

MEETING MINUTES

Riley-Purgatory-Bluff Creek Watershed District

September 17, 2018, Board of Managers Budget Public Hearing and Special Meeting

PRESENT:

Managers: Jill Crafton, Treasurer

Larry Koch

Dorothy Pedersen, Vice President

Dick Ward, President

David Ziegler, Secretary

Staff: Claire Bleser, District Administrator

Terry Jeffery, Project and Permit Manager

Louis Smith, Attorney (Smith Partners)

Scott Sobiech, Engineer (Barr Engineering Company)

Maya Swope, RPBCWD

Other attendees: Paul Bulger, CAC

Anne Deuring, CAC

Laurie Susla, CAC

1. Call to Order

1 President Ward called to order the RPBCWD's Public Hearing and Special Board Meeting at 7:00 p.m. in the
2 District Office, 18681 Lake Drive East, Chanhassen, MN 55317.

2. Approval of the Agenda

3 Manager Ziegler moved to approve the meeting agenda. Manager Crafton seconded the motion. Upon a vote, the
4 motion carried 5-0.

3. Reading and Approval of the Minutes

5 a. Minutes of the August 27, 2018, Board of Managers Budget Workshop

6 Manager Ziegler pointed out that on page 2, third to last paragraph, the meeting time should read "7 p.m."

7 Attorney Smith noted that in the second to the last paragraph, second sentence, the phrase "pursuant to the

8 Board's direction" should be added so the sentence reads, "... and will submit the public notification pursuant

9 to the Board's direction." He said he thought that at the meeting he thought he understood that the Board's

10 direction was to start with the proposed budget that the Administrator offered, and the Board discussed

11 several different changes and from that discussion the Administrator knew what number to publish for the

12 proposed budget. Attorney Smith noted that the purpose of that proposed budget is to let the public know the

13 scale that the Board is considering as it acts tonight. He said in hindsight it would have been good for the

14 Board to act with a motion to be very clear what that budget number is for the public notice.

15 Attorney Smith stated that on page 2 in the third to last paragraph in the second line “public hearing” should
16 be replaced with “public informational meeting.”

17 Manager Pedersen moved to approve the minutes. Manager Ziegler seconded the motion. Manager Koch said
18 that he didn’t think that the Board approved that budget number that was published and that he thought that
19 the Board would be presented with a budget number at the next meeting and that would be the number that
20 would go out with the notice. Upon a vote, the motion carried 4-1 [Manager Koch voted against the motion].

4. Public Hearing on the RPBCWD 2019 Budget and Levy

21 Administrator Bleser went through the proposed 2019 budget and levy. She explained that the proposed 2019 levy
22 is \$3,602,500 for a proposed 2019 budget of \$6,917,492. Administrator Bleser said that levy equates to \$221 for
23 an \$800,000 home. She said currently for an \$800,000 home the District’s levy equates to a cost of \$210.

24 Administrator Bleser explained that the District has an increase in its tax base for 2019. She said that it will be a
25 tax base of \$255,000,000 based on its boundary changes and she did not factor in this change in the previous
26 calculation of how the proposed 2019 levy would change a taxpayer’s payment from 2018 to 2019 for the
27 \$800,000 household. She noted that for a \$200,000 household the 2019 levy would equate to a \$2 increase.

28 She went into detail about the Administration budget items and the District-wide projects. She talked about the
29 projects that are categorized in the budget as the Bluff Creek, Riley Creek, and Purgatory Creek projects, pointing
30 out multi-year projects and project partners. Administrator Bleser said that with the calculation of some of the
31 fund carry-overs and the understanding that the Board would authorize a budget transfer from Purgatory Creek,
32 she was able to estimate that the District’s 2019 levy could be \$3,602,500 with a total budget of \$6,917,492.

33 Manager Koch asked for more details about how the District receives grant funds. Administrator Bleser noted that
34 each grant program has a different process, and she described the processes for submitting work plans. Manager
35 Koch asked if past District levies have included grant funds. Administrator Bleser explained that she tracks those,
36 and they are in a separate document that details what is open in current grants, and how much the District has
37 received, and what are next steps. Manager Koch made recommendations on how the grant funds could be
38 tracked.

39 Manager Koch noted that the proposed 2019 budget shows anticipated \$25,000 in permit income. He noted that
40 by the end of July 2018 the District has received \$75,000 in permit income. Manager Koch asked what accounts
41 for the additional permit revenues in 2018 and if it could be anticipated to be repeated in 2019. Administrator
42 Bleser said the previous accountant combined permit fees with permit escrows. She said an adjustment needed to
43 be made. Manager Koch asked if \$25,000 is still an appropriate estimate for permit fee income in 2019.
44 Administrator Bleser said it is a safe estimate, but if the economy changes and there could be less permit income
45 than \$25,000.

46 Manager Koch asked a question about investment income. He noted that the District has received \$17,000 in
47 interest since July 31 but there is no line item in the budget for this income. Manager Koch added that the District
48 has not been receiving interest from its funds in the bank, but should the District plug in a number to the budget
49 for this interest income. President Ward agreed that the District should have this number in the budget.
50 Administrator Bleser said a quick estimate is around \$35,000 for that interest income. President Ward said that
51 number seems about right.

52 Manager Koch asked about expenditures for Legal Services year to date. He commented that as of July 31 legal
53 services expenditures have been roughly \$25,000. He said that the 2019 budget doesn’t assume any carry-over
54 budget for legal services. Manager Koch asked if staff anticipates spending the remaining 2018 legal services

55 budget this year. Administrator Bleser responded that she forecasts the administrative budget by putting them to
56 zero. She said whatever is left can go to the emergency fund reserve. Manager Koch asked if the estimate of
57 \$35,000 for permit review in 2019 is enough? Administrator Bleser said yes, there will be some funds from the
58 permitting line item and some funds from the cost share. She said yes, they can do something good for \$35,000
59 and in future years the District will probably do enhancements.

60 Manager Koch asked how much money the District is allocating for 2019 for staff education. Administrator
61 Bleser responded \$18,000.

62 Manager Koch commented it would be helpful if staff provides a schedule for each of the multi-year projects that
63 shows here is what we spent, here is what we are levying, and here is what we anticipate spending in future years.
64 He said that he would like to see going forward a sub-budget for line 19, Education and Outreach. Manager Koch
65 said that he is uncomfortable approving that amount of money without detail about the components.

66 Manager Koch had a question about floodplain evaluation and LIDAR surveys. He asked to what extent does the
67 District use LIDAR as a way of saving time and money, so the District doesn't repeat work that has already been
68 done. Engineer Sobiech explained that LIDAR is a technology where a plane flies over an area and uses lasers to
69 detect ground elevation. He said that in this watershed, the LIDAR data is from 2011. Engineer Sobiech explained
70 that the District supplements the LIDAR data with other site-specific survey data to get better accuracy.

71 President Ward asked about office costs. He said that at the initial budget workshop, the miscellaneous budget
72 was \$14,000. He asked if this is correct. Administrator Bleser said \$14,000 for the year. President Ward said that
73 \$14,000 is too big of a number and that things need to be broken out and described.

74 Administrator Bleser asked if the Board wants to see in future years the changes that Manager Koch has requested
75 including grant income details, partnership income details, schedules of multi-years projects, further details on
76 multi-year projects, and further details on staff. President Ward said for the purposes of this budget let's leave it
77 the way it is because the Board will need to decide how it wants to break those items out.

78 President Ward opened the floor to the public for comments.

79 Ms. Laurie Susla of 7008 Dakota Avenue, Chanhassen, said that at the Board's meeting at the beginning of the
80 month she asked the Board how much of the \$6.1 million that the District has in the bank currently is committed
81 to projects and how that money is classified per the Board's Governance Manual. Ms. Susla remarked that she
82 was told that her question would be answered by the meeting minutes from the Board's August 27th meeting, but
83 it was not. She wanted to know if the Board had taken that extremely large sum that it has in the bank into
84 account as the Board is considering raising the levy. Administrator Bleser responded that the District has
85 approximately \$1.2 million in cash escrow and the rest of the funds are committed. She said the District is waiting
86 for the December distribution for its second half of the year's levy. Administrator Bleser noted that there are
87 approximately \$700,000 in actual reserves. She said work is being done on the District's financial policies and a
88 draft will come to the Board soon. She said that some of the language tied to the District's existing financial
89 policies are from when the District had a general fund. Administrator Bleser said the District no longer has a
90 general fund and work is being done to clarify the District's policy statement. Manager Koch said he believes it is
91 a straight forward matter to provide on the financial statements what is often called a tie-out schedule where the
92 District can tie out its escrows with future commitments and end up with a balance. He said he believes this
93 information should be part of the monthly financial statement. Administrator Bleser said this is prepared annually
94 as part of the audit. President Ward said this information is something that Redpath could easily report. Manager
95 Koch replied that he would rather see the information monthly or at minimum quarterly.

96 Ms. Susla commented on the year-end forecasting for the administration portion of the budget. She said if one
 97 looks at where the District’s budget was at July 31st and then do the math then the District will end the year at
 98 approximately \$805,000. She said that when one takes that number and then look at the proposed 2019 budget, it
 99 is approximately a 40% budget increase from where the District will end 2018. She asked that when the
 100 December public information meeting about the 2019 budget is held that the District fill out the year-end forecast
 101 numbers for the Administration section so one can get a clearer understanding of where the District will
 102 approximately end this year. She asked that the Board compare the year-end forecast numbers with the 2019
 103 budget numbers because a 40% increase is a big increase. She asked that the Board look at the 2019 budget in
 104 December with a slightly pointier pen. Ms. Susla addressed specific line items that look like they will have funds
 105 unspent by year end. Administrator Bleser noted outstanding costs that staff anticipates being expended in 2018.

106 Ms. Susla commented on the column labeled 2018 year-end forecast. She asked if this column indicates what the
 107 District will have left over as opposed to what the District anticipates spending? Ms. Susla recommended that for
 108 the December public meeting the forecast should reflect what staff anticipates spending for the year. She
 109 commented that she was curious about the cost share budget and the District’s plan to carry over \$100,000 and
 110 levy another \$100,000. Ms. Susla said she would be very surprised if the District is going to spend \$200,000.

111 Attorney Smith noted that on the totals sheet, regarding adopting the budget, there is a listed total revenue figure
 112 of \$6,917,492 and he thinks that the total expenditures read \$6,892,492. Attorney Smith said he thinks there is a
 113 \$25,000 different, and the Board may want to put that \$25,000 in reserves so that the anticipated revenues
 114 matches the anticipated expenditures. Administrator Bleser explained that the difference was the assumption that
 115 there is not a guarantee that the District will receive \$25,000 from permit fees. Manager Koch suggested adding
 116 that \$25,000 to reserves and adding an asterisk noting that \$25,000 is uncertain.

117 President Ward read aloud the resolving statements of Resolution 2018-09 to adopt the 2019 annual budget in the
 118 amount of \$6,917,492. Manager Ziegler moved to adopt the 2019 budget in the amount of \$6,917,492. Manager
 119 Crafton seconded the motion. Upon a roll call vote, the motion carried 4-1 [Manager Koch voted against the
 120 motion.]

Manager	Aye	Nay	Absent	Abstain
Crafton	X			
Pedersen	X			
Ziegler	X			
Koch		X		
Ward	X			

121
 122
 123 President Ward read aloud the resolving statements of Resolution 2018-10 to adopt the 2019 Metropolitan Surface
 124 Water Management Act Levy in the amount of \$3,602,500.

125 Manager Crafton moved to adopt Resolution 2018-10 to adopt the 2019 Metropolitan Surface Water Management
126 Act Levy for the RPBCWD. Manager Pedersen seconded the motion.

Manager	Aye	Nay	Absent	Abstain
Crafton	X			
Pedersen	X			
Ziegler	X			
Koch		X		
Ward	X			

127
128 President Ward announced that the District will hold a public informational meeting about the 2019 budget and
129 levy on December 5, 2018, at 7 p.m.

5. Action Items

a. **Cost-Share: Approve Paul Shoreline Restoration**

130 Administrator Bleser reported that Mr. Jeffery presented this cost-share application to the CAC and that the
131 applicant has work for several years to put this project together. Mr. Jeffery provided background on this cost-
132 share application and the property. He described the proposed project, which includes removing concrete wall
133 along the shoreline and an 8-foot wide concrete ramp, which will be replaced with a sand blanket. Mr. Jeffery
134 said that the rest of the shoreline would have rip rap and plantings. He noted that the CAC was concerned
135 about the planting plan. Mr. Jeffery said the planting plan has been revised and now includes all native plants.
136 He stated that staff and the CAC recommend approval of this cost share at an amount not to exceed \$3,000.
137

138 The managers discussed the project.

139 Manager Pederson moved to approve the cost-share grant not to exceed \$3,000 with the permitting needs as
140 determined by staff and with staff recommendations. Manager Crafton seconded the motion. Upon a vote, the
141 motion carried 5-0.

b. **Approve Cooperative Agreement with Chanhassen – Bluff Creek Tributary**

142 Administrator Bleser announced that this document has been reviewed and approved by staff and it is her
143 understanding that the City will be acting on this Cooperative Agreement next Monday, September 24.
144

145 Manager Koch moved to approve the Cooperative Agreement with Chanhassen for the Bluff Creek Tributary,
146 authorize the Administrator and Legal Counsel to make non-substantive changes as they deem necessary, and
147 authorize execution of the Agreement by the President.

148 Manager Ziegler seconded the motion.

149 Upon a vote, the motion carried 5-0.

6. Lower Riley Creek Corridor Enhancement Plan

150 Administrator Bleser reported that the enhancement plan will be tied to a cooperative agreement. She noted that
151 the District, the City of Eden Prairie, and the Lower Minnesota River Watershed District have been working on
152 this plan. She said the document is a living document that can be updated in the future. She said staff's goal is to
153 get the cooperative agreement to the Board for its next monthly meeting.

7. Upcoming Events

- Cycle the Creek, September 29, 10:00 a.m., District Office, 18681 Lake Drive East, Chanhassen
- Regular Board Meeting, October 3, 5:30 p.m. 18681 Lake Drive East, Chanhassen

8. Adjourn

156 Manager Crafton moved to adjourn the meeting. Manger Pederson seconded the motion. Upon a vote, the
157 motion carried 5-0. The meeting adjourned at 8:37 p.m.

161
162 Respectfully submitted,

163
164 _____
165 David Ziegler, Secretary