

**DRAFT MINUTES OF THE SPECIAL MEETING OF THE
COMFORT LAKE–FOREST LAKE WATERSHED DISTRICT
Wednesday, May 25, 2022**

1. Call to Order

President Schmaltz called the May 25, 2022, special board meeting to order at 9:06 a.m. via online video conference.

Present: President Steve Schmaltz, Vice President Christopher Loth, Secretary Dave Bakke, Treasurer Jackie Anderson, Assistant Treasurer Douglas Toavs.

Absent: None.

Others: Mike Kinney, Administrator; Chuck Holtman (Smith Partners); Ellen Hinrichs (CEO, Inc.); Erik Smetana, Mike Verdoorn (Gallagher).

2. Lessard-Sams Outdoor Heritage Fund Grant Application

Mr. Kinney gave an overview of the Bone Lake South Wetland acquisition. He and Blayne Eineichner met with the property owner within the past week or two. The landowner's valuation appears reasonable, and he has provided a letter of support for a District application to the Lessard-Sams Outdoor Heritage Council for grant funding for the acquisition. The property would offer perhaps 140 acres of wetland and buffer. He expanded on the greenway process. He noted that staff has been researching this grant for some time. Mr. Kinney explained how the property in question was identified by staff. He highlighted staff's diligent work to complete the grant application in a short timeframe. Staff are preparing to submit the application by the May 26th deadline. Mr. Kinney has communicated with the Minnesota Land Trust and Pheasants Forever about possible collaboration. Pheasants Forever is talking with the Minnesota Department of Natural Resources about an MnDNR role as landholder.

Manager Bakke added that the Bone Lake Association and the City of Scandia have drafted letters in support of this grant application. He noted that there has been a lot of positive support and enthusiasm in his community regarding this grant. He encouraged all managers to review the Lessard-Sams Outdoor Heritage Council's 2008 plan. The plan aligns with the District's wetland protection goals.

Mr. Kinney clarified that through the grant process there are many steps and that only partial funding might be offered. He noted that discussions with partners is related to this possibility. The owner is interested in selling in the fall.

President Schmaltz asked if a part of the property could be sold off after acquisition if full funding were not received. Mr. Kinney explained that an option is to reserve an easement and sell the upland. He noted that the upland has conservation as well, though it would be protected by District rules. He noted that the farm on the property is well taken care of

with a well-maintained homestead that could be put on the market. He explained that other Districts have practiced this type of acquisition in the past and continue to do so, as a means of recouping funds.

Manager Anderson mentioned that managers have had in-depth conversations regarding land acquisition during the 10-year management planning process. She noted that this is something that the District has been looking into doing to protect water quality. She noted the many ground- and surface water benefits. She mentioned that there are multiple financing functions that have been reviewed by managers. She believes it is a good property opportunity to pursue.

Manager Toavs moved to authorize the Administrator to apply to the Lessard-Sams Outdoor Heritage Fund for acquisition and restoration of the Bone Lake South Wetland Property. Seconded by Manager Bakke. Upon a rollcall vote, the motion carried 5-0.

Manager	Aye	Nay	Absent	Abstain
Stephen Schmaltz	X			
Christopher Loth	X			
Dave Bakke	X			
Jackie Anderson	X			
Doug Toavs	X			

Manager Bakke asked if it would be possible to convert the buildings on the property to office space for the District. Mr. Kinney explained that it is possible and one of the outbuildings has a restroom, water, and heat.

3. Administrator Performance Review

The managers reviewed a proposed employment contract amendment reflecting a salary adjustment approved by the Board at the January 12, 2022, regular meeting. President Schmaltz proposed to delete a sentence from paragraph 2 separating the salary increase into performance and cost-of-living increases and an edit to paragraph 3 reflecting the status of review of a performance review methodology.

Manager Bakke moved to approve the amendment with the two proposed revisions. Seconded by President Schmaltz. Upon a roll call vote, the motion carried 5-0.

Manager	Aye	Nay	Absent	Abstain
Stephen Schmaltz	X			
Christopher Loth	X			
Dave Bakke	X			
Jackie Anderson	X			
Doug Toavs	X			

4. Administrator Assessment Process

The managers reviewed a 10-factor methodology used to review the administrator's performance in the past. Manager Bakke offered the view that it is the Administrator's role to define how he will meet the broad outcomes identified by the Board, and that the Board should allow Mr. Kinney to identify his goals and evaluate him based on whether he has met those goals. The Board by consensus agreed to move on from the 10-factor methodology.

Manager Anderson reviewed a memorandum dated February 11, 2021, that she and former manager Jon Spence prepared outlining a streamlined executive management approach to performance evaluation. Review would move to a calendar year basis. The administrator frames his or her work in advance, as Manager Bakke suggests. There is a separate cost-of-living adjustment, in the interest of transparency. A ceiling for base salary would be set and adjusted for cost-of-compensation only, and the contribution to the administrator's benefit pool would be recalibrated every five years. The Board president and vice-president would be principally responsible to manage the review action.

Erik Smetana then presented a PowerPoint covering a performance review approach that Gallagher has refined that uses quarterly reporting. The approach uses defined goals and measurements. Managers Bakke and Anderson commented that this may be a helpful approach. President Schmaltz opined that quarterly might be difficult, and that the administrator might report at the start of the annual budgeting process in early summer, and then again in December. Manager Loth favors the more frequent review schedule. Manager Bakke suggested that reporting could be built into the administrator's monthly reports.

5. Adjourn

a) Next regular board meeting – May 26, 2022

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 11:07 a.m.

Manager	Aye	Nay	Absent	Abstain
Stephen Schmaltz	X			
Christopher Loth	X			
Dave Bakke	X			
Jackie Anderson	X			
Doug Toavs	X			

Dave Bakke, Secretary _____