

**DRAFT MINUTES OF SPECIAL MEETING
OF THE
COMFORT LAKE – FOREST LAKE
WATERSHED DISTRICT
Tuesday, June 14, 2016**

1. Call to Order

President Anderson called the June 14, 2016 Special Board meeting to order at 3:07 p.m. at the Comfort Lake – Forest Lake Watershed District offices at 44 Lake Street South, Suite A, Forest Lake, MN.

Present: President Jackie Anderson, Vice President Jon Spence, Secretary Wayne Moe, Treasurer Stephen Schmaltz, Manager Jackie McNamara

Others: Mike Kinney, Emily Schmitz, Mike Sorensen, Jessica Lindemyer (CLFLWD Staff)

2. Setting of Meeting Agenda

Manager Moe moved to approve the agenda. Seconded by Manager Spence. Upon vote, the motion carried 4-0. [Manager Schmaltz was absent from the vote.]

3. New Business

a. 2016 Employee Benefit Program

Administrator Kinney reminded the Board that Managers had previously discussed benefits and directed staff move the total cost benefits down to a particular target range. He noted there was new information to consider now including a benefits costs summary and a comparison of paid time off (PTO) among similar organizations. He noted the District is proposed to be at approximately the 25th percentile of organizations for PTO.

Managers reviewed changes to the proposed benefit package from the last meeting. There was a discussion about life insurance policy costs, HSA contributions, and dental coverage. Administrator Kinney walked through the costs of the different pieces of the benefit package. Managers agreed that HSA contributions would be made by the District rather than providing dental insurance.

[Manager Schmaltz arrives.]

There was confirmation that the benefits package includes PTO but that PTO is also addressed in the personnel policy manual.

Manager Spence moved to accept the benefits cost summary as presented with the life insurance benefit changed to a one times annual salary level. Manager Moe seconded the motion. Upon a vote, the motion carried 5-0.

b. Personnel Policy Manual

Administrator Kinney noted changes to the policy manual per comments and suggestions at the last Board meeting.

President Anderson noted comments from Legal Counsel Holtman within the document. President Anderson walked through her comments, proposed changes and clarifications to the documents including the District adopting a coaching philosophy with a periodic review and changing the threshold for part time employees to begin receiving benefits from 20 hours per week worked, to 30 hours per week.

Administrator Kinney reported that in his experience, part time employees working as low as 20 hours per week often receive benefits but on a pro-rated basis. There was discussion about how the Federal Affordable Care Act threshold for healthcare coverage is 30 hours per week. President Anderson indicated that she didn't support providing PTO for employees working less than 30 hours per week. There was consensus to allow only those employees working at least 30 hours per week to be eligible for benefits.

President Anderson continued to walk through her recommended changes. She noted that as proposed, accrued PTO can be carried over from year to year at the end of the year. She noted that total accrued PTO is a financial liability for the District and so should be monitored to make sure the unused PTO balance doesn't grow exceedingly large and create a financial burden for the District. Manager McNamara suggested that perhaps the District could develop a policy to set a limit and then have it drawn out for the employee to invest themselves. President Anderson noted her desire to receive guidance from the District's accountants regarding appropriate liability levels. President Anderson also noted that as proposed, the policy indicates that accrued PTO goes to spouses in the event of an employee's death. Again, the Board wished for input from the accountant.

There was consensus that the policy should include at least an annual review of employees.

Manager Spence moved to accept the employee policy manual with the additions and changes presented at this meeting and directed staff to receive input and draft policies from the District accountant regarding PTO-related liability. Manager Moe seconded the motion. Upon a vote, the motion carried 5-0.

c. 2017 Budget Framework and Timeline

Administrator Kinney indicated that he was seeking input on the budget structure, format, timeline, and goals in order to develop the 2017 budget. He explained different budget categories in the 2016 budget in order to get feedback on budget structure. Administrator Kinney also walked through the proposed timeline for complete budget development. President Anderson noted she is used to using the current format and asked about certain highlighted areas in the budget. Emily Schmitz noted the color coding was meant to indicate projects or programs in different lake management districts. Administrator Kinney also explained how items included in the PRAP (Performance Review and Assistant

Program) show up differently in the budget document to distinguish between completed tasks and ongoing tasks. There was consensus that the budget should not include completed items from previous years in order to unclutter and simplify the budget. There was also agreement that the budget should be cross referenced with lake management district so it's easy to understand what is being done in each lake watershed. There was also discussion about understanding how current and completed activities compare with the tasks outlined in the District's Watershed Management Plan. Additionally, there was acknowledgement that the budget should include a contingency line item for unknown or unplanned activities.

Administrator Kinney noted that staff salaries are broken out among different programs. Managers requested a separate schedule that tracks spending on salary and benefits.

There was discussion about spending on particular projects in, and partnerships with, the City of Forest Lake.

There was discussion about use of the reserve funds for budgeting from year to year and a question about why the total annual budgeted amount isn't utilized each year. Managers wondered what isn't getting done. It was noted that those answers would become clear when compared to Watershed Management Plan. There was further discussion about District capacity to complete projects. There was consensus that much progress has been made over the years and acknowledgement that projects change due to a shift in priorities, additional data analyses, and a rise in different opportunities.

There was further discussion about the status of particular projects including possible and proposed projects in the Bone Lake and Moody Lake watersheds.

There was consensus that the proposed budget structure and timeline for developing the 2017 budget was appropriate and staff was directed to proceed with the concept as presented.

4. Adjourn Next Meeting – June 16, 2016

Manager Spence moved to adjourn the meeting at 4:22 p.m. Seconded by Manager Moe. Upon vote, the motion carried 5-0.

Wayne S. Moe, Secretary _____