



Item 6D.  
BCWMC 5-18-17

## Bassett Creek Watershed Management Commission

### MEMO

To: BCWMC Commissioners  
From: Laura Jester, Administrator  
Date: May 10, 2017

**RE: BCWMC Budget Committee Recommendations**

The BCWMC Budget Committee met on March 27<sup>th</sup> and April 24<sup>th</sup> to discuss the 2018 operating budget. The committee appointed Alt. Commissioner McDonald Black as committee chair. Attendees at the March meeting included Committee Chair Mc Donald Black, Alt. Commissioner Prom, Commissioner Mueller, Engineer Chandler, and me. April meeting attendees included Committee Chair McDonald Black, Alt. Commissioner Prom, Commissioner de Lambert, Commissioner Mueller, Engineer Chandler, and me.

During their meetings, the committee reviewed different budget scenarios and considered ways to reduce costs for various projects and programs. According to the [BCWMC Monitoring Plan](#), the Commission is slated to begin a new stream monitoring program to measure water quality and quantity in 2018, in addition to its regular stream biotic index monitoring and lake monitoring. Although initial monitoring costs were estimated at nearly \$160,000, the Commission Engineer and I worked to reduce 2018 monitoring costs by 1) finding partners to perform some of the monitoring; 2) reducing the number of samples collected in streams (as compared to new WOMP protocols); 3) reconfiguring the schedule to spread stream monitoring over a 6-year period rather than a 2-year period; and 4) proposing to purchase monitoring equipment this year for use in the Schaper Pond Effectiveness Monitoring Project (eliminating the need for the Commission to rent equipment this year and which can then be used for stream monitoring starting next year).

The committee reviewed the costs associated with the annual Flood Control Project inspections. In 2018, these inspection costs include the 2nd Street (deep) tunnel inspection using NASSCO protocol (estimated at \$36,000), and the usual annual inspection of all non-tunnel Flood Control Project structures (estimated at \$12,000). Please see further notes on these costs under "H" on page 3.

The committee also reviewed staff recommendations to reduce budgets for some areas in order to keep assessments to cities at a reasonable level and to include budgets that are closer to actual costs from the last few years.

The committee discussed various budgeting priorities and will work on the following during the course of this year including:

- The need to keep assessments relatively stable over years without large increases or decreases
- The need to communicate the value of services to member cities and reasons for any proposed increases

- The fact that the use of fund balance will not be a viable option beyond 2018 (currently used as a “revenue” stream) due to the need to keep approximately 50% of annual operating costs within the fund balance
- The need to begin planning for and possibly saving for large future expenses such as development of the next watershed management plan (due 2025), future tunnel inspections, future Flood Control Project maintenance costs
- The desire to develop a 10-year cash flow outlook

**RECOMMENDATIONS:**

1. The BCWMC Budget Committee recommends that the 2018 budget include a 3% increase in assessments to cities over 2017 levels.
2. The BCMMC Budget Committee recommends the Commission purchase up to \$10,900 of monitoring equipment with the 2017 Surveys and Studies budget line for use on the Schaper Pond Effectiveness Monitoring Project in 2017 (eliminating the need for the Commission to rent equipment this year and which can then be used for stream monitoring starting next year).

Since the committee last met, staff further reduced the anticipated lake monitoring costs by finding more monitoring partners and biotic index monitoring costs, and proposes to move those savings into other areas within the monitoring budget, and into surveys and studies, water quantity, and APM/AIS work.

Please see the attached budget tables and notes.

## 2018 Proposed Operating Budget

## Bassett Creek Watershed Management Commission

Item	2014 Budget	2014 Actual	2015 Budget	2015 Actual	2016 Budget	2016 Actual	2017 Budget	2018 Cmte Proposed Budget	Staff Revisions Since Committee Meeting	See Notes
<b>ENGINEERING &amp; MONITORING</b>										
Technical Services	120,000	109,391	120,000	116,972	120,000	112,502	125,000	125,000	125,000	
Development/Project Reviews (funded by fees)	65,000	52,643	65,000	51,622	65,000	94,619	65,000	75,000	75,000	(A)
Non-fee and Preliminary			15,000	53,686	15,000	35,253	15,000	10,000	10,000	(B)
Commission and TAC Meetings	16,000	15,984	14,500	11,525	13,000	11,808	14,000	12,000	12,000	(C)
Surveys and Studies	20,000	7,446	20,000	22,109	25,000	24,444	20,000	10,000	12,000	(D)
Water Quality / Monitoring	45,000	74,090	63,000	77,429	76,000	75,892	74,300	87,000	80,700	(E)
Shoreland Habitat Monitoring					6,000	2,468	-			
Water Quantity	11,000	12,100	11,500	9,115	11,500	8,731	11,500	6,000	6,300	(F)
Assistance on Erosion Control Inspections	1,000	225	1,000		1,000	-	1,000	1,000	1,000	(G)
Annual Flood Control Project Inspections	20,000	17,031	10,000	9,996	10,000	8,867	12,000	48,000	48,000	(H)
Municipal Plan Review	2,000	764	2,000		2,000	2,491	8,000	8,000	8,000	(I)
Watershed Outlet Monitoring Program (WOMP)	17,000	13,917	17,000	15,786	17,000	17,002	15,500	20,500	20,500	(J)
Annual XP-SWMM Model Updates/Reviews							10,000	10,000	10,000	(K)
APWAIS Work							35,000	28,000	32,000	(L)
<b>Subtotal Engineering &amp; Monitoring</b>	<b>\$317,000</b>	<b>\$303,591</b>	<b>\$339,000</b>	<b>\$368,240</b>	<b>\$361,500</b>	<b>\$394,077</b>	<b>\$406,300</b>	<b>\$440,500</b>	<b>\$440,500</b>	
<b>PLANNING</b>										
Watershed-wide XP-SWMM Model (I & II)	0	0	-	-	-	-	-	-	-	
Watershed-wide P8 Water Quality Model	0	0	-	-	-	-	-	-	-	
Next Generation Plan Development	40,000	55,198	30,000	28,277	-	-	-	-	-	
<b>Subtotal Planning</b>	<b>\$40,000</b>	<b>\$55,198</b>	<b>\$30,000</b>	<b>\$28,277</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>ADMINISTRATION</b>										
Administrator	60,000	53,917	62,000	59,395	62,000	59,033	67,200	67,200	67,200	(M)
Legal	18,500	22,269	18,500	12,969	18,500	15,470	18,500	17,000	17,000	(N)
Financial Management	3,045	3,045	3,200	3,200	3,200	3,277	3,200	3,200	3,200	
Audit, Insurance & Bond	15,500	12,476	15,500	13,181	15,500	14,606	15,500	15,500	15,500	
Digitize Historic Paper Files/Data			2,500	-	5,000	2,167	-			
Meeting Catering Expenses	3,000	1,836	2,500	1,564	2,200	1,572	2,000	1,600	1,600	(O)
Admin Services (Rec Sec+Printing+Postage)	35,800	22,763	32,000	29,843	25,000	11,583	18,000	15,000	15,000	(P)
<b>Subtotal Administration</b>	<b>\$135,845</b>	<b>\$116,306</b>	<b>\$136,200</b>	<b>\$120,152</b>	<b>\$131,400</b>	<b>\$107,708</b>	<b>\$124,400</b>	<b>\$119,500</b>	<b>\$119,500</b>	
<b>OUTREACH &amp; EDUCATION</b>										
Publications / Annual Report	2,000	2,272	4,000	1,430	2,500	1,246	2,500	1,500	1,500	(Q)
Website	2,000	0	12,000	11,802	3,500	2,275	4,400	4,200	4,200	(R)
Watershed Education	15,500	11,100	15,500	10,700	15,500	9,550	15,500	13,850	13,850	(S)
Education and Public Outreach	15,000	20,292	17,000	12,830	22,500	25,710	20,000	22,000	22,000	(T)
Public Communications	3,000	1,198	3,000	2,270	2,500	1,128	2,500	2,500	2,500	
<b>Subtotal Outreach &amp;</b>	<b>\$37,500</b>	<b>\$34,862</b>	<b>\$51,500</b>	<b>\$39,032</b>	<b>\$46,500</b>	<b>\$39,909</b>	<b>\$44,900</b>	<b>\$44,050</b>	<b>\$44,050</b>	
<b>MAINTENANCE FUNDS</b>										
Erosion/Sediment (Channel Maintenance)	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	(U)
Long-Term Maint. (Flood Control Project)	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	(V)
<b>Subtotal Maintenance Funds</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	
<b>TMDL WORK</b>										
TMDL Implementation Reporting	20,000	20,000	20,000	15,881	20,000	18,950	20,000	10,000	10,000	(W)
<b>Subtotal TMDL Work</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$15,881</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$10,000</b>	<b>\$10,000</b>	
<b>GRAND TOTAL</b>	<b>\$600,345</b>	<b>\$579,957</b>	<b>\$626,700</b>	<b>\$621,582</b>	<b>\$609,400</b>	<b>\$611,694</b>	<b>\$645,600</b>	<b>\$664,050</b>	<b>\$664,050</b>	

## NOTES

(A) Majority of costs are covered by review fees. 2018 budget assumes 40 submittals at average cost of \$2,000 - \$2,500 per review, which is based on 2014 -2016 trend of increasing number of submittals and increased number of complex reviews (including MIDS)

(B) Assumes reduction in non-fee reviews in 2018 because reviews for light rail projects should be completed. This was a new line item in 2015 used to cover reviews for which either we do not receive an application fee or it's too early in the process for us to have received an application fee (such as the Blue Line LRT, SWLRT, MnDOT projects, etc.). Through agreements with Met Council, some of these costs were recovered in 2015, 2016 and 2017.

(C) Assumes actual meeting attendance is similar to 2015 and 2016. Engineer attendance at BCWMC meetings and TAC meetings (and Plan Steering Cmte Meetings thru 2015). 2010- 2013 estimates based on 18 meetings. 2014 estimate based on 30 meetings. 2015 estimate based on 24 meetings. 2016 estimated based on 18 meetings (12 BCWMC and 5 TAC). 2017 budget increased to allow for additional BCWMC Engineer staff to attend Commission/TAC meetings (total of 3 assumed).

(D) For Commission-directed surveys and studies - e.g., past work has included watershed tours, Medicine Lake outlet work, Flood Control Project Maintenance and Responsibilities, Sweeney Lake sediment monitoring. Budget reduced from previous years for overall budget savings. Under "staff revisions," staff recommends using some of the savings recently realized for 2018 monitoring (see E below) to increase this budget slightly from committee-recommended amount.

(E) Routine lake and new stream monitoring. See details on next page.

(F) Water Quality (lake level) monitoring budget lowered: will result in fewer data points.

(G) After recommendations from the TAC and Budget Committee, the Commission's ended the erosion and sediment control inspection program (Watershed Inspection) in 2014 due to duplication with activities required by the member cities. Some budget remains here to provide, as requested by the Commission, some oversight of city inspection activities (reports of inspections are available from each city). May require additional budget if BCWMC Engineer is to inspect MnDOT and Hennepin County projects.

(H) Includes the 2nd Street (deep) tunnel inspection, following NASSCO protocol (\$36,000), and the usual annual inspection (\$12,000). The cost of tunnel inspection has significantly increased over the last 20 years due to developing industry standards and safety considerations and confined space OSHA requirements. NAASCO is essentially a system of identifying tunnel defects using consistent and industry standard terminology. The City of Minneapolis requires NAASCO coding for consistency with all of its tunnel systems. The alternative would be a standard walkthrough to look for any urgent issues such as large voids that require immediate attention – this is limited to one day in the tunnel to reduce costs. The 2008 deep tunnel inspection was much less expensive to the BCWMC because the City performed all of the surface attendant duties and provided the crane and man basket access and the ladder access for the inspection and emergency egress. The budget includes \$10,000 for subcontractors for crane, operator and man basket and for the confined space emergency extraction team. Although the city funded a portion of the BCWMC double box culvert inspection in 2014 to ensure the project was performed according to NAASCO, they did so because the BCWMC budgets were already set. The BCWMC Watershed Plan and newly adopted policies for long term maintenance of the Flood Control Project indicates that inspections are the responsibility of the BCWMC. The Commission Engineer recommends the BCWMC perform a NAASCO inspection in 2018. The budget also include a GIS interface that helps display results. 2014 budget included inspection of double box culvert (performed once every 5 years). 2016 and 2015 budgets included typical annual inspection. 2017 budget included annual inspection + follow-up with cities, stemming from Flood Control Project Maintenance and Responsibilities-related effort.

(I) 2018 budget assumed same as 2017, as some reviews will likely come before the Commission in 2018. 2017 budget assumes review of updated/revise municipal local water plans/official controls likely to come before Commission in 2017. Assume 4 cities at \$2,000 each. This task has also included review of adjacent WMO plan amendments, and review of city ordinances.

(J) Monitoring at the Watershed Outlet Monitoring Program site in Minneapolis through an agreement with Met Council. Commission is reimbursed \$5,000 from Met Council. Met Council pays for equipment, maintenance, power, cell service, and lab analyses. Monitoring protocol changed in 2017 with collection of bi-monthly samples (up from once-per-month sampling). \$20,500 includes \$16,000 for Wenck or similar contractor + \$4,500 for Barr's data management and analyses

(K) Make updates to XP-SWMM model, coordinate with P8 model updates, assist cities with model use.

(L) Funds to implement recommendations of Aquatic Plant Management/Aquatic Invasive Species Committee likely including curly-leaf pondweed control in Medicine Lake. Under "staff revisions," staff recommends using some of the savings recently realized for 2018 monitoring (see E above) to increase this budget from committee-recommended amount.

(M) No increase in Administrator hourly rate. \$70/hour for average of 80 hours per month.

(N) Slight budget decrease over previous years to be more in line with actual spending in last few years. Hourly rate will increase from \$199/hr in 2017 to \$201/hr in 2018.

(O) Budget decrease to be in line with current expenses. Catering expenses for meetings = coffee, juice, rolls, fruit

(P) Recording Secretary \$42/hr rate \* 21 hrs/mo (6.5 hrs for minutes, 14.5 for social media, writing articles, coordinating with city communication staff) + \$370 annual mileage + \$250/mo meeting packet printing/mailing + \$546 contingency

(Q) Budget decrease to be more in line with actual expenses in last few years. Costs associated with Commission Engineer assistance with annual report

(R) Based on 2017-2019 agreement with HDR for website hosting and maintenance activities.

(S) Includes CAMP (\$5,000), River Watch (\$2,000), Metro Watershed Partners (\$3,500), Metro Blooms (\$3,000), Children's Water Festival (\$350). Does not allow for additional partnerships or increases in contributions.

(T) Includes funding for West Metro Water Alliance at \$13,000 plus funding for other educational supplies and materials including educational signage, display materials, Commissioner training, etc.

(U) Will be transferred to Channel Maintenance Fund

(V) Will be transferred to Long-Term Maintenance Fund

(W) Budget reduced from previous years for overall budget savings. Task includes reporting on TMDL implementation and updating P8 model to include new BMPs.

**2018 Proposed Water Monitoring Program**

Task	Budget Committee Recommendation	Staff Revisions since Committee Meeting
<p>Routine Lake Monitoring on Parkers and Westwood Lakes: Detailed lake monitoring includes monitoring one location on each lake on six occasions for selected parameters (total phosphorus, soluble reactive phosphorus, total nitrogen, pH and chlorophyll a), sample analysis, phytoplankton and zooplankton collection and analysis, an aquatic plant survey (two occasions), preparation of a presentation and preparation of a final report (following template of 2016 reports). Estimated amount includes field assistance from St. Louis Park/Westwood Nature Center staff and Three Rivers Park District staff (originally estimated at \$4,000 worth of work; revised to \$6,000 worth of work). Additionally, the Minneapolis Park and Rec Board will monitor Wirth Lake in 2018 using similar methods and collecting the same data as BCWMC methods.</p>	<p align="center">\$36,000</p>	<p align="center">\$34,000</p>
<p>First of 2 yrs of stream water quality/quantity monitoring designed to approximate the Met Council's WOMP. Originally this was slated for all three stations along the creek (the Sweeney Branch, North Branch and Plymouth Creek) to be monitored in the same year. To reduce costs, committee and staff recommend spreading out monitoring over 6 years (2 years/site * 3 sites). Recommendation to monitor North Branch in 2018/2019. Includes 16 grab samples (although Met Council recommends 24 grab samples), 16 event samples, initial site evaluation, design, and equipment installation, labor and laboratory costs. Equipment would be purchased in 2017 with "Surveys and Studies" budget for the Schaper Pond Effectiveness Monitoring Study.</p>	<p align="center">\$19,400</p>	<p align="center">\$19,400</p>
<p>Biotic index monitoring in streams: Originally included macroinvertebrate monitoring and habitat survey at five stations, macroinvertebrate analyses (microscopic identification/ enumeration), computation of HBI and M-IBI, trend analyses, data summary/analyses, and preparation of report and presentation for BCWMC Meeting. Since the committee meeting, staff determined it would be beneficial to correlate biotic index monitoring with stream monitoring and perform monitoring at only the North Branch site + 2 Main Stem sites. A 3<sup>rd</sup> Main Stem site (at the WOMP station) will be monitored for biota by the Met Council.</p>	<p align="center">\$27,600</p>	<p align="center">\$17,300</p>
<p>General water quality: Potential items/issues include additions to the MPCA's impaired waters list (perhaps including Fish IBI and Plant IBI listings), new AIS species, and possible coordination with the MPCA regarding their upcoming 2020 TMDL-related efforts. (Since the committee meeting, staff recommends using some savings from biotic index monitoring to increase this amount to reflect a typical year's work.)</p>	<p align="center">\$7,000</p>	<p align="center">\$10,000</p>
<p><b>Total</b></p>	<p align="center"><b>\$87,000</b></p>	<p align="center"><b>\$80,700</b></p>

<b>2017 Financial Information</b>			
Fund Balance as of January 31, 2017 (audited)		\$	350,939
Expected income from assessments in 2017	+	\$	500,000
Expected interest income in 2017	+	\$	-
Expected income from project review fees	+	\$	60,000
Expected income from CIP Administrative Funds	+	\$	26,072
Expected transfer from Long-term Maint Fund for Flood Control Project	+	\$	12,000
Expected income from WOMP reimbursement	+	\$	5,000
Expected income from reimbursements from 2016/2017 work <sup>1</sup>	+	\$	14,000
Estimated funds available for fiscal year 2017		\$	968,011
Estimated expenditures for fiscal year 2017	-	\$	645,600
Estimated fund balance as of January 31, 2018		\$	322,411
<sup>1</sup> Already invoiced for work on Blue Line LRT + work expected this year			
<b>2018 Revenues</b>			
<b>Expected Income</b>			
Proposed Assessments to cities	+	\$	515,050
Use of fund balance	+	\$	14,000
CIP Administrative Funds (2.0% of est. requested levy of \$1.35M)	+	\$	27,000
Project review fees	+	\$	55,000
Transfer from Long-term Maint Fund for Flood Control Proj Inspections <sup>2</sup>	+	\$	48,000
WOMP reimbursement	+	\$	5,000
Expected reimbursement for Blue Line LRT work	+	\$	-
Interest income in 2017	+	\$	-
		\$	664,050
<b>Expected Expenses</b>			
Total operating budget		\$	664,050
<b>Fund Balance Details</b>			
Est. Beginning Fund Balance (Jan 31, 2018)		\$	322,411
Use of Fund Balance (see income above)	-	\$	14,000
Est. Remaining Fund Balance (Jan 31, 2019)		\$	308,411
<sup>2</sup> Requires reducing Long Term Flood Control Project Amount by \$23,000.			

Community	For Taxes Payable in 2017	2017 Percent	Current Area Watershed	Percent	Average	2012 Assessment	2013 Assessment	2014 Assessment	2015 Assessment	2016 Assessment	2017 Assessment	2018 Proposed Assessment (3% increase from 2017)
	Net Tax Capacity	of Valuation	in Acres	of Area	Percent	\$461,045	\$515,016	\$490,345	\$490,345	\$490,345	\$500,000	\$515,050
Crystal	\$7,808,179	5.36	1,264	5.09	5.22	\$24,941	\$27,424	\$25,504	\$25,868	\$25,771	\$26,118	\$26,904
Golden Valley	\$37,384,452	25.66	6,615	26.63	26.14	\$115,080	\$129,126	\$123,033	\$121,964	\$127,675	\$130,715	\$134,649
Medicine Lake	\$972,923	0.67	199	0.80	0.73	\$3,484	\$3,909	\$3,479	\$3,543	\$3,600	\$3,672	\$3,783
Minneapolis	\$9,756,021	6.70	1,690	6.80	6.75	\$32,661	\$35,236	\$32,953	\$33,235	\$32,885	\$33,747	\$34,763
Minnetonka	\$9,373,403	6.43	1,108	4.46	5.45	\$24,920	\$28,464	\$27,402	\$28,121	\$27,536	\$27,234	\$28,053
New Hope	\$7,785,981	5.34	1,252	5.04	5.19	\$25,533	\$27,648	\$26,479	\$25,681	\$25,627	\$25,959	\$26,740
Plymouth	\$62,940,854	43.20	11,618	46.77	44.98	\$209,101	\$235,310	\$224,959	\$225,159	\$220,974	\$224,912	\$231,682
Robbinsdale	\$2,609,710	1.79	345	1.39	1.59	\$8,022	\$8,479	\$7,743	\$7,587	\$7,843	\$7,950	\$8,189
St. Louis Park	\$7,067,617	4.85	752	3.03	3.94	\$17,303	\$19,420	\$18,792	\$19,184	\$18,433	\$19,695	\$20,287
<b>TOTAL</b>	<b>\$145,699,140</b>	<b>100.00</b>	<b>24,843</b>	<b>100.00</b>	<b>100.00</b>	<b>\$461,045</b>	<b>\$515,045</b>	<b>\$490,345</b>	<b>\$490,345</b>	<b>\$490,345</b>	<b>\$500,000</b>	<b>\$515,050</b>