

**MINUTES OF THE BUDGET WORKSHOP  
OF THE  
COMFORT LAKE - FOREST LAKE  
WATERSHED DISTRICT**

**TUESDAY, AUGUST 5, 2008**

1) **Call to Order**

The President called the August 5, 2008 budget workshop meeting to order at 3:30 p.m. at the Forest Lake City Offices, 220 North Lake Street, Forest Lake, Minnesota

Present: President Jackie Anderson, Vice President Richard Damchik, Treasurer Jon Spence  
Secretary John Lynch, Manager Wayne Moe  
Staff: Randy Anhorn

2) **Discuss District's 2008 Budget and Levies**

The President called for discussion on the Comfort Lake – Forest Lake work plan and budget for 2009.

Administrator Anhorn started off by stating that following a 45-day review of the District's draft Plan revision, the District submitted the finalized revised Plan to BWSR for approval on July 21, 2008. Anhorn went through the remaining Plan approval process and schedule including his recent presentation of the Plan revision at the August 4, 2008, BWSR Metro subcommittee. At that meeting the subcommittee made motion to recommend approval of the District's Plan revision at their August 28, 2008 meeting of the whole BWSR Board.

Administrator Anhorn further stated that he recently met with Commissioner Hegberg and Commissioner Montzka to present and discuss the proposed work plan and budget. Anhorn stated that Commissioner Hegberg and Commissioner Montzka were both invited to today's workshop to voice any concerns. Anhorn said that while Commissioner Montzka was initially worried about the levy increase, he was satisfied when he understood that the increased levy was going directly toward projects to improve the District's seven impaired waterbodies, and that after the initial increase, it is the District's intention to have future levy amounts remain relatively flat. Anhorn said that Commissioner Hegberg agreed with the idea of the District trying to keep future levies flat, but had some concern in the initial increase (especially when Cities and Counties will be held to a 3.5% increase) and asked about increasing in steps as opposed to all at once.

Manager Anderson provided an overview of a preliminary 2009 work plan and budget meeting between herself, the Treasurer and Administrator to discuss work plan items for 2009 and

resulting budgets to fulfill work plan items. Manager Anderson presented the Board with the first draft of a work plan and corresponding budget for 2009 (copies of each are incorporated by reference and annexed within). The Board held discussions on the presented draft budget and the resulting levy needs.

The Board discussed select increases and also discussed rising benefit costs for staff. Following discussion on shared responsibilities between the District and staff for increases in benefits, the Board decided to leave the benefit package as is, and re-address again when they prepare the 2010 budget in 2009.

Manager Damchik mentioned that the presented increase over the 2008 levy was larger than he had hoped and stated that the District should look at assessing those who receive direct benefits from certain projects. The Board held discussion on the difficulty of assessing benefits for water quality projects as opposed to road and sewer projects. The Board further stated that they would look at assessing benefits and using sub-watershed assessments when specific projects warranted.

Manager Anderson highlighted the major differences between the 2008 and 2009 budgets as being including the addition of the potential for part-time office or technical help if the workload warranted, the enrollment in the East Metro Water Resources Education Program (share-education), the beginning of the District's permit program (including estimated costs that will be recouped through the yet to be determined fee structure, and those that will not be able to be recouped), and the initiation of two capital projects (NBL12 an FL44 wetland restoration projects). Manager Anderson stated that the proposed administrative budget for 2009 was actually less than that for 2008, and by in large, the difference between the two budgets was the undertaking of projects to remediate water quality impairments.

The Board held discussion on various options to reduce the budget and resulting levy for 2009. Because nearly the entire increase between 2008 and 2009 was in the two projects, the only way to reduce the 2009 budget was to delay the projects which were part of the District's recently adopted Capital Improvement Plan (CIP). After discussion the Board concluded that past modeling efforts and CIP development had all led them to the point of addressing impairments of the District's water resources and they did not want to delay (nor did those constituents that showed up at District's meetings) the undertaking of projects to reduce nutrient loads and improve water quality.

Following discussion, Manager Anderson moved, seconded by Manager Spence, to tentatively accept the District's 2009 budget (annexed within) and levies for official action at the September 4, 2008 Budget Public Hearing as follows;

- A \$250,000 general fund levy for District operations as authorized by Minnesota Statutes 103D.905.
- A \$50,000 levy for Basic Water Management Projects initiated by petition of the Washington Conservation District and authorized by Minnesota Statutes Section 103D.905, Subd.3.

- A \$445,458 Metropolitan Surface Water Management Act implementation levy as authorized by Minnesota Statutes Section 103B.241.
- A levy for tort liability insurance premiums of \$9,000 as authorized by Minnesota Statutes 466.06.

Upon vote, the motion passed unanimously.

The Administrator stated that a Budget Hearing had been scheduled for September 9, 2008 at 6:30 p.m., however that happened to be an election day and that the Board would have to reschedule the hearing. The Board held discussion on potential reschedule dates.

Motion was made by Manager Damchik to reschedule the 2009 Budget public hearing for September 4, 2008 at 6:00 p.m. at the Forest Lake City Hall located at 220 North Lake Street, Forest Lake. The motion was seconded by Manager Moe. Upon vote, the motion passed unanimously.

Administrator Anhorn stated that he would post notices in the District's official papers for two consecutive weeks at least 10 days prior the hearing date. In order to meet the deadlines, public notices will have to be forwarded to the papers by Monday August 18, 2008.

3) **Adjournment**

Motion to adjourn CLFLWD budget workshop was made by Manager Lynch and seconded by Manager Spence. Motion carried unanimously.

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John T. Lynch, Secretary