



524 4th St South, Sauk Centre, MN 56378
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Minutes August 24, 2010 Meeting

MINUTES

**Sauk River Watershed District Special Meeting
 Tuesday, August 24, 2010**

7:00 PM – Special Budget Meeting – Sauk River Watershed District Office, Sauk Centre

Managers Present:	Bob Mostad, Larry Kuseske, Jim Kral, Jim Rothstein, Dan Coughlin, Virgil Rettig, Vern Vangness, Jason Scherping, Todd Foster
Staff Present:	Holly Kovarik, Administrator
Guests Present:	None
Manager’s Absent:	None

- The meeting was called to order by President Jim Rothstein at 7:00 p.m. and the Pledge of Allegiance was recited.**
- President Rothstein turned the meeting over to Administrator Kovarik at this time to discuss the budget situation. A presentation was made by the Administrator as attached. Administrator Kovarik discussed that she had met with the Board Treasurer, Dan Coughlin to go over the budget and to prepare the presentation for discussion today. Administrator Kovarik gave a brief history on the financial situation and the transitions that the District has been going through over the past couple of years.

Administrative Kovarik discussed that she has met with the staff to discuss 2011 needs. It was a consensus of the staff because of the transitional period that the Goals and Objectives should remain the same. The staff emphasized a few items to be included in this next year’s budget. They included: database establishment, survey of watershed residents, Overall Plan Update, Building Fund, Equipment Depreciation Fund, and computer upgrades.

The Managers and Administrator Kovarik went through the Goals and Objectives from 2009 and discussed if there should be any changes. In addition there was discussion about the progress on the 2099 Goals and Objectives. A few changes were noted by the Managers. These revisions will be made by Administrator Kovarik and brought forth for final approval by the board at a future meeting.

Objective #1 additions/changes: To include searching for grants from traditional and nontraditional sources.

Objective #2 additions/changes: To apply for grants from traditional and nontraditional sources.

Objective #3 additions/changes: None

Objective #4 additions/changes: None

Objective #5 additions/changes: None

Objective #6 additions/changes: None

Objective #7 additions/changes: To clarify if the District can designate the difference between the billable rate and the actual expenditures to a specific fund. Administrator Kovarik will check into to the legal components of this and report an answer back to the board.

Objective #8 additions/changes: None

Objective #9 additions/changes: To add three items to the list including: #1 To work with

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private consultants on public relations efforts #2 To conduct a pontoon tour event within the District and for the public and board participation and #3 to do a canoe and kayak educational event for the board and public.

Objective #10 additions/changes: None

Objective #11 additions/changes: None

There were other comments about the Goals and Objectives they included:

1. To provide the board with a report on the difference between standards and blind samples for the monitoring program.
2. To investigate the possibility of partnering with a municipality to capture more monitoring information.
3. To provide more reports to Managers at Board meetings.
4. To provide a response on the legal aspects on the billable and non billable rates.

Administrator Kovarik shared the potential Taxable Market Value (TMV) that the District can levy up to which is \$726,208.30. The District has maintained the current levy in the last two years at \$524,043. Historically the District has had a heavy dependence on grant funding. Currently four staff positions are 80% or greater paid by grants. Administrator Kovarik and Manager Coughlin have reviewed the actual grant funding coming in per position and compared this to the previous budget process.

Administrator Kovarik shared the total draft budget of \$789,375 which is levy and grant together. The major shift in this budget proposal for 2011 is shifting approximately \$100,000 which was under the old budgets considered as grant reimbursement. This was not close to the actual grant reimbursement coming in. The proposed budget would increase the current levy about 20%.

Administrator Kovarik asked the Managers for guidance and recommendations on how to handle the budget as the District moves forward. The preliminary levy will need to be set and certified to the Counties by September 15, 2010.

After considerable debate the Managers discussed that due to the current economic environment that raising the District's levy 20% would not be feasible. In addition, the District would need to be prudent and find areas where the District could scale back on expenditures. Manager Coughlin mentioned to the group that 50.9% of the current levy is staff related expenditures.

Manager Kuseske made a motion to set the preliminary levy at \$580,000 which is approximately an 11% increase over the previous years budget and to submit this to the various counties per the requirements in statutes. By general consensus of the board it was stated that if the District Board approves this recommendation that the current proposed draft budget would need to be reduced by about \$75,000. There was discussion that if the staff related expenditures were cut that the Managers per diems be considered as well. **Manager Coughlin seconded the motion.** The motion was approved with Managers Foster and Vangsness opposing.

Administrator Kovarik asked the board for additional guidance in determining the areas for reductions. Kovarik mentioned that it would be helpful to have a committee to aid in these

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efforts. President Rothstein appointed Managers Foster, Sherping, and Coughlin to the budget committee. The Budget Committee will meet to determine and provide guidance to the administrator as the \$75,000 reduction is made to get the budget to \$580,000 or less as indicated by the SRWD Board.

7. Open Discussion for the Public-None

8. Items for Next Meeting Agenda-None

10. Adjourn-Manager Foster moved to adjourn the meeting at 9:30 p.m. and Manager Mostad seconded the motion. The motion passed with all in favor.

NEXT MEETING: Regular Meeting– September 21, 2010 7:00 p.m. at the Sauk River Watershed District Offices

Jim Rothstein, President

Date

Jim Kral, Vice President

Date

Jason Sherping, Secretary

Date

Dan Coughlin, Treasurer

Date

Virgil Rettig

Date

Vern Vangsness

Date

Larry Kuseske

Date

Robert Mostad

Date

Todd Foster

Date

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