

1                   **DRAFT MINUTES OF THE SPECIAL MEETING OF THE**  
2                   **COMFORT LAKE–FOREST LAKE WATERSHED DISTRICT**  
3                   **Tuesday, August 6, 2024**

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5   **1. Call to Order**

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7       President Schmaltz called the August 6, 2024, special board meeting to order at 5:30 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 (virtual attendance)  
15   Douglas Toavs, Assistant Treasurer (virtual attendance)  
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 potential budget changes for the Board to consider including  
26       increasing MN Watersheds dues, increasing accounting services, and increasing  
27       operations & maintenance. The proposed budget increases reflect new cost estimates  
28       that have come in and total to an additional \$14,000 in expenses. There was general  
29       consensus to add these expenses to the draft 2025 budget, bringing the total expense  
30       budget to \$3,050,496.

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32       Manager Anderson presented information from the District's 2020 Annual Report, the  
33       2023 Audit Financial Report, and calculations that she prepared herself. She  
34       recommended the Board consider a levy increase of 24%. She indicated that the expense  
35       budget should be going up, not down, compared to previous years. She stated that the  
36       budget should be reflective of the work the District plans to do, including grants that have  
37       not yet been awarded.

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39       Manager Anderson asked Ms. Heinz to display the comparison of managers' tax  
40       statements from 2023–2024. Ms. Heinz explained that Minnesota tax law is very  
41       complicated, and everyone's tax statement is different. For example, the District  
42       increased its levy by 6% from 2023–2024, and some managers paid up to 12% more while

43 others actually paid 5% less. In general for residential properties, the higher the property  
44 value is, the higher the tax impact will be. Mr. Kinney noted that some commercial  
45 properties in the District are paying less taxes than residential properties that have  
46 significantly lower property values. He indicated there could be an error in the tax system  
47 that gives these high-value commercial properties large tax breaks.

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49 Manager Bakke noted that Manager Anderson and President Schmaltz met with staff on  
50 Monday, July 29<sup>th</sup>. He indicated that it seems Manager Anderson and President Schmaltz  
51 are acting as a subcommittee on this topic. He indicated he supports the use of  
52 subcommittees for topics like this, and he requested that the other three managers be  
53 kept informed of such meetings. He requested that, in the future, Manager Anderson and  
54 President Schmaltz provide a summary and options to the full board after meeting at  
55 the subcommittee level. Administrator Kinney noted that Manager Anderson and  
56 President Schmaltz had expressed a desire to hold an additional meeting with staff to  
57 go over the budget during discussion at one of the previous budget workshops, but the  
58 specific meeting date was not shared with the rest of the Board.

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60 President Schmaltz referred to past comments he shared with respect to greenway and  
61 floodplain strategy. He requested that the information be shared again so managers  
62 can review. Mr. Kinney noted the Floodplain Vulnerability Assessment effort is  
63 progressing, and EOR's recent modeling work has been a step in the right direction. He  
64 indicated that EOR would provide an update at the August 22<sup>nd</sup> regular board meeting.  
65 He noted that the budget public hearing is scheduled for August 22<sup>nd</sup> as well. He noted  
66 that the Board typically approves its final budget and levy after the hearing is held.

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68 Manager Toavs indicated he recalled the Board having several long discussions and EOR  
69 providing several reports with respect to greenway visioning. He stated that the District  
70 is making strides on this effort, and the District has been one of the most successful  
71 watershed districts with respect to implementing projects and achieving water quality  
72 goals. He recommended that the District be careful with large levy increases because of  
73 the politically charged environment. He noted that the District is doing good work, and  
74 the need for funds is defensible. He indicated he was in favor of more modest levy  
75 increases over the years as opposed to large jumps and plateaus.

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77 Manager Loth clarified that Manager Anderson's primary concern seems to be with the  
78 total budget, not a particular line item. Manager Anderson confirmed that is the case.  
79 Manager Loth indicated he would like to know which specific line items Manager  
80 Anderson would like to see funded by the proposed 24% levy increase. He asked staff to  
81 provide a recommendation as to how the additional funds would be allocated within the  
82 budget if the Board were to approve a 24% levy increase. He requested that the need  
83 and rationale for each expense be provided.

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**3. Adjourn**

**a) Next regular board meeting – August 8, 2024, 6:30 pm**

Manager Anderson moved to adjourn the meeting. Seconded by Manager Bakke. Upon a roll call vote, the motion carried 5-0, and the meeting was adjourned at 7:23 p.m.

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

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Dave Bakke, Secretary -----