

Minnesota Association of Watershed Districts (MAWD)

Finance Committee Meeting

October 17, 2022

Via Zoom



Meeting participants: Chair Jackie Anderson, MAWD Board (Comfort Lake-Forest Lake WD); Region 1 Manager Dennis Kral, (Pelican River WD) and Region 1 Manager Linda Vavra (Bois de Sioux WD); Region 1 Administrator Tera Guetter, (Pelican River WD); Region 2 Administrator Amber Doschadis (Upper Minnesota River WD); Region 3 Manager Jill Crafton (Riley-Purgatory-Bluff Creek WD); Region 3 Administrator Matt Moore (South Washington WD); and Jan Voit, MAWD. No managers from Region 2 volunteered to be on this committee.

TASK ONE. REVIEW AND DISCUSS FY23 BUDGET

The Finance Committee reviewed the FY23 budget and FY22 financial report line by line. Discussion was held regarding the following topics.

- Aligning the dues payable date with the fiscal year.
 - Dues are the major revenue source.
 - Two years of pandemic had a huge impact on revenue.
 - Despite the changes in the dues structure, there is not much of an increase in revenue due to the loss of several members.
 - It is encouraging to see more watershed management organizations as members.
 - Not every entity that could be a member will join.
 - The need to focus efforts on regaining members.
 - The effect of One Watershed, One Plan on watershed finances.
 - Some of the funds going to soil and water conservation districts are direct legislative appropriations.
 - It is important for this organization and its members to have a relationship with their legislators.
 - It is the board's intention to wait to begin the hiring process for the executive director position until January of 2023.
 - There should not be a rush to hire a new executive director. Take a year and figure out the new Strategic Plan and make sure realistic expectations are set.
 - While the board has approved keeping Ray Bohn as the lobbyist for the next two years, with his working with an assistant, no specific work plan has been established for lobbying. A communication plan will be developed as part of the Strategic Plan that will include legislative lobbying.
 - There need to be more opportunities to interact with the lobbyist.
 - While the video updates are good, written updates should be sent every two weeks.
 - Members need to know what they can do to assist with lobbying efforts.
 - There are several lobbyists that could serve our needs and don't need to be trained.
 - The majority of the funds for the auditor and accountant are for accounting services. The cost is about \$1,100 per month. The board is under contract with Redpath and Obremski for 2023.
 - The board needs to be more transparent about their finances and provide an actual treasurer's report that contains what checks were written and the revenue received.
 - The accounting work could be done in-house through QuickBooks rather than hiring an accounting firm.
 - Legal fees were higher the past two years due to legal issues affecting watersheds and the leadership transition.
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- The handbook should not require legal review. If it does, that should be a service provided by the Board of Water and Soil Resources.
- More surveys of members will be done to gather input before new endeavors are undertaken.
- The board will need to discuss whether it is necessary to rent office space.
- The budget can be balanced with reserve funds. The organization is still in good financial shape, but we do not want to continue projecting deficit spending.

Chair Anderson made a motion to move the budget as presented to the MAWD Board. Dennis Kral seconded the motion and it carried unanimously.

TASK TWO. REVIEW DUES PAYABLE DATE

Chair Anderson presented the following proposal for aligning the dues payable date with the fiscal year.

Annual Dues. Annual dues shall be payable ~~in January~~ by November 30 of each year for the MAWD current fiscal year that runs from October 1 through September 30. If a member's dues are not paid on or before ~~April 30~~ December 31 of each year, such member's name shall be stricken from the membership roll. Reinstatement shall be upon such terms and conditions as prescribed by the BOD.

The BOD shall have the authority to suspend or defer dues of any newly organized WD or WMO that joins this association until such member WD or WMO is in actual receipt of its first authorized fund. The Board shall send out the annual dues statement with payment directed to MAWD's accounting firm. The BOD may consider deferring, suspending, or reducing dues to new members or on an individual case basis when an appeal is made by a member because of hardship or funding problems.

Should a non-member WD or WMO become a MAWD member in the second half of the fiscal year (after March 30), the charge will be half of the membership dues.

The committee discussed:

- Most watersheds are on a calendar year.
- It would be easier to change the MAWD fiscal year than changing the dues payable date.
- Watersheds receive their tax payments in June and December.
- Changing the dues payable date won't affect MAWD's bottom line.
- A survey could be sent to administrators to get their input on this proposal.
- Regardless of whether the proposal is adopted, the dues notice should be sent in October.

Chair Anderson made a motion to present to the MAWD Board the proposal to align the dues payable date with the fiscal calendar year. Jill Crafton seconded the motion and it carried unanimously.

The meeting adjourned at 3:15 p.m.

Meeting notes submitted by
Jan Voit
