

1 **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. These
26 included the increase in MN Watersheds dues for 2025, increasing accounting services,
27 and increasing operations & maintenance. The proposed budget increases reflect new
28 cost estimates that have come in and total an additional \$14,000 in expenses. There was
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, the higher the tax impact will be. Mr. Kinney noted that some commercial
45 properties in the District are paying less taxes to the CLFLWD than residential properties
46 that have significantly lower property values. It's unknown why this is the case.

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

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

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

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