

1 **MINUTES OF THE SPECIAL MEETING OF THE**
2 **COMFORT LAKE–FOREST LAKE WATERSHED DISTRICT**
3 **Tuesday, May 12, 2026**

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5 **1. Call to Order**

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7 President Anderson called the Tuesday, May 12, 2026, special board meeting to order at
8 6:00 p.m. at the CLFLWD office, 44 Lake Street South, and via online video conference.

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10 **Managers Present:**

11 Jackie Anderson, President

12 Steve Schmaltz, Treasurer

13 Jim Schottmuller, Vice President

14 Dave Bakke, Secretary (virtual attendance)

15 Douglas Toavs, Assistant Treasurer (virtual attendance)

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17 **Staff Present:**

18 Mike Kinney, Administrator

19 Brad Jernberg, Business and Operations Manager

20 Emily Heinz, Planning Coordinator

21 Tori Philippi, Office Manager

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23 **2. Budget Workshop #1 – Prioritization**

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25 The Board of Managers discussed priorities for the fiscal year 2027 budget.

26
27 Planning Coordinator Emily Heinz presented a summary of expenses according to the
28 2026 Budget, 2026 Estimated Yearend Actual, and 2027 Watershed Management Plan
29 (WMP) Estimate. She noted that the WMP 10-year cost table was developed in 2021 and
30 included long range estimates which aren't always accurate. She explained that the
31 District has diverged from the WMP estimates in some areas, but in total, staff's
32 estimated costs for 2027 are in line with the total estimated cost from the WMP at
33 approximately \$3.3 million. She indicated that staff is prepared to present a balanced
34 2027 budget with approximately 26% of expenses covered by grants and other revenues.

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36 Managers recommended the following priorities for 2027:

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38 President Anderson:

- 39 • Track employee benefits separately from wages. Administrator Kinney said this
- 40 can be done.
- 41 • Confirm whether the needs of each Lake Management District have been met.
- 42 She indicated Comfort Lake and Little Comfort Lake should be top priority.

- President Anderson recommended the District establish a separate "Reserve Fund" to which the District would add levy funds in order to create a cushion for future operating needs. She noted that the District doesn't receive its levy payment until mid-year, and the Fund Balance needs to cover operating costs for the first six months of the year. She recommended the District prioritize overhead and operating costs to make sure they're covered.
- Prioritize adding more signage for past projects that the District has implemented in order to inform the public of the District's work.
- Work with MN Land Trust and/or the Trust for Public Land to encourage local residents to preserve undeveloped land through conservation easements or acquisitions.

Manager Schmaltz:

- Create a balanced budget.
- Prioritize keeping the levy as low as possible, with any levy increases being under 10%.
- Prioritize paying off debt from the Clean Water Partnership loan repayments.

Manager Bakke:

- Create a balanced budget and live within the budget, even if it means cutting expenses.
- Minimize levy increases.

Manager Toavs:

- Create a balanced budget.
- Manage the District's Fund Balance by keeping to the budget. Manage the Fund Balance at year end so that the District has sufficient funds to cover operating costs without having to increase the levy or set aside additional Reserve Funds.
- Maintain sufficient funds to pay off loans as scheduled, but there isn't much benefit to paying off the loans early. Manager Toavs indicated that paying off the loans earlier than scheduled would leave less funding to pay for overhead/operating costs in the present.
- Manager Toavs asked staff to present more information on the Greenbelt & Open Space initiative.
- Manager Toavs noted the District has project signage out at Moody Lake Park. He indicated that signage doesn't necessarily reach a wide audience. He stated that the District's Education & Outreach Program is doing a good job of getting the District's message out through avenues such as social media.
- Manager Toavs indicated there are a lot of things the District is doing really well, and the District is going in a healthy direction overall.

Manager Schottmuller:

- Manager Schottmuller agreed with Manager Toavs' statements about establishing a Reserve Fund. He recommended against levying for extra funds to build up a savings account in a time when many people are struggling financially.
- Manager Schottmuller indicated he would like to review a budget that shows grant expenditures separate from locally-funded expenditures, as well as showing 2025 yearend expenses, 2026 budget, and 2026 estimated yearend expenses.

There was general consensus on the following directives for staff:

- Prepare a draft 2027 budget consistent with the directives given at this workshop and present this budget at the next budget workshop.
- Post workshop recordings to YouTube, as the District does with all of its regular board meeting recordings.
- Do not post draft budget materials to the board packet webpage on the District's website. Managers indicated it is possible for readers to take the draft materials out of context, therefore the District should only post materials on the website once they are closer to finalization. Note that all budget workshops are public meetings and related materials must be made available to the public upon request. Staff will distribute the draft budget materials to managers via email in advance of the next budget workshop.
- Budget Workshop #3 was rescheduled to Tuesday, June 23rd to accommodate a change in a manager's schedule.

3. Administrator Performance Review

[7:42 pm]

President Anderson moved to convene in closed session as permitted by section 13D.05, subdivision 3 (a), to discuss the Administrator's performance review. Seconded by Manager Schottmuller. Upon a roll call vote, the motion carried 5-0.

Manager	Aye	Nay	Absent	Abstain
Jim Schottmuller	X			
Dave Bakke	X			
Doug Toavs	X			
Stephen Schmaltz	X			
Jackie Anderson	X			

The Board reconvened into open session, and President Anderson summarized the discussion. President Anderson congratulated Administrator Kinney on another excellent year of service to the District. The remaining managers concurred and provided high marks for Mr. Kinney. Given the current budget constraints, and that the PTO scale peaks

at 20 years of service and Mr. Kinney has almost 40 years of professional experience, Mr. Kinney suggested and the Board agreed, to provide additional time off for 2026 in lieu of a pay increase. As such, Administrator Kinney's salary will remain the same as in 2025. The Board appreciated this approach given the current budget situation.

4. Adjourn

a) Next regular board meeting – May 14, 2026

Manager Schottmuller 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 8:51 p.m.

Manager	Aye	Nay	Absent	Abstain
Jim Schottmuller	X			
Dave Bakke	X			
Doug Toavs	X			
Stephen Schmaltz	X			
Jackie Anderson	X			

Dave Bakke, Secretary -----