of the budget is a separate act of the Board, must be done before September 15 and can not be done until the Board has closed a public hearing on the budget.
4. **Property Tax Levy:** Adoption of the budget is not a certification of property taxes payable in 2025. Certification of taxes payable in 2025 is not required and by tradition does not occur until the first Board meeting in December.

However, once the budget is adopted and the proposed levy amount is reported to Anoka County under the “Truth in Taxation” requirements, the Board is prohibited from certifying a levy larger than the levy amount reported to Anoka County. The Board may, however, decrease the amount reported. Any decreases in the levy should be preceded by a review and revisions in expenditures to ensure the revised budget is balanced.

5. **Comments:** The District has received no comments on the draft budget.

6. Proposed 2025 Budget:

Revenues	2025
Property Tax	\$ 6,189,240
Fees & Charges	298,423
Grants	2,566,549
Other Revenue	115,000
Fund Balance Used	40,225
Total Revenue	\$ 9,209,437
Expenditures	
Salaries & Benefits	2,414,928
Professional Services	489,487
Operating Expenses	317,241
Program Costs	5,789,607
Capital Costs	198,174
Total Expenses	\$ 9,209,437

CONCLUSIONS

The proposed budget:

1. Positions the District for long-term effectiveness.
2. Meets the fiscal goal of a General Fund balance of no less than 45% of planned essential 2025 General Fund expenditures.
3. Recommends capital equipment purchases and replacement based on a comprehensive review of the condition of capital equipment.
4. Used long-term financial models to help designate appropriate capital resources for future District needs.
5. Was developed using and is consistent with the Comprehensive Plan
6. Supports the implementation of Board policies and goals.
7. Is responsive to changes in community conditions in a cost-effective manner.

OPTIONS

1. Hold public hearing and adopt budget as proposed.
2. Hold public hearing, modify budget and adopt budget with modifications.
3. Hold public hearing, table budget and direct staff to notice an emergency meeting for some time before this coming Friday.
4. Hold public hearing and adopt 2025 budget and proposed levy

RECOMMENDATION

Convene public hearing and then adopt budget.

IMPLEMENTATION

1. Hold hearing using the following agenda
 - a. Call to order
 - b. Review Statutory Purpose of the District and the Requirement for the development and adoption of annual budget
 - c. Review proposed 2025 budget
 - d. Receive public comment
 - e. Close public comment
 - f. Discuss public comment
 - g. Close hearing
2. Close hearing
3. Motion to adopt budget as presented/modified
 - a. Option: Adopt attached budget resolution. Not required.

**RESOLUTION ADOPTING THE COON CREEK WATERSHED DISTRICT 2025 BUDGET
RESOLUTION 24-004**

WHEREAS the preparation and adoption of budgets is recognized as sound financial practice; and

WHEREAS, the Coon Creek Watershed District has the responsibility to manage the public’s funds appropriately and efficiently; and

WHEREAS Minnesota States 103B and 103D require the District to adopt a budget prior to September 15, 2025.

NOW, THEREFORE, BE IT RESOLVED that the District Board of the Coon Creek Watershed District hereby adopts an annual operating budget totaling \$9,209,437 for the fiscal year beginning January 1, 2025, and ending December 31, 2025

BE IT FURTHER RESOLVED that the District Board of the Coon Creek Watershed District hereby establishes the 2025 Coon Creek Watershed District Operating Budget as follows:

Revenues	Proposed 2025 Budget	
Property Taxes	\$	6,189,240
Fees & Charges	\$	298,423
Grants	\$	2,566,549
Other Revenue	\$	115,000
Fund Balances	\$	40,225
Total Revenue	\$	9,209,437
Expenditures		
Salaries & Benefits	\$	2,414,928
Professional Services	\$	489,487
Operating Expenses	\$	317,241
Program Costs	\$	5,789,607
Capital Costs	\$	198,174
Total Expenditures	\$	9,209,437

NOTICE OF PROPOSED PROPERTY TAXES and BUDGET

The Board of Managers of the Coon Creek Watershed District will hold a public hearing on:
 Monday, September 9, 2024
 5:30 PM
 Coon Creek Watershed District
 13632 Van Buren St NE
 Ham Lake, MN 55304

All residents of the Watershed District are invited to attend the public hearing on the proposed 2025 budget to express their opinions on the budget and the amount of property taxes the Board of Managers propose to collect to pay for District services to be provided in 2025. If the discussion on the budget cannot be completed, a time and place for continuing the discussion will be announced at the hearing.

The property tax amounts are the total amount of property taxes the Board of Managers proposes to collect in 2025 and the estimated percent change each property will pay compared to the previous year:

Proposed 2025	
Property Tax	Pct
<u>Levy</u>	<u>Change</u>
\$6,189,240	25%

The complete budget document can be reviewed at the District office at the address below or on the District website (www.cooncreekwd.org). You are invited to send written comments to:

President
 Coon Creek Watershed District
 13632 Van Buren St NE
 Ham Lake, MN 55304

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