

**Lake Ripley Management District  
Budget Hearing Minutes  
August 9, 2003**

The Lake Ripley Management District (LRMD) budget hearing was called to order by Chairman John Molinaro at 9:04 a.m. Board members present were John Molinaro, Mike Sabella, Pam Rogers and Dennis McCarthy. Paul Jorstad, Derek Hoffman and Joanne Knilans were absent. Paul Dearlove (Lake Ripley Priority Lake Project Manager), and Roger Rude (LRMD resident) were also present.

Molinaro noted that a quorum was present and that the budget hearing would proceed as planned. On July 19, 2003, Molinaro, Sabella and Dearlove met to prepare a proposed budget for 2004. Copies of the budget were published, posted and distributed to all Board members present. Treasurer Sabella then explained the procedure that was used to prepare an operating budget for the coming year. The explanation included discussion on how expenses are projected, estimated carryover and its affect on the required tax levy, and the anticipated funding requirements for each budget item. The proposed 2004 budget was summarized and is presented in its entirety below:

|                                           | 2003    | 2004    | %CHANGE |
|-------------------------------------------|---------|---------|---------|
| <b>PROJECTS</b>                           |         |         |         |
| LRPLP LAG                                 | 29000   | 34000   | +17.2   |
| LRMD ACRA CONTRIBUTION                    | 10000   | 10000   |         |
| WEED HARVESTING                           | 4500    | 4500    |         |
| LAKE DISTRICT PRESERVE                    | 4900    | 4900    |         |
| LAKE WATCH                                | 250     | 250     |         |
| CONSERVATION EASEMENTS                    | 3000    | 1500    | -50.0   |
| NO-WAKE REGULATION                        | 3500    | 3500    |         |
| <b>INSURANCE</b>                          |         |         |         |
| GENERAL LIABILITY                         | 1400    | 1400    |         |
| MARINE & TRUCK                            | 1000    | 1000    |         |
| WORKERS' COMPENSATION                     | 900     | 900     |         |
| <b>OPERATIONS</b>                         |         |         |         |
| LEGAL COUNSEL                             | 1000    | 3000    | +200.0  |
| DUES/CONFERENCES                          | 1000    | 1000    |         |
| OFFICE/MAILINGS                           | 900     | 500     | -44.0   |
| CONTINGENCY                               | 1500    | 1500    |         |
| COMMISSIONER STIPENDS                     | 5150    | 4900    | -5.0    |
| <b>CAPITAL RESERVE &amp; LAND ACQUIS.</b> | 10000   | 10000   |         |
| <b>TOTAL</b>                              | 78000   | 82850   | +6.2    |
| <b>LESS CARRY OVER</b>                    | <22550> | <26300> |         |
| <b>REQUIRED TAX LEVY</b>                  | 55450   | 56550   | +2.0    |

Sabella then explained why changes were being made to the funding levels for certain budget items. As for the Lake Ripley Priority Lake Project Local Assistance Grant (LRPLP LAG) under Projects, he noted that additional funds were requested to help cover the costs of our Nonpoint Source Pollution Abatement Program that exceed the \$46,350 state grant allocation. It was explained that the grant is not adjusted for inflation and cost-of-living increases, and that recent state budget cuts have shifted additional financial responsibilities onto the LRMD,

including the development and printing of the Ripples newsletter. It was estimated that expenses currently exceed grant revenues by approximately \$10,000. Additional funds are also budgeted each year to build a reserve that can help cover program operations when the grant ends in 2006. Also under the Projects category, the Conservation Easements line item was reduced due to anticipated carryover from the current year. In addition, future legal fees associated with easements will be re-classified as Legal Counsel under the Operations category, resulting in an increase in this particular budget item. Part of the increase was also due to rising costs for necessary legal counsel. Also under Operations, funding levels for Office/Mailings and Commissioner Stipends were both decreased due to expected carryover.

Sabella indicated that the total projected budget for 2004 resulted in a 6.2% increase over the prior year's budget. After accounting for anticipated carryover, a proposed tax levy was set for \$56,550—an increase of 2.0%. The actual assessed valuation of all property included on the 2003 tax rolls was in excess of \$146 million—a 4.2% increase. Consequently, the estimated mil rate would be \$38.53 per \$100,000 of assessed valuation (0.3853 mils).

Molinaro discussed the implications of a local property tax freeze that was being considered by the state legislature. He explained that even if the governor's veto of this measure is over-riden, the proposed budget would still easily meet the levy-cap requirements. He then presented a sample tax bill and reviewed the percentage allocations levied by each government entity for comparison purposes. Molinaro pointed out that the LRMD receives a very small fraction of the total tax bill, and tries hard to remain very fiscally responsible. He indicated that despite having the authority to tax up to 2.5 mils, the LRMD has never had to levy more than 0.5 mils. It has even managed to lower the mil rate several times in the past. However, because the LRMD has a relatively small budget and levy, he highlighted how even small changes to a modest budget (in terms of dollars) show up as relatively large percentage increases on the tax bill. Molinaro indicated that the proposed budget and any individual line item greater than or equal to \$5,000 would be voted on at next week's Annual Meeting. Rogers commented that she felt the Board was submitting a very lean budget. She suggested a need to educate the public before our grant ends in a few years and the corresponding "sticker shock" sets in.

Pam Rogers moved to adjourn the budget hearing. Mike Sabella seconded. Motion passed by a 4-0 vote. Budget hearing adjourned.

Respectfully Submitted,

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John Molinaro, Chair

Date

Recorder: PDD