

1 **DRAFT MINUTES OF THE SPECIAL MEETING OF THE**
2 **COMFORT LAKE–FOREST LAKE WATERSHED DISTRICT**
3 **Wednesday, September 2, 2026**
4

5 **1. Call to Order**
6

7 President Anderson called the September 2, 2026, special board meeting to order at 6:00
8 p.m. at the CLFLWD office, 44 Lake Street South, and via online video conference.
9

10 **Managers Present:**

11 Jackie Anderson, President

12 Steve Schmaltz, Treasurer

13 Jim Schottmuller, Vice President (virtual attendance)

14 Dave Bakke, Secretary (virtual attendance)

15 Douglas Toavs, Assistant Treasurer (virtual attendance)
16

17 **Staff Present:**

18 Mike Kinney, Administrator

19 Emily Heinz, Planning Coordinator

20 Blayne Eineichner, Project Coordinator
21

22 **2. Budget Workshop #7**
23

24 Emily Heinz noted that staff distributed updated budget and levy scenarios to the Board
25 following the last workshop. The Board considered six different budget scenarios with
26 levies ranging from a 0.9% increase to an 8.0% increase compared to 2026.
27

28 [Manager Toavs joined the meeting at 6:03 pm]
29

30 Manager Schmaltz recommended the Board establish the following objectives for
31 deciding the budget and levy:

- 32 1. Last year's 23.7% levy increase was not well received by the public. The District
33 should improve its reputation by increasing the levy by a smaller amount this
34 year.
- 35 2. The District should demonstrate consistency in its planning and long-term
36 projected levies rather than raising or lowering the levy inconsistently in years to
37 come.
- 38 3. The District should avoid any disruptions in staffing unless there is a severe
39 budget emergency. Manager Schmaltz noted that losing staff can have a
40 negative impact on the District's productivity and progress toward goals.
- 41 4. The District should establish a steady budget projection and ensure it pays off its
42 debt over the next several years.

43
44 President Anderson agreed that the District should avoid further disruptions to personnel,
45 especially since Aidan Read will resign effective September 15th. She stressed the
46 importance of ensuring sufficient operating funds so the District can continue its work.
47

48 Manager Bakke suggested the District wait to replace Mr. Read's position and work on
49 backfilling the most important duties using existing staff in the meantime. This would
50 result in budget savings in 2026.
51

52 [6:15 pm]
53

54 Administrator Kinney reported that staff are looking at the overall objectives of the
55 District and figuring out how to meet them using the staff resources currently available.
56 Mr. Kinney stated he reached out to Northland Securities financial planners and received
57 positive feedback regarding the continued usage of low interest loans. He indicated that
58 there is a financial benefit to completing water quality work as soon as possible, even if
59 it requires taking on low interest loans.
60

61 Manager Schmaltz recommended comparing the District's projected levy increase to
62 local city and county levy increases. He indicated the City of Forest Lake is aiming for a
63 6.8% levy increase. Manager Schottmuller noted Washington County is proposing a 7.9%
64 levy increase.
65

66 [6:30 pm]
67

68 President Anderson recommended that an 8% levy increase may not be necessary, but
69 the District should still consider a 6% levy increase to build up the fund balance.
70

71 Manager Schottmuller indicated he would be supportive of a 4.8% or 5% levy increase,
72 but he would not support any higher than a 5% increase.
73

74 Manager Toavs said he supported a 4.1% levy increase which would demonstrate that
75 the District can establish a balanced budget. He indicated he would also support a 4%
76 levy increase.
77

78 Manager Bakke stated he would support a 5.8% levy increase or anything less than that,
79 but he would not support a 6% levy increase.
80

81 Manager Schmaltz indicated he would be supportive of a 4.8% levy increase and would
82 consider up to 5.8%.
83

84 Administrator Kinney explained how staffing duties may shift given Mr. Read's departure.
85 He indicated Adam Hjelm could take over some of the public facing elements of Mr.

86 Read's job, other staff could step in and cover some of the other tasks depending on
87 interest and skillset, and the District could potentially look to hire a seasonal technician
88 for the 2027 summer season to help fill in with the balance of what remains to be
89 covered.

90
91 Mr. Kinney recommended a levy increase that is just below the whole number, such as
92 4.8% instead of 5.0%, for several reasons. He noted the District can re-evaluate spending
93 in December, make adjustments to the budget accordingly, and consider lowering the
94 levy even further.

95
96 [6:45 pm]

97
98 Manager Bakke agreed with Mr. Kinney's approach to staffing and aiming for a 4.8% levy
99 increase. He recommended against taking out additional loans.

100
101 Manager Schmaltz stated the District needs to reevaluate its natural shoreline initiative.
102 He recommended an approach similar to Stearns County which involves targeting
103 lakeshore projects on sites where there is construction is occurring or the home is being
104 sold.

105
106 [7:00 pm]

107
108 There was general consensus in support of a 2027 expense budget of \$3,283,657 and a
109 2027 levy of \$2,341,052 which represents a 4.8% increase.

110
111 Manager Schottmuller noted the District can re-evaluate spending projections as the
112 year goes on, and the Board may reduce the levy by December 29th.

113
114 Manager Bakke indicated he won't be able to attend the September 10th meeting, but he
115 supported the other managers adopting the budget as discussed. Manager Toavs
116 indicated it is possible he may not be able to attend the September 10th meeting.

117
118 Manager Schmaltz recommended the District show the levy percentage increase in the
119 budget presentation and outreach materials.

120
121 Ms. Heinz noted the District must hold the public hearing prior to adopting the budget.
122 The hearing will occur prior to budget adoption on the September 10th agenda. Manager
123 Bakke noted the Board should seriously consider any comments from public hearing
124 before adopting the budget.

125
126 [7:15 pm]

Administrator Kinney recapped that staff would prepare a presentation for the public hearing which will cover the 4.8% levy increase, a summary of the services being provided by this budget and noting the Board will re-review financial projections in December.

President Anderson said she was pleased with this year's budget process and contributions from each manager in the discussion. She thanked managers for their input.

Managers thanked Manager Schmaltz for his service to the watershed.

3. Adjourn

a) Next regular board meeting –September 10, 2026

Manager Schottmuller moved to adjourn the meeting. Seconded by Manager Schmaltz. Upon a roll call vote, the motion carried 5-0, and the meeting was adjourned at 7:21 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 -----