MEMORANDUM
Comfort Lake-Forest Lake Watershed District

District Wide

Date:	October 30, 2025
To:	CLFLWD Board of Managers
From:	CLFLWD Staff
Subject:	2026 Budget Workshop

Background/Discussion

The Board will hold a budget workshop and may discuss two main items which were briefly discussed at the October 23rd regular board meeting:

1. Budget Changes Summary
2. Alternate Budget Scenario

Budget Changes Summary

The Budget Changes Summary/Menu has undergone multiple iterations over the course of the budget process this year:

- It was originally shared with the Board of Managers via email as part of the July 14th budget workshop packet (file name: 3. Budget Changes Menu)
- Updated and shared via email as part of the July 28th budget workshop packet (file name: 03-2-Budget Changes Menu_7-17-25)
- Updated and shared via email as part of the August 11th budget workshop packet (file name: 08-08-25_Budget Changes Menu_Staff Rec).
- Updated and shared via website as part of the October 9th board packet (direct link to file on website)

The table has been updated again to reflect the newly extended Loan C and Loan D repayment schedules approved by the MN Pollution Control Agency (extended from 7-yr to 10-yr repayment schedule), as well as the increased rent line item to reflect taxes the District must pay to the building owner (unable to be waived, per recent correspondence from Washington County). The latest iteration of the table includes an additional budget scenario described further below.

Alternate Budget Scenarios

Treasurer Steve Schmaltz asked staff to prepare an alternate budget scenario, “Option 2”, for the Board’s consideration. This is in response to feedback from Washington County Commissioner Fran Miron and local residents. The purpose of this scenario is to evaluate whether the District may reduce its levy from what was adopted on September 25th (i.e., Option 1).

Additionally, staff prepared an Option 3 for discussion purposes which presents a middle ground between the 23.7% levy increase and 15.6% levy increase. Option 3 includes a 19.9% levy increase in 2026, and the future loans and levy projections associated with it.

The Board of Managers may not increase, but may reduce the District levy by re-certifying the levy on or before December 26th.

The main variables between the three options are the levy and the loan. If the Board would like to decrease the 2026 levy without decreasing 2026 expenses, one option is taking out additional loan dollars. This will have an effect on future expense budgets, as the loan repayment schedules vary from Option 1 to Option 2.

Note that the District has several grant applications in progress and planned. The District will very likely be able to amend its 2026 budget once one or more grants are confirmed.

Attached

- Budget Changes Summary (showing Option 1 and Option 2)
- Budget Scenarios Comparison Table
- Budget Projection Option 1 (23.7% levy increase in 2026)
- Budget Projection Option 2 (15.6% levy increase in 2026)
- Budget Projection Option 3 (19.9% levy increase in 2026)