

**MINUTES OF SPECIAL MEETING
OF THE
COMFORT LAKE - FOREST LAKE
WATERSHED DISTRICT
Saturday, November 8, 2014**

1. Call to Order

The President called the November 8, 2014 Special Board meeting to order at 8:00 a.m. at the Forest Lake City Offices, 220 North Lake Street, Forest Lake, Minnesota

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

Others: Mike Kinney (CLFLWD District Administrator)

2. Office Space

Administrator Kinney distributed copies of tentative lease agreements for 808 Broadway and the office next to Kodiak on Lake Street. He reported that recent survey work of Kodiak Properties and Hero Avenue raised drainage issues, which have implications for the District boundaries and tax revenues. Storm sewer mapping will also help verify drainage to area water bodies. Watershed district boundary changes would need to be approved by the Board of Water and Soil Resources.

Manager Anderson reported that she and Manager Schmaltz reviewed the lease agreements for Broadway and Kodiak, as did Mr. Holtman. Based on the tour and overall review, other office spaces were eliminated from consideration based on size, office flow and availability. Manager Schmaltz provided a five-year cash flow statement for the two properties and compared the two properties. Broadway rent and utilities are cheaper, but the space is smaller and has a higher cost per square foot. Overall, Broadway is off the beaten track and space is limited as to what you can do. The office in the back could be used for the administrator. Of the two large rooms, one is needed for storage and the other for workspace with a worktable. The reception area has space for one cubicle. There is space for one or two cubes on the other side of the reception area. The conference room, which can be used at no cost, is tight, but workable for small meetings. Larger meetings would need to be off-site. There are windows in the back office and in the conference room. There is potential to outgrow the space. But if the space is not needed, this option saves \$50,000 over five years. The owners will be putting in a new sign, which would help make a District office more noticeable.

Manager Anderson noted that the Kodiak location has plenty of room for two or three staff with enough space to grow and stay. Space in back, off the back parking lot, has plenty of room for meetings and conferences of 20-30 people, making this office completely contained onsite. The rental rate at \$4.95 per square foot is very low. There is an option to purchase the building. Renting the extra space in the building could offset the purchase cost. Manger Schmaltz stated that he would rather work with Tom Swanson of Kodiak, and, to him, the

lighting makes the space seem more open. While some felt no natural light in the conference room was a minus, Administrator Kinney stated that the conference room would be an ideal place for a widescreen TV to allow reviewing plans and maps with no glare. There is no space at Broadway for this. Manager Anderson stated that meetings are at night. The location helps make the District more visible to the community and would be a good place for BMPs. Several changes to the contract were presented to Mr. Swanson, who agreed per his attorney's approval. Administrator Kinney stated that Mr. Swanson seemed willing to negotiate down. Manager Anderson stated that snow plowing and parking lot upkeep, currently in the lease at \$6,000, are part of the common area. Fees for these services are usually allocated based on square footage. Because Kodiak Coffee has a drive through and uses the majority of the parking, the District has an opportunity to negotiate. Discussion about purchasing the building included hiring a representative to do a market assessment of the building, considering making a determination soon because commercial properties are at a good rate, adding a budget item for building maintenance and determining if the District is exempt from property taxes.

President Damchik stated he appreciates the work the search committee did, does not like either option, but will vote for what the committee wants. He suggested renting space in the city water purification plant or buying the old city hall. Administrator Kinney stated that the mechanical infrastructure and roof at city hall need replacing costing at least \$200,000 and the city's downtown redevelopment plan replaces this building with a multi-level structure to increase the tax base. Others raised concern about the need to lease much of the building space.

Manager Anderson moved to approve a lease agreement for the space adjacent to Kodiak Coffee with an option to purchase the building at 44 Lake Street South in Forest Lake, Minnesota 55025 from 494 Properties, LLC at 5151 157th St N in Hugo, Minnesota 55038. Seconded by Manager Moe. Upon vote, motion carried 5-0.

Managers Anderson and Schmaltz agreed to help negotiate the final costs and agreement including snow plowing and upkeep of the common area.

3. Professional Services

Administrator Kinney stated that of the engineering firms who have inquired as to the status of the selection process, the Board is reviewing the proposals and may invite three in for interviews. Further discussion about the firms occurred and that they could be hired for a specific project. To rate the proposals, it was agreed that each of the four areas of a scoring sheet would receive equal weight or 25 percent each and Managers would summarize the specialty of each firm. Administrator Kinney stated that he asked the accounting firms for additional information, such as what is included in their fixed price so as to make some comparisons. Manager Anderson that the Board could use the ranking sheet for these as well.

4. Adjourn

Manager Anderson moved to adjourn the CLFLWD special Board meeting at 8:57 a.m.
Seconded by Manager Moe. Upon vote, motion carried 5-0.

Wayne S. Moe, Secretary _____