STATE OF MINNESOTA
IN COURT OF APPEALS
A07-1096

In re the Marriage of:
Janet Therese Buzzell, petitioner,
Appellant,

vs.

Glenn Charles Buzzell,
Respondent.

Filed June 10, 2008
Affirmed in part and reversed in part
Hudson, Judge

Anoka County District Court
File No. 02-F0-04-008396

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Considered and decided by Worke, Presiding Judge; Hudson, Judge; and Harten, Judge.*

* Retired judge of the Minnesota Court of Appeals, serving by appointment pursuant to Minn. Const. art. VI, § 10.

U N P U B L I S H E D O P I N I O N

HUDSON, Judge

In this dissolution dispute, appellant-mother argues that the district court (1) abused its discretion by reserving the issue of respondent's child-support obligation and ordering respondent to pay the cost of the children's sports activities; (2) abused its discretion by awarding respondent the dependency tax exemptions for the parties' two children; (3) erred by concluding that the increase in value of stock that was gifted to appellant was a marital asset; and (4) clearly erred in determining the value of the marital homestead. By notice of review, respondent-father argues that the district court abused its discretion by denying respondent's claim for spousal maintenance and that, at a minimum, the district court should have reserved the issue. We affirm in part and reverse in part.

FACTS

Appellant Janet Therese Buzzell and respondent Glenn Charles Buzzell were married in December 1988. Appellant is a minority shareholder in, and works for, Master Machine, Inc. (MMI), a machining company started by her father. Respondent works as a building official for the City of Ham Lake. The parties permanently separated in June 2004. The parties had two children, both boys, during their marriage. The parties stipulated that they would share legal custody of the boys, now 10 and 11 years old, and that appellant would be granted sole physical custody.

A six-day dissolution hearing was held before a consensual special magistrate (magistrate) in March, April, and May 2006 to address the remaining issues disputed by

the parties. The district court entered its judgment and decree in December 2006. Both parties moved for a new trial or amended findings. In February 2007, a magistrate heard arguments on the parties' motions. The district court issued 78 pages of amended findings of fact, conclusions of law, order for judgment and judgment in April 2007. This appeal follows. Respondent has filed a notice of review.

D E C I S I O N

I

When a district court affirms a magistrate's ruling, the magistrate's ruling becomes the ruling of the district court, and an appellate court reviews the magistrate's decision, to the extent it was affirmed by the district court, as if it had been made by the district court. *See Buller v. Minn. Lawyers Mut.*, 648 N.W.2d 704, 707–11 (Minn. App. 2002) (reviewing consensual special magistrate's decision adopted by the district court as a decision of the district court), *review denied* (Minn. Aug. 20, 2002).[1]

Child support

Appellant argues that the district court abused its discretion by reserving the issue of respondent's child-support obligation. We disagree.

[1] The parties' dissolution hearing was held before a consensual special magistrate, but before the magistrate could issue his opinion, he passed away. The district court appointed a new magistrate in December 2006. Appellant argues that because the replacement magistrate did not have the opportunity to observe the witnesses or personally judge their credibility, this court need not defer to the district court's findings and may "review the transcript independently." But the replacement magistrate had the opportunity to review the record with the court reporter who was present at the parties' hearings, and also had the opportunity to observe the parties during the hearing on the parties' motions for amended findings. Therefore, we reject appellant's argument.

The district court has broad discretion to provide for the support of the parties' children. *Rutten v. Rutten*, 347 N.W.2d 47, 50 (Minn. 1984). The district court abuses its discretion when it sets support in a manner that is against logic and the facts on record or misapplies the law. *Id.*; *Ver Kuilen v. Ver Kuilen*, 578 N.W.2d 790, 792 (Minn. App. 1998). A finding of fact is clearly erroneous if the reviewing court is "left with the definite and firm conviction that a mistake has been made." *LaChapelle v. Mitten*, 607 N.W.2d 151, 160 (Minn. App. 2000) (quotation omitted), *review denied* (Minn. May 16, 2000).

In dissolution proceedings, a rebuttable presumption exists that the child-support guidelines are applicable in "all cases." Minn. Stat. § 518.551, subd. 5(i) (2004).[2] Setting support at a non-guideline amount requires the district court to make findings of fact addressing the criteria listed at Minn. Stat. § 518.551, subd. 5(c) (2004). *Id.*; *see also Rogers v. Rogers*, 622 N.W.2d 813, 815 (Minn. 2001) (stating that "to overcome the [guideline] presumption and deviate from the statutorily prescribed child support award, the court must make written findings supporting the deviation and explaining how the deviation supports the best interests of the children"); *Reynolds v. Reynolds*, 498 N.W.2d 266, 273 (Minn. App. 1993) (stating that "any deviation from the child support guidelines

[2] Although the child-support laws changed substantially on January 1, 2007, those amendments do not apply in this case because the district court established child support, and the parties filed their motions, before the changes became effective. *See* 2006 Minn. Laws ch. 280, § 32, at 1145; *compare* Minn. Stat. § 518.551 (2004) *with* Minn. Stat. §§ 518A.34, .35 (2006). Because this court applies the law in effect at the time that the district court considered appellant's motions, the 2004 and 2005 statutes apply. *See McClelland v. McClelland*, 393 N.W.2d 224, 226–27 (Minn. App. 1986), *review denied* (Minn. Nov. 17, 1986).

should be accompanied by express supporting findings") (quotation omitted). A support obligation that deviates from the guideline amount but is unsupported by adequate findings requires a remand. *See, e.g.*, *Kahn v. Tronnier*, 547 N.W.2d 425, 429 (Minn. App. 1996) (remanding for statutory deviation findings when district court's findings were inadequate), *review denied* (Minn. July 10, 1996). A district court's decision to reserve the issue of child support constitutes a deviation from the guidelines. *O'Donnell v. O'Donnell*, 412 N.W.2d 394, 397 (Minn. App. 1987).

When deviating from the guidelines, a district court must consider:

> (1) all earnings, income, and resources of the parents, including real and personal property . . . ;
> (2) the financial needs and resources, physical and emotional condition, and educational needs of the child or children to be supported;
> (3) the standard of living the child would have enjoyed had the marriage not been dissolved, but recognizing that the parents now have separate households;
> (4) which parent receives the income taxation dependency exemption and what financial benefit the parent receives from it;
> (5) the parents' debts . . . ; and
> (6) the obligor's receipt of public assistance . . . .

Minn. Stat. § 518.551, subd. 5(c) (2004).

Here, the district court found that respondent's gross yearly income was $82,858 and that appellant's gross yearly income over a six-year period averaged $463,893.88. The district court found that (1) "[t]he disparity in income between the parties, if exacerbated by the transfer of income from [r]espondent to [appellant] in the form of child support, will have a detrimental effect on the children"; (2) "the emotional needs of the children are best served by reducing the imbalance in income in the parties'

respective homes"; (3) the reservation of child support would help redress the imbalance in the parties' incomes; (4) the dependency tax exemptions created a "relatively minor" tax advantage and did not "tilt the scales in favor of [an] award of child support"; and (5) respondent is not on public assistance. The district court concluded that it was in the children's best interests to reserve the issue of respondent's child-support obligation. The district court also reserved the issue of child support because appellant's income from MMI was so high, and stated that "[i]f, contrary to all expectations, MMI should go broke, causing [appellant] to lose her very high income, the reservation would enable her to come back to court for an award of child support."

The findings of the district court are supported by the record, and its decision to reserve child support is reasonable under the circumstances. And if circumstances change, appellant may petition the district court for child support. We conclude that the district court's decision to reserve the issue of child support was not an abuse of discretion because of the best interests of the children. *Cf. Bjorke v. Bjorke*, 354 N.W.2d 107, 110 (Minn. App. 1984) (stating that "[u]nquestionably, the best interests of children are served by minimizing the financial consequences that befall them as a result of the dissolution of their parents' marriage").

Cost of sports activities

Appellant argues that the district court abused its discretion in ordering respondent to pay the children's sporting expenses in lieu of child support. We agree.

Here, the court explained that "[g]iven that [r]espondent appears, quite naturally, to be more involved in the boys' sports activities than [appellant], it is equitable to order

that [respondent] pay all expenses of the reasonable sports-related activities of the boys, whether the activities are school-related or not." The district court ordered respondent "to pay all of the boys' reasonable expenses for their sports activities," noting that this was "something the Court would not do if [r]espondent were ordered to pay child support." The cost of the children's sporting activities is approximately $350 per month.

But in its order, the district court also found that "[i]t is evident . . . that the parties have allowed their mutual animosity to inflict emotional damage on their boys." When considering the award of attorney fees, the district court noted that "the actions of both parties unreasonably contributed to the length and expense of the proceeding" and that "[b]oth parties failed and refused to cooperate in a reasonable manner with each other . . . [and] the Court cannot determine on this record whose lack of cooperation is worse."

It is clear from the record that the parties are unable to agree on the smallest detail regarding parenting the boys, including, for example, the type of clothing worn by the boys, times the boys should be dropped off after visiting with the other parent, whether the boys should take a gun-safety course, and how to transport the boys to and from visits. The district court noted that the parties have "made scenes in the presence of the boys" and "have disparaged the other parent in the presence of the boys."

The district court also acknowledged the parties' inability to cooperate when it established detailed procedures for dropping the boys off and picking them up after visits with the other parent:

> When [appellant] brings the boys to [r]espondent's home . . . she may drive into the driveway, but not get out of the car except when necessary to assist a boy in carrying

> something. When [r]espondent brings the boys to [appellant's] home, he shall drop them off at curbside. He shall not get out of the car except when necessary to help a boy in carrying something.

Costs associated with the boys' sporting activities are not fixed, and requiring respondent to pay the boys' monthly sporting expenses will likely require regular, on-going negotiation and cooperation between the parties, a scenario that both appellant and respondent have shown is unrealistic. The district court's decision to require respondent to pay the boys' sporting expenses contradicts its findings that parties were unable to put aside their "mutual animosity" and, as a result, had inflicted "emotional damage" on the boys. Requiring continuing, and likely acrimonious, negotiations regarding this variable expense is clearly not in the best interests of the children and is contrary to the facts on record and the district court's own findings. Therefore, we reverse the district court's decision to require respondent to pay the expenses associated with the boys' sporting activities as an abuse of discretion.

We also note that the language used by the district court suggests that it intended payment of the children's sporting expenses to be made in lieu of child-support payments. But Minn. Stat. § 518.68, subd. 2.4(a) (2004), states that "[p]ayment of support or spousal maintenance is to be as ordered, and the giving of gifts or making purchases of food, clothing, and the like will not fulfill the obligation."

II

Appellant argues that the district court abused its discretion by awarding the tax-dependency exemptions for the parties' two children to respondent. We disagree.

We review the district court's allocation of the federal tax-dependency exemptions for an abuse of discretion. *Ludwigson v. Ludwigson*, 642 N.W.2d 441, 449 (Minn. App. 2002). Federal tax law presumes that, upon the dissolution of a marriage, the parent with primary physical custody of a child will be entitled to claim that child as a dependent for tax purposes. *See* 26 U.S.C. § 152(a), (c), (e) (2000); *see also Rogers v. Rogers*, 622 N.W.2d at 823 (noting that "the Internal Revenue Code states that upon dissolution of a marriage the parent with primary custody of a minor child is entitled to claim the child as a dependent"). But this presumption "does not preclude state district courts from allocating tax dependency exemptions to a noncustodial parent incident to the determination of child support and physical custody." *Rogers*, 622 N.W.2d at 823. If the district court concludes that a transfer of the exemption to the noncustodial parent is in the best interests of the child, a deviation from the federal presumption is justified. *Id.* The district court may also properly consider the relative resources of the parties and the financial benefits that will accrue from such a transfer. *Crosby v. Crosby*, 587 N.W.2d 292, 298 (Minn. App. 1998), *review denied* (Minn. Feb. 18, 1999).

Here, the district court concluded that respondent's request to be granted the right to claim the dependency exemptions for the children was "reasonable" because "[appellant] is very unlikely ever to receive any benefit from the dependency exemptions because of her high income and the phase out provisions of the Internal Revenue Code." The district court also concluded that awarding the exemptions to respondent would help alleviate the disparity in the parties' incomes and would thus be in the best interests of the children.

The parties do not dispute that appellant would receive no benefit from the dependency tax exemptions because her income is too high. And appellant does not explain why awarding the dependency tax exemptions to the only parent who can take advantage of them is contrary to the best interests of the children. We conclude that district court did not abuse its discretion by awarding the dependency tax exemptions to respondent.

III

Appellant argues that the district court erred by concluding that the increase in value of the MMI stock that was gifted to her was a marital asset. We disagree.

MMI is a machining company that manufactures precision-machined parts for other companies. Appellant owns 17.9% of the shares of stock in MMI, a total of 211.192 shares; 121.264 of appellant's shares were gifted to appellant by her father between 1995 and 2002, and appellant purchased the remaining 89.928 shares during the marriage.

"Nonmarital property" includes property acquired by one spouse before the marriage, property gifted by a third party to one spouse only, and any property acquired in exchange for such property. Minn. Stat. § 518.003, subd. 3b (2006). "Whether property is marital or nonmarital is a question of law, but a reviewing court must defer to the [district] court's underlying findings of fact." *Olsen v. Olsen*, 562 N.W.2d 797, 800 (Minn. 1997). The party asserting that property is nonmarital has the burden of proving it by a preponderance of the evidence. *Crosby v. Crosby*, 587 N.W.2d at 296.

The Minnesota Supreme Court has held that the increase in value during a marriage of a closely held business owned by a spouse is marital property when the increase is attributable to the efforts of the spouse. *Nardini v. Nardini,* 414 N.W.2d 184, 195 (Minn. 1987). The *Nardini* court stated that

> the increase in the value of nonmarital property attributable to the efforts of one or both spouses during their marriage, like the increase resulting from the application of marital funds, is marital property. Conversely, an increase in the value of nonmarital property attributable to inflation or market forces or conditions, retains its nonmarital character.

Nardini, 414 N.W.2d. at 192; *Duffey v. Duffey*, 416 N.W.2d 830, 832 (Minn. App. 1987) (holding that increase in value was not marital asset because husband was not involved in the "key functions" of the business and instead "maintained an extremely limited and minor role confined primarily to the warehouse"), *review denied* (Minn. Feb. 24, 1988).

Appellant testified that she had been working at MMI full time since 1983. Appellant started out at MMI doing jobs such as delivering parts, driving, helping out in the office, and working with the bookkeeper. At the time of the dissolution proceedings, appellant's duties at MMI included overseeing all the accounts payable and accounts receivable; balancing all the bank statements; some selling; attending customer seminars; and making sure that quality products are provided to the customers. Appellant is not involved in any of the manufacturing operations of MMI.

Appellant's father, Robert Stuttgen, testified that appellant's role at MMI was as an office manager. He stated that her duties included "keeping the books for our CPA, preparing those for him; she oversees the shipping and receiving; inventory; does some

PR work with the customers; overviews purchase orders as they come in." He also stated that "[appellant] is limited; she doesn't know a thing about the manufacturing; she has been around it for years, but she can't read a blueprint."

Respondent also testified regarding what he believed appellant's role in MMI is:

> She has been involved quite a bit. Polaris Industry was her company, I guess. From what she has been telling me, she does all the dealings with Polaris—that her brother has his own companies—and she goes to Polaris quite often with the sales rep or shop foreman; and I do recall conversations with [appellant] for the purpose of parts, changes in parts, quality issues with parts, and delivery stuff.

But on cross-examination, respondent admitted that he is not and never has been an employee of MMI, that he is not involved in the day-to-day business of MMI, and that he had no direct knowledge of appellant's duties at MMI.

The district court found that appellant had not met her burden of proof regarding the nonmarital nature of the increase in value of the stock and concluded that the increase in the value of the stock was marital property:

> [t]he Court is not aware of any case law that says that a spouse who does not know about or is not involved in all aspects of the business cannot be found to contribute marital effort to the appreciation in value of her stock. The growth of MMI's value was most likely caused by the hard work of its three owners, including [appellant].

The district court rejected appellant's argument that because she "'can't read a blue print,'" her work for MMI had not contributed to the increase in value of her MMI stock:

> [Appellant] [is] the office manager/bookkeeper, and is responsible for overseeing the company's accounts receivable, accounts payable, balancing the company's bank accounts, and dealing with computer problems. She also

> oversees shipping and receiving . . . . [Appellant] has been largely responsible for handling one of the company's major customers, Polaris.

The record supports the district court's findings. Although appellant was not involved with the manufacturing aspect of MMI's business, there is evidence that she was very involved with the management of MMI and its finances and that her efforts likely contributed to the increase in value of the MMI stock. We conclude, therefore, that the district court did not err by concluding that the increase in value of the shares was marital property.

IV

Appellant argues that the district court clearly erred in determining the value of the marital homestead. Specifically, appellant argues that the district court clearly erred in finding that the value of the marital homestead should be reduced by $40,000 because of needed repairs. We disagree.

During their marriage, the parties resided in a house in Isanti, Minnesota. Respondent purchased the property for $31,000 the year before the parties were married. The parties had the property appraised several times both before and during the dissolution process.

Robert Orton, a building official for the city of Zimmerman, testified that he performed an inspection of the Isanti property in September 2005, at the behest of respondent. Orton described several problems he found at the property, including moisture spots on the outside of the house, that the front porch is decayed and could possibly fall, and dry rot and mold on and around all of the windows of the house. He

testified that mold could be a health hazard to people living in the house. He also stated that he found that the posts in the post-and-beam system that is holding up the floors of the house had shifted, which could cause structural failure. He testified that he had found that the floors and walls in the house were slanted and that there were drainage problems around the foundation of the house.

Bradley Field, a certified residential appraiser, appraised the Isanti property in September 2005 at $510,000. Field testified that he recognized that there was mold in the home and that there were repairs that needed to be done on the house but that "he didn't feel that these items significantly detracted from the overall quality of the home." Jason Leucata, a residential property appraiser, valued the property at $480,000 as of March 2005.

Kurt Struss, a residential property appraiser, appraised the Isanti property at $385,000 in 2005. Struss testified that he adjusted the value of the home downward by $50,000 to account for the cost of repairs that were necessary. Struss explained that "to the best of my knowledge, based on my experience in new construction, associated with appraisal work and the construction I have done on my own house, I determined that $50,000 was a fair amount of money that it would take to reconcile those issues."

Respondent testified that he believed the $50,000 figure Struss deducted from his appraisal of the property's value was too low: "[I]t's not enough. It wouldn't even touch the issues that are taking place in the home currently." But appellant testified that the floors in the house have always been crooked and that while she was living in the house there was no mold.

A district court's findings of fact regarding valuation of an asset will not be set aside unless clearly erroneous. *Maurer v. Maurer*, 623 N.W.2d 604, 606 (Minn. 2001). The district court's estimation of value is "necessarily an approximation in many cases" and must "fall within a reasonable range of figures." *Id.* (quotation omitted). A finding of fact is clearly erroneous if manifestly contrary to the weight of evidence or not reasonably supported by the evidence as a whole. *Vangsness v. Vangsness*, 607 N.W.2d 468, 474 (Minn. App. 2000). The district court may accept or reject expert testimony in its discretion. *Gross v. Victoria Station Farms, Inc.*, 578 N.W.2d 757, 760–61 (Minn. 1998). Expert knowledge may be based both on an expert's scientific knowledge and on the extent of the expert's practical experience. *Id.* at 761. But documentary or testimonial evidence is required to support a district court's findings regarding the value of real property:

> [w]hile we have often stated that trial courts are accorded broad discretion in both the valuation and distribution of an asset, exercise of that discretion is not unlimited and should be supported by either clear documentary or testimonial evidence or by comprehensive findings issued by the court. The absence of such findings renders review of [a] judgment difficult.

Ronnkvist v. Ronnkvist, 331 N.W.2d 764, 766 (Minn. 1983); *see also Carlson v. Carlson*, 390 N.W.2d 780, 785 (Minn. App. 1986) (citing *Ronnkvist*), *review denied* (Minn. Aug. 20, 1986).

Here, the district court acknowledged that "[the appraiser] had not received any estimates for the cost of repairing the defects in the home which would support the $50,000 deduction." The district court found:

> Much of the dispute concerning the value of the Isanti home focused on an inspection which laid out several problems with the homestead. This inspection was performed by Robert Orton, a building official for the City of Zimmerman. Mr. Orton's report on his inspection notes problems with the front porch, shifting beams which have caused the floors to become misaligned, inadequate ventilation in places, and mold/dry rot on window sills and the basement walls . . . . His report does not provide an estimate as to the cost to make the repairs needed to address the issues raised in his report.

The district court also noted that Field's report mentioned that the front porch of the house needed repair and that the foundation also needed repair. But the court stated that "[Field's] report does not say how these problems negatively affected value, and neither does his testimony."

After considering all the testimony and exhibits, the district court explained how it reached the conclusion that the property should be valued at $455,000:

> The average of [appellant's] appraised values is $495,000, which the Court finds more credible than Mr. Struss's value. However, the Court finds that neither of [appellant's] appraisers, in their reports and their testimony, gave enough weight to the serious problems shown in Mr. Orton's report, although they did claim that they gave some weight to these problems. Mr. Struss estimated the costs of repairing these problems to be $50,000. This figure appears reasonable to the Court. However, Mr. Struss's figure is not backed by estimates from contractors. Given the absence of documentary support, and given the fact that [appellant's] appraisers appear to have given some (albeit insufficient) weight to the problems, the Court will reduce the cost of repairs to $40,000, and deduct this figure from the $495,000 average between [appellant's] two approaches to reach a value of $455,000.

Despite the admitted lack of documentary evidence supporting the district court's estimated cost of repairs to the homestead, the district court's determination of the overall

value of the homestead is clearly within the reasonable range of figures as demonstrated by the testimony of the various appraisers: the appraisers determined that value of the property to range between $385,000 and $510,000; the testimony of several of the appraisers supports a finding that repairs were needed; and the testimony of an experienced appraiser estimated the value of those repairs to be $50,000. Therefore, we conclude that, on this record, the district court's valuation of the marital homestead was not clearly erroneous.

V

Denial of spousal maintenance

Respondent argues, by notice of review, that the district court abused its discretion by denying respondent's claim for spousal maintenance. We disagree.

Appellate courts review a district court's maintenance award for an abuse of discretion. *Dobrin v. Dobrin*, 569 N.W.2d 199, 202 (Minn. 1997). A district court abuses its discretion regarding maintenance if resolution of the issue is "against logic and the facts on record." *Rutten*, 347 N.W.2d at 50. "Findings of fact concerning spousal maintenance must be upheld unless they are clearly erroneous." *Gessner v. Gessner*, 487 N.W.2d 921, 923 (Minn. App. 1992); *see* Minn. R. Civ. P. 52.01. And findings of fact are clearly erroneous when they are "manifestly contrary to the weight of the evidence or not reasonably supported by the evidence as a whole." *Tonka Tours, Inc. v. Chadima*, 372 N.W.2d 723, 726 (Minn. 1985).

"The purpose of a maintenance award is to allow the recipient and the obligor to have a standard of living that approximates the marital standard of living, *as closely as is*

equitable under the circumstances." *Peterka v. Peterka*, 675 N.W.2d 353, 358 (Minn. App. 2004) (emphasis added).

In a dissolution proceeding, a district court may grant spousal maintenance if it finds that the spouse seeking maintenance

> (a) lacks sufficient property, including marital property apportioned to the spouse, to provide for reasonable needs of the spouse considering the standard of living established during the marriage, especially, but not limited to, a period of training or education, or
> (b) is unable to provide adequate self-support, after considering the standard of living established during the marriage and all relevant circumstances, through appropriate employment, or is the custodian of a child whose condition or circumstances make it appropriate that the custodian not be required to seek employment outside the home.

Minn. Stat. § 518.552, subd. 1 (2006). If the district court determines that the spouse has met the threshold requirements of subdivision 1, then it must consider the factors laid out in Minn. Stat. § 518.552, subd. 2 (2006) to determine the duration and amount of that award. *Weikle v. Weikle*, 403 N.W.2d 682, 687 (Minn. App. 1987), *review denied* (Minn. June 30, 1987). No single factor is dispositive, and the district court must weigh the facts of each case to determine whether maintenance is appropriate. *Id.*; s*ee* Minn. Stat. § 518.552, subd. 2 (requiring the court to consider "the financial resources of the party seeking maintenance, including marital property apportioned to the party"); *Fink v. Fink*, 366 N.W.2d 340, 342 (Minn. App. 1985) (court should take interest income which may be generated from marital property award into account when calculating spousal maintenance).

Here, the district court found respondent's net monthly income to be $4,559, his reasonable monthly budget to be $3,600, and concluded that "[respondent] does not meet the threshold requirement for an award of maintenance. His monthly income is sufficient to meet his reasonable monthly expenses, especially considering the large property award he will receive."

Respondent suggests in his brief that his "reasonable monthly expenses" are $6,994. But it appears that at least two of the expenses respondent now claims are "reasonable" were, in fact, deemed unreasonable by the district court: $973 per month for home improvement and $833 per month for "toys." Respondent does not challenge these specific reasonableness findings on appeal. Instead, respondent argues that the district court's finding that "[r]espondent's girlfriend's one-half share of monthly mortgage and utility payments reduces his budget by $1,388" is clearly erroneous.

Respondent testified that his girlfriend lives with him, but she does not pay any rent or contribute to any of the household expenses. And he admitted that by asking for spousal support, he was asking for appellant to help pay for some of the expenses associated with the house that his girlfriend is living in with him. The district court noted that "[r]espondent's girlfriend has resided with him full time at the homestead since the spring of 2005. [Appellant] cannot be expected to contribute to any shortfall created by the girlfriend's lack of contribution." We conclude that the district court's determination of respondent's monthly expenses was not clearly erroneous. *Cf. Peterka*, 675 N.W.2d at 358 (concluding that it was inappropriate to consider "the expenses associated with

respondent's second family" when determining the obligor's ability to pay spousal maintenance).

Respondent also testified that since separating from appellant, he and the boys "haven't been able to do any types of vacations that we have normally done," and he has not been able to buy the boys the kind of clothes and toys that he would like. Respondent testified he has been putting off dental work for himself because he cannot afford it and that he had sold some of his personal property in an effort to keep up with his bills.

But the district court noted that "[t]he cash property equalizer plus [r]espondent's share of the proceeds from the Carleton [sic] County property, if invested wisely, should yield interest or dividends which will substantially add to his income, and would provide extra money to spend on his sons." The district court also found that the other statutory factors weighed in favor of a denial of spousal maintenance: respondent is healthy; he has a good job that pays him nearly $83,000 per year; he does not need any additional education; his employer provides him with medical and dental insurance and a pension; respondent did not forgo employment opportunities because of marriage; and respondent did not stay home to care for the couple's children. In light of his high income, ample property award, and the fact that he will not have any child-support obligations, we conclude that the district court's findings are reasonably supported by the evidence and, on this record, are not clearly erroneous.

Reservation of spousal maintenance

Respondent also argues that the district court abused its discretion by failing to reserve the issue of spousal maintenance. We disagree.

"Reservation allows the court to later assess and address future changes in one party's situation as those changes arise, without prematurely burdening the other party." *Prahl v. Prahl*, 627 N.W.2d 698, 703 (Minn. App. 2001); *Van De Loo v. Van De Loo*, 346 N.W.2d 173, 178 (Minn. App. 1984). Whether to reserve jurisdiction over the issue of maintenance is within the district court's broad discretion. *See* Minn. Stat. § 518A.27, subd. 1 (2006); *Prahl*, 627 N.W.2d at 704.

The district court rejected respondent's request to reserve the issue of spousal maintenance because respondent has a good, steady job, and he will receive a significant amount of property, including pension benefits, as a result of the dissolution proceedings. We conclude that this decision was not an abuse of discretion.

To sum up, we affirm each of the district court's rulings with the exception of its ruling ordering respondent to pay the cost of the children's sporting activities. On that issue, we conclude that the district court abused its discretion, and we reverse.

Affirmed in part and reversed in part.