

1                   **DRAFT MINUTES OF THE SPECIAL MEETING OF THE**  
2                   **COMFORT LAKE–FOREST LAKE WATERSHED DISTRICT**  
3                   **Thursday, June 20, 2024**  
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5   **1. Call to Order**  
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7           President Schmaltz called the June 20, 2024, special board meeting to order at 5:00 p.m.  
8           at the Comfort Lake–Forest Lake Watershed District offices, 44 Lake Street South, Suite A,  
9           Forest Lake, MN.  
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11   **Managers Present:**

12   Steve Schmaltz, President  
13   Christopher Loth, Vice President (virtual attendance)  
14   Jackie Anderson, Treasurer  
15   Douglas Toavs, Assistant Treasurer  
16   Dave Bakke, Secretary (virtual attendance)  
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18   **Staff Present:**

19   Mike Kinney, Administrator  
20   Emily Heinz, Planning Coordinator  
21   Tori Philippi, Office Manager  
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23   **2. Budget Workshop**  
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25           Emily Heinz presented the comments provided by managers and Citizen Advisory  
26           Committee members with respect to the budget, as well as staff responses and  
27           associated supplemental information.  
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29           President Schmaltz suggested the District consider adopting a levy that is slightly higher  
30           than the desired dollar amount to account for delinquent taxes (approximately 0.5%).  
31           Manager Anderson indicated that it's such a small amount, it would not have much  
32           impact. Rather, she suggested that the District is due for another significant increase in  
33           its levy, similar to increases it has done in the past. She explained the District needs to  
34           plan for staff salaries as part of the administrator succession planning.  
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36           Manager Anderson requested that the estimated market value chart be broken out by  
37           county.  
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39           Ms. Heinz presented projections for loan repayment. She explained that the District has  
40           the option of amending Loan C to increase the amount, or it can close out Loan C and  
41           apply for a new "Loan D" for the desired amount. She noted that the latter option is  
42           estimated to result in lower interest costs.

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Manager Anderson moved to direct staff to close out MPCA Loan C (SRF0355). Seconded by Manager Toavs. Upon a roll call vote, the motion carried 5-0.

Manager	Aye	Nay	Absent	Abstain
Dave Bakke	X			
Christopher Loth	X			
Doug Toavs	X			
Jackie Anderson	X			
Stephen Schmaltz	X			

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President Schmaltz noted that there have been several questions regarding the District's planning efforts and funding streams for the new office space and flood mitigation projects. Ms. Heinz noted that the office space effort will be reliant on funding which could come from the levy, grants, bonds, and/or loans. Manager Bakke added that donations are a possible funding stream as well. Ms. Heinz noted that the Access Philanthropy report from earlier this year had indicated that a capital campaign such as the office space requires dedicating a significant amount of staff time and board member time. She recommended the Board prioritize hiring staff in association with the administrator succession plan who might help move this effort forward.

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Ms. Heinz presented information regarding planning and prioritization efforts completed to date including groundwater mapping, wetland protection and restoration priorities, and initial greenway planning. She explained that the District has collected a lot of prioritization information to date, which will all be useful to cross-reference when evaluating potential projects to achieve the most climate resiliency benefits for the District. She reiterated the proposed two-prong approach to the greenway corridor prioritization:

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1. Restore shoreline habitat on priority lakes by continuing to implement the ongoing shoreline restoration program, which is a multi-faceted program involving cost-share, regulatory, interagency coordination, and public education and outreach.
2. Protect and improve other key spaces elsewhere in the watershed as identified through the floodplain vulnerability assessment effort which is ongoing. Once the floodplain vulnerability assessment is completed, the District may cross-reference those priorities with other existing data (as noted above) in order to identify the projects that provide the most benefit to water quality protection, flood mitigation, habitat, and overall climate resiliency.

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Manager Anderson clarified that this is not new work for the District, but just another phase of what the District has always been about. She indicated that everything the District is doing falls under the umbrella of climate resiliency. She stated that this is a

79 natural evolution of the plan the District has always had. Staff was directed to report  
80 back to the CAC with further explanation regarding this topic.

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82 Manager Bakke stressed the importance of flood mitigation in the face of climate  
83 change and increasing precipitation. He noted flooding problems and road washouts  
84 currently occurring elsewhere in the state.

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86 Ms. Heinz reported that the CAC had recommended that the District share the budget  
87 with local lake association boards. Manager Bakke recommended that it wouldn't be  
88 productive to share the full budget with lake association boards because of how  
89 complex the budget is. He suggested the District would get a better response if it sent  
90 survey questions out to them. Manager Anderson and Manager Schmaltz agreed that  
91 sharing the full budget packet wouldn't be as productive as a more targeted approach.  
92 Manager Loth noted that all the budget workshops are open to the public and  
93 recommended inviting the lake association board members to attend a workshop.  
94 President Schmaltz recommended that board members consider reaching out to their  
95 respective lake associations and summarize major takeaways that pertain to lake  
96 association interests. He agreed with the idea of inviting them to participate in public  
97 meetings as well.

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99 Manager Anderson noted the loan repayment projections and recommended  
100 increasing the debt service levy in future years to as to provide more dedicated funds  
101 for future loan payback. Staff were directed to prepare additional loan scenarios to show  
102 the debt service levy at varying amounts. Ms. Heinz noted that if the District increases  
103 the debt service portion of the levy without increasing the total levy, then less funding is  
104 available for operating costs. Manager Anderson indicated that the Board should start  
105 thinking about increasing the total levy.

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107 **3. Adjourn**

108 **a) Next regular board meeting – June 27, 2024, 6:30 pm**

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110 Manager Anderson moved to adjourn the meeting. Seconded by Manager Toavs.  
111 Upon a roll call vote, the motion carried 5-0, and the meeting adjourned at 7:00 p.m.  
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Manager	Aye	Nay	Absent	Abstain
Dave Bakke	X			
Christopher Loth	X			
Doug Toavs	X			
Jackie Anderson	X			
Stephen Schmaltz	X			

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114 Dave Bakke, Secretary \_\_\_\_\_