

**DRAFT MINUTES OF THE SPECIAL MEETING
OF THE
COMFORT LAKE – FOREST LAKE
WATERSHED DISTRICT
Tuesday, July 24, 2018**

1. Call to Order

President Anderson called the July 24, 2018 special board meeting to order at 4:35 p.m. in the offices of the Comfort Lake-Forest Lake Watershed District at 44 Lake Street South, Suite A, Forest Lake, MN.

Present: President Jackie Anderson, Vice President Jon Spence, Secretary Wayne Moe, Treasurer Steve Schmaltz, Assistant Treasurer Jackie McNamara

Others: Mike Kinney, Emily Heinz (via teleconference) (CLFLWD staff)

2. 2019 Budget

There was discussion about the three handouts as part of the meeting packet:

1. 2019 Draft Budget – staff’s recommended budget
2. Manager/Administrator Comments on Draft Budget – summarizes all the comments made by managers at the July 12th meeting and includes some additional considerations as suggested by Administrator Kinney
3. PRAP Progress Evaluation Table – staff updated this to include estimated phosphorus reductions, per Manager Schmaltz’s request at the July 12th meeting

Managers gave the following direction to staff:

1. Grant Summary Page: Add percent of award certainty and estimate for which quarter income will be received.
2. Budget Sheets: Break out engineering and legal expenses similar to how staff wages/benefits are summarized.
3. Budget Sheets: The Board agreed on four changes to the 2019 budget itself, resulting in no net change to the total expense budget:
 - a. 1-004-4330 CPA/bookkeeping: Add \$30,000 to reflect additional accounting services, as shown in the 2018 estimated yearend expense.
 - b. 3-004-E Municipal Stormwater Remediation Program: Add \$50,000 for cost-share of stormwater best management practices for municipalities
 - c. 3-006-F WMP Update: Subtract \$50,000 and plan to spend less on consultants for the upcoming 10-year major plan amendment
 - d. 3-007-A Ongoing Initiatives: Subtract \$30,000 and continue to postpone the Bone Lake sediment core analysis. Managers agreed that they would rather put these funds toward projects.
4. Water Quality Data & Goals: Bring an updated water quality goals and progress summary to the next meeting which breaks out Forest Lake as three separate basins.

5. Tax Impact Estimate: Estimate tax impact in 2019 given increase in Taxable Market Value (TMV). There was discussion regarding estimated 2019 revenue and tax impact. The TMV is increasing by 4.5% compared to last year, so theoretically if the District keeps its levy *dollar amount* the same (\$1.2M), the tax impact would decrease. If the District decided to keep the tax impact *rate* the same, the District's levy income would increase at roughly the same rate. Historically, the Board has always focused on the levy dollar amount and note the rate, though it's taken into consideration. Manager McNamara recommended that the District set its 2019 taxation rate the same as 2018, thus increasing the levy dollar amount. Ms. Heinz indicated that the Washington County tax impact calculator isn't released yet, but staff can work on some estimates using other information in the meantime. President Anderson expressed that, with the current expense budget of almost \$2.6M, a levy of \$1.2M combined with estimated grant income should keep the District's reserve balance in an acceptable range.

There was then discussion about keeping the expense budget at its current amount, and shifting specific line items within the budget according to priorities. The Board then discussed the 3000 Programs section in fairly good detail, and agreed to wait to discuss the 5000 Projects section until the next meeting. President Anderson noted that she would compile her comments into a single document and bring that to a future meeting for Board consideration.

[Managers Moe and Spence left the meeting at 6:30 p.m.]

There was discussion regarding the ongoing Washington Judicial Ditch 6 assessment study and water quality in Forest Lake. Mr. Kinney noted that the City of Forest Lake's new street sweeper is scheduled to arrive today. Staff is working with the City on outreach related to the sweeper.

President Anderson summarized that there was no net change to the total expense budget of \$2,593,593, and that the District should be able to keep the 2019 levy the same as 2018 at \$1,200,000.

3. Adjourn

a) Next regular board meeting – July 26, 2018

Manager Schmaltz moved to adjourn the meeting at 6:44 p.m. Seconded by Manager McNamara. Upon vote, the motion carried 3-0.

Wayne S. Moe, Secretary _____