DRAFT MINUTES OF THE SPECIAL MEETING OF THE COMFORT LAKE–FOREST LAKE WATERSHED DISTRICT
Monday, June 15, 2026

1. Call to Order

President Anderson called the Monday, June 15, 2026, special board meeting to order at 6:00 p.m. at the CLFLWD office, 44 Lake Street South, and via online video conference.

Managers Present:
Jackie Anderson, President
Steve Schmaltz, Treasurer
Jim Schottmuller, Vice President
Dave Bakke, Secretary (virtual attendance)
Douglas Toavs, Assistant Treasurer (virtual attendance)

Staff Present:
Mike Kinney, Administrator
Brad Jernberg, Business and Operations Manager
Emily Heinz, Planning Coordinator
Tori Philippi, Office Manager

2. Budget Workshop #3 – Clarifications and Communications

Planning Coordinator Emily Heinz presented the proposed discussion outline which covers items that were requested at the end of the last budget workshop:

1. President Anderson's meetings and calls with staff, and the resulting additional documents produced
2. Budget Projection page walk-through and assumptions, including updated repayment schedule for Loan E to 10 years
3. Staff Wages & Benefits account coding
4. East Metro Water Resources Education Program (EMWREP) partnership and budget

President Anderson explained that she wanted a document that provides a simple, high level roll-up showing levy expenditures and the aggregated total of staff wages and benefits. Staff presented the proposed summary document. President Anderson indicated this format is what she was looking for. She requested staff add a few additional rows to summarize grant seeking efforts which are underway (i.e., pending, in-progress, and future grant applications).

Ms. Heinz presented an overview of the Budget Projection page and assumptions built into the projections. Manager Schmaltz indicated the 2025 Lease Liability item would likely be confusing to most readers. He indicated that, even though it is in the Audit Financial Report, he recommended removing it from the budget document, as it doesn't change the expense-revenue balance.

President Anderson recommended the District establish a specific line item as a reserve fund to ensure the District can cover operating costs or any unexpected expenses.

Manager Schottmuller noted the 0% levy increases for years 2028-2035 in the Budget Projection. He indicated this might not be feasible, especially if grants don't get awarded. He suggested adding a 3% levy increase annually for years 2028-2035. There was general consensus to add this, and managers agreed that these are merely projections. The District will need to continue its annual budgeting to reflect actual grant awards. Manager Schottmuller noted that the revised levy projections show a better scenario than what was estimated last year. He indicated there's a possibility the District can have less than a 3% levy increase in future years, if grants come through.

Manager Schmaltz requested that staff distribute a detailed budget breakout with specific line items, similar to previous years' budget formats. He also requested that staff prepare an updated Budget Priorities handout, including the additional priorities he noted at Budget Workshop #2.

The Board encouraged Administrator Kinney to devote more time to seeking a new office space and related funding options.

[7:45 pm]
Ms. Heinz and Mr. Jernberg presented the proposed account coding for staff wages and benefits, which allocates 10% to Administration (under the General Fund) and 90% to Programs (under the Implementation Fund). This breakout reflects how staff spends their time while maintaining a simplicity that saves time for the District Accountant. The proposed breakout would apply to years 2026, 2027, and beyond. Staff can still provide a separate breakout showing total staff wages and benefits, and any other types of breakouts the board may wish to see.

[7:52 pm]
There was unanimous consent to amend the 2026 budget to allocate 10% of staff wages and benefits to 1-000-4100 Administration and allocate 90% of staff wages and benefits to 3-000-4100 Programs.

President Anderson and Manager Schmaltz noted they are pleased with the draft budget and budget process so far.

Manager Bakke emphasized that he recommended against taking out more loans and incurring more debt. He suggested that, if at some point there's an emergency or unexpected cost, the District will need to look at alternative solutions. Manager Bakke also requested a monthly cash flow projection.

Administrator Kinney stated that he and Manager Schottmuller met with Washington County Commissioner Miron earlier this year to discuss the District's partnership in the East Metro Water Resource Education Program (EMWREP). Mr. Kinney suggested the Board consider some level of financial contribution to the program. President Anderson indicated EMWREP does good work~~,~~ but doesn't provide the sort of tailored services the District needs. Manager Schmaltz recommended documenting the value of being in the partnership and the in-kind services that could be provided by the District. President Anderson suggested the Board discuss this again at a future workshop and aim to have a decision by August 1st.

Ms. Heinz briefly summarized the Budget Schedule & Outreach Plan, which was approved by the Board in April. She indicated staff will send out the updated budget packet and supplemental attachments as soon as possible, for managers to review. She recommended the Board discuss budget outreach and communications at the next workshop on July 21st.

3. Adjourn

a) Next regular board meeting – June 25, 2026

By unanimous consent, the meeting was adjourned at 8:05 p.m.

Dave Bakke, Secretary ____