The Board convened the workshop at 1:00 p.m.

Attendance: Board members Patricia Preiner, John Waller, Mike Bradley, Steve Wagamon, and Barbara Haake.

Absent: None.

Staff: Interim Administrator Nick Tomczik, Project Manager Kyle Axtell, Office Manager Theresa Stasica.


Visitors: None.

Proposed Draft Preliminary 2020 Budget.

Interim Administrator Nick Tomczik and Project Manager Kyle Axtell continued the proposed 2020 budget review from the previous budget workshop on July 10, 2019. This discussion covered several topics, including: 1) how the District can maintain its fund balance consistent with its existing policy (40% of estimated annual expenditures) over the next Watershed Management Plan (WMP) cycle, 2) a review of staff’s attempts to curtail planned WMP expenditures, 3) a review of staff’s cuts to the proposed 2020 budget, and 4) options for additional revenue generation (levy increase, bonding, loans, grants, etc.).

District Attorney Holtman gave an overview of available loan and bond options. Given that the District is not expecting a significant drop-off of annual expenditures at the end of the WMP cycle, the Board’s general view was that bonding would not effectively solve the budget deficit and fund balance issues in future years within the WMP cycle. Project Manager Axtell reviewed possible options for a schedule of minor levy increases, paired with a schedule of roughly $14 million in cuts to the total proposed WMP budget that would help to maintain the District’s level of program and project activity while eliminating the long-term planning budget deficit.

The initial staff-developed cuts to the 2020 expenditure budget totaled roughly $500,000.

The Board discussed the concept of a modest levy increase focused on taxable market value (TMV) increases within the watershed. The TMV increase from 2018 to 2019 is 7.01% and increasing the levy by this amount in total does not raise the effective property tax rate on an individual parcel. After discussion, the Board agreed to consider a 2020 budget that contained a 10% levy increase over 2019. Project Manager Axtell explained that this would result in about a $1.00 annual tax increase for a $200,000 single-family home; the historic District benchmark used to consider impact. The Board stressed that any future levy adjustments would need to be
largely supported by related TMV increases. Staff committed to re-working the proposed budget based on the workshop for continued discussion at the Board’s upcoming July 24, 2019 regular meeting.

Project Manager Axtell reviewed the remaining WMP schedule and the need for a special meeting on August 7, 2019 to consider release of the draft 2020 WMP.

Interim Administrator Tomczik discussed the desire to present the proposed 2020 budget to the District’s Citizen Advisory Committee (CAC) at its upcoming meeting on August 7, 2019 to solicit input and recommendations for Board consideration; consensus was provided by the Board to do so. He then reviewed the remaining budget schedule including the need for a public hearing on August 28, 2019 ahead of Board certification of the levy at the September 11, 2019 board meeting.

The workshop was adjourned at 2:53 p.m.