

**MINUTES OF SPECIAL MEETING  
OF THE  
COMFORT LAKE – FOREST LAKE  
WATERSHED DISTRICT  
Thursday, April 14, 2016**

**1. Call to Order**

Vice President Spence called the April 14, 2016 Special Board meeting to order at 3:00 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: Administrator Michael Kinney, Mike Sorensen and Emily Schmitz (staff), Dave Bakke (Bone Lake Association), Craig Reed (resident on Forest Lake), Sandra Kwiatkowski (Forest Lake resident), Barb Goerss (Forest Lake resident),

**2. Setting of Meeting Agenda**

Manager Moe moved to approve the agenda. Seconded by Manager Spence. Upon vote, the motion carried 5-0.

**3. Public Open Forum**

President Anderson asked for comments from the audience. Craig Reed thanked the District for improvements being made to the pond on the east side of Third Lake and offered assistance on the project, if needed. Sandra Kwiatkowski (who lives on Hilo Lane), thanked Administrator Kinney and the District staff for making the Hilo Lane project finally become a reality. Another neighbor, Barb Goerss, also offered praise.

**4. New Business**

**a. Hardwood Creek Culvert Replacement**

Administrator Kinney reported that the culvert on the Hardwood Creek Trail collapsed recently. The District was notified by the County and it was determined that the replacement project needs a District permit. He solicited questions from the Board on the proposed permit being presented. President Anderson noted that a process is in place to make sure the water being held behind the trail right now will be released in stages such that it doesn't rush through the new culvert and cause damage downstream. There was some discussion about the specifics of the new culvert.

Motion by Manager Moe to approve the permit provided the following conditions are met:

1. Revised culvert inverts to be 885.70.
2. A revegetation implementation schedule indicating that the site will be stabilized with temporary or permanent cover within 24-hours of completion of the culvert repair.
3. Execution of a maintenance agreement satisfactory to the CLFLWD addressing the ongoing operation and maintenance of the Hardwood Creek Trail Culvert OR demonstration that a programmatic agreement exists between CLFLWD and Washington County.
4. Submittal of as-built survey showing pipe size and inverts.

Motion was seconded by Manager Schmaltz. Upon a vote, the motion carried 5-0.

**b. Hilo Lane Stormwater Project Contract Award**

Administrator Kinney referenced the memorandum of the District Engineer advising that the low bid of \$127,142 was submitted by Sunram Construction, that the bid is responsive, and that the Engineer finds Sunram to be a responsible contractor. He indicated that Legal Counsel finds the Engineer’s memorandum to be in order and presented proposed resolution 16-04-01 awarding the contract for the Hilo Lane Stormwater Project to Sunram Construction for the bid amount. He also noted that at the Forest Lake City Council meeting, there was concern expressed by some neighboring property owners about standing water on their properties. The situation has been investigated by District and City staff and it was noted that prior work in the area should have incorporated a drainage easement. Administrator Kinney indicated that some additional investigation and possible work to alleviate drainage issues in the area may be needed as the Hilo Lane project moves forward.

Motion by Manager Moe to approve resolution 16-04-01. Seconded by Spence. Upon a roll call vote, the motion carried 5-0.

<b>Manager</b>	<b>Aye</b>	<b>Nay</b>
Jackie A. Anderson	X	
Jackie McNamara	X	
Wayne S. Moe	X	
Stephen Schmaltz	X	
Jon W. Spence	X	

Administrator Kinney noted the project is likely to start the second week in May. He also noted that he and possibly the DNR will investigate possible sedimentation in the lake in the area. There were further comments from the lake resident in attendance about current conditions and expectations for future conditions.

### **c. Benefits Summary**

Administrator Kinney outlined the various sections of the proposed benefits package. He reported that he had gathered examples of personnel policies and benefits packages from other watershed districts in the metro area and the City of Forest Lake. He reported that he worked with a third party vendor to draft a summary of employee benefits. He noted it was framed using the February Board of Managers workshop. He noted the Board would review this benefits document annually.

President Anderson provided comments including the discrepancies with the City of Forest Lake in employee vs. employer contributions for health care coverage. She also suggested that life insurance coverage be higher, such as being equal to an employee's annual salary. There was some discussion about life insurance coverage, including what level should be covered by the District, what additional coverage could be purchased by the employee, and the desire of the managers for the MN Board of Water Soil Resources to provide more assistance to watershed organizations with personnel policies and developing benefits packages.

President Anderson suggested that the District move its dental insurance contribution to contributions to each employee's Health Savings Account (HSA) because research shows that many people don't use their entire dental contributions. She further noted that there are still questions surrounding disability insurance, which should be based on salaries but with an appropriate ceiling amount.

President Anderson noted the retirement plan proposed is standard, including deferred compensation. She also reported that the holiday schedule is the same as the City of Forest Lake. She noted that Personal Time Off (PTO) is a combination of sick leave and vacation time and that levels need more discussion by the managers. She also noted that the post-employment health care savings plan contributions should also be discussed.

The Board then stepped back and discussed each topic in more detail. After conferring with staff, there was consensus to place the District's dental insurance contributions in an HSA instead. There was discussion about the cost per employee for the total benefits package including PTO and holidays. President Anderson calculated that the current draft benefits package equates to approximately 33% of the employee's base salary, which seems high for a small entity. There was discussion about various contributions, how HSAs work, the benefits of having an HSA, and how President Anderson's company implements employee benefits.

There was further discussion and it was noted that the total benefits package could be adjusted next year. Manager Schmaltz made the following recommendations: 1) provide life insurance at a level equivalent to the employee's salary, 2) split healthcare coverage premiums at 80% employer to 20% employee, 3) split PTO into sick leave separate from vacation leave, with incentives not to use sick leave, 4) lower the total

PTO to 60% of the highest-paying organizations, and 5) pay half the contribution to the HSA.

Administrator Kinney noted that the total cost to the District is the most important consideration and reminded the managers that the District's budget includes costs for employees. He suggested that staff could take comments from managers and could work with President Anderson to determine an appropriate total compensation number with refined recommendations being brought to a future meeting. There was consensus that staff should start with a target of 25% of salary as the total benefits package.

#### **d. Salary Survey**

Administrator Kinney reminded the Board of the discussion and presentation on this topic at the February 4<sup>th</sup> Board meeting that included a broad review of various-sized organizations. He asked the Board if there are further questions and noted the Board should consider adopting the proposed salary structure. Manager Schmaltz reviewed information he had gathered including the compensation analysis by grade level and the salary action guideline chart that uses employee performance and grade level. He noted the consultant's data came from non-profits, watershed districts, and government units. He noted the increases average 3.0 – 3.5% of salary. He reported the current recommendation is good for 2016 and 2017 and then should be revisited for future years. President Anderson recommended the salary structure be referenced in the District's personnel manual.

Motion by Manager Spence to adopt the salary survey and to incorporate it into the personnel policy when the policy is adopted. Seconded by Manager Moe. Upon a vote the motion carried 5-0.

#### **e. Progress Evaluation Metrics**

Manager Schmaltz reminded the Board that he had drafted a method to evaluate District performance in various programs and staff revised the metrics to fit District activities. Administrator Kinney reported that examples are presented here for the Board's review. He noted there are additional areas where metrics could be used. He walked through various metrics and managers offered suggested revisions and discussion. There was a suggestion for footnotes on the charts to help explain the reasons for certain data. Administrator Kinney reviewed the District's erosion and sediment control inspection program and there was discussion about how best to track the inspections, the staff time involved, and how the program is funded through fees. There were further suggestions from managers on additions or revisions to the metrics.

Administrator Kinney also reported that the Moody Lake Wetland Rehabilitation Project 319 (Federal) grant was approved, and that the joint application with Washington County to LCCMR for additional funding in AIS inspection program is looking positive as well.

Administrator Kinney noted that the metrics have helped him evaluate and make recommendations on current and future programs and that they can be used as a decision making tool and a tool to use in discussions on District work and staffing needs with partners. There was further discussion about the use of contractors as compared with District staff. Managers expressed thanks for the development of the valuable information presented in the metrics.

Manager Spence moved to convene in closed session to evaluate the performance of the District Administrator. Seconded by Manager Moe. Upon vote, the motion carried 5-0.

**f. Administrator Annual Review**

Closed session.

The meeting reconvened in open session, Manager Anderson provided a summary of the annual review of the Administrator. She said that overall, the Board was very pleased with the performance over the past year and that the Board gave him an above average rating of 3.86 and decided on a corresponding salary increase of \$3,480 effective on his anniversary date of March 3<sup>rd</sup>.

Manager McNamara moved to approve the performance review results and salary increase of \$3,480 effective March 3<sup>rd</sup>. Seconded by Manager Spence. Upon vote, the motion carried 5-0.

**5. Adjourn Next Meetings —April 20 and 28, 2016**

Manager Schmaltz moved to adjourn the meeting at 5:40 p.m. Seconded by Manager McNamara. Upon vote, the motion carried 5-0.

Wayne S. Moe, Secretary \_\_\_\_\_