

elm creek Watershed Management Commission

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Technical Advisory Committee Meeting Minutes | May 8, 2024

I. A meeting of the **Technical Advisory Committee (TAC)** of the Elm Creek Watershed Management Commission was called to order at 11:00 a.m., Wednesday, May 8, 2024, in the Plymouth Community Center, 14800 34th Avenue North, Plymouth, MN, by Vice Chair Ben Scharenbroich.

Present: Heather Nelson, Champlin; Josh Accola, Stantec, Dayton; Rebecca Haug, WSB, Medina; Ben Scharenbroich, Plymouth; Andrew Simmons, Rogers; Diane Spector and Erik Megow, Stantec; Kevin Ellis, Hennepin County Environment and Energy (HCEE); Jen Dullum, BSWR; and Amy Juntunen, JASS. Also present: Doug Baines, Dayton.

Not represented: Corcoran and Maple Grove.

II. Motion by Nelson, second by Simmons to approve the **Agenda** as presented. *Motion carried unanimously.*

III. Motion by Simmons, second by Nelson to approve the **Minutes** of the April 10, 2024, meeting. *Motion carried unanimously.*

IV. **2025 OPERATING BUDGET.*** Included in the meeting packet is Staff's May 2, 2024, memo* outlining a proposed draft budget for 2025.

The proposed budget shown in **Table 1** on pages 4 and 5 of the memo separates the operating expenses from the capital and other non-operating expenses and revenues, which are accounted for separately and which will be reviewed in June. This separation allows you to more clearly determine if member assessments and project review fees are adequately funding operating expenses, or whether you are operating a deficit or surplus. It is analogous to a governmental General Fund budget rather than an all funds, balance sheet style.

The 2025 budget as proposed is a continuation of the programs and activities undertaken in 2024, with some slight modifications. The overall proposed 2025 operating budget is about a \$3,800 decrease over the 2024 budget, mainly due to assumptions about project review costs. However, some budget modifications are proposed:

The budget includes a proposed increase in the administrative budget, which has only been modestly increased in the past several years. In the meantime, there has been an increase in the number of TAC, WBIF and other meetings, and project and grant accounting has grown more complex.

The costs and revenues shown for project reviews in 2025 are based on the revised fee structure and our experience over the last few years. Some of the previous budgets simply brought

forward old numbers, and in some cases overestimated costs and potential revenues. The Commission remained fairly constant at the number of project reviews until last year, with only 30 projects vs. 48-54 in the three previous years. This year Staff is estimating the number at 30-40.

Numbers for TRPD monitoring will be adjusted based on numbers supplied by Brian Vlach earlier this week. Regular monitoring will increase by about \$3,600. USGS bills biannually but expects full payment at time of invoice, thus the erratic expenditure history.

One source of revenue that has, in the past, helped to subsidize the member assessments is investment interest. A combination of higher interest rates and a significant fund balance resulted in significant interest income in past years. As projects are completed and the Commission pays out levy and grant funds for those projects, interest earnings will fall.

The 2025 budget as proposed includes a 4.7% increase in city assessments. There was no increase in 2024. The proposed 2025 budget assumes a \$15,000 contribution from cash reserves. The Commission's Comprehensive Fund Balance Policy requires that the Commission maintain a cash reserve equal to either 50% of annual operating revenues or five months of operating expenses. Using the 2024 budget, that minimum reserve balance would be about \$157,000. According to the annual audit, the Unrestricted Fund Balance at the end of 2022 was \$141,927. However, there was also an unusually high project review fees escrow liability of nearly \$80,000 that had not yet been collected.

While the 2023 year-end balance is still under audit, it appears likely that the Commission currently maintains more than adequate cash reserves, especially since it appears at year end the budget ended with a \$58,000+ surplus due to interest earnings. Staff expect to have updated balance figures at the June meeting.

Table 2 details the proposed member city assessments for 2025 compared to previous years. The 2025 assessments are based on the revised legal boundary. It is not possible to do an apples-to-apples comparison of 2024 to 2025 to evaluate the impact of the boundary change on the assessments. Assessments are based on share of taxable market value, and the table shows the taxable market value within each city's share of the watershed for 2024 compared to the 2023 value prior to the boundary change. While there is some variability year to year in market value and that variability is uneven across the cities, it is likely that a good share of the annual change this year was from the boundary revision.

V. PROPOSED MINOR PLAN AMENDMENT.

On April 10, 2024, the Commission initiated a Minor Plan Amendment to the Third Generation Watershed Management Plan, adding two projects to the CIP and revising the cost of one existing project. This proposed revision is set forth in the *Notice of Minor Plan Amendment* included in Staff's May 2, 2024, memo.* The full CIP encompassing the proposed revisions as well as other housekeeping revisions proposed by the cities was included for information. This proposed amendment will be discussed in detail at the Commission meeting following the TAC meeting. After receiving public comment the Commission may consider a resolution adopting a Minor Plan Amendment. As of this date, no comments have been received.

By consensus, the members recommended to the Commission approval of the Minor Plan Amendment as written.

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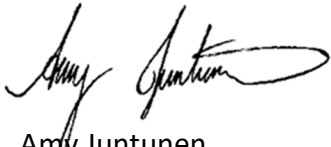
VI. OTHER BUSINESS.

A. WBIF Convene Meeting II is scheduled for Monday, May13, 2024 at 1:00 via Zoom.

B. The next Technical Advisory Committee meeting is scheduled for June 12, 2024, at 10:30 a.m.

There being no further business, the meeting was adjourned at 11:30 a.m.

Respectfully submitted,



Amy Juntunen
Recording Secretary

AAJ:tim

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