

**Lake Ripley Management District
Budget Hearing Minutes
August 12, 2006**

Chairman John Molinaro called the budget hearing to order at 9:00 a.m. at the Oakland Town Hall. Board members in attendance included John Molinaro, Mike Sabella, Dennis McCarthy, Gene Kapsner, Mike Burow and Jane Jacobsen-Brown. Derek Hoffman was absent. Other attendees included Paul Dearlove (LRMD Lake Manager), Kent Brown and Georgia Gomez-Ibanez. Molinaro stated that the purpose of the hearing was to present and accept public comment on the proposed 2007 budget. He said the budget will be presented and voted on at next Saturday's Annual Meeting. The following budget was presented:

PROJECTS	<u>2006</u>	<u>2007</u>	<u>CHANGE</u>
LRPLP LAG CONTRIBUTION ¹	44000		
PAYROLLFRINGE/TAXES		57570	
LANDOWNER COST SHARING ²	4500	10000	+122.2%
WEED HARVESTING	4500	3725	-17.2%
LAKE DISTRICT PRESERVE	3000	1500	-50.0%
LAKE WATCH	250		
SPECIAL PROGRAMS ³		500	
CONSERVATION EASEMENTS	1500	500	-66.7%
NO-WAKE REGULATION	1000		
INSURANCE			
GENERAL LIABILITY	1900	1900	
MARINE & TRUCK	1400	1400	
WORKER'S COMPENSATION	900	925	+2.7
OPERATIONS			
LEGAL COUNSEL	3000	3000	
DUES & CONFERENCES	1500	1600	+6.7%
OFFICE/OUTREACH ⁴	700	7550	+978.6
CONTINGENCY	1500	1500	
COMMISSIONER STIPENDS	4900	4900	
CAPITAL RESERVE & LAND ACQUISITION	10000	10000	
TOTAL:	84550	106570	+26.0%
LESS ANTICIPATED CARRY OVER:	<41150>	<39000>	
REQUIRED TAX LEVY:		43400	67570
			+55.7%

¹ Lake Ripley Priority Lake Project Local Assistance Grant (LRPLP LAG) Contribution. Supplemented annual \$46,350 state grant used for staff and office support to administer the LRPLP. Redirected to Staff Payroll and Office/Outreach.

² Budget category renamed. Previously referenced as LRMD Anticipated Cost-Share Reimbursement Account (ACRA) Contribution when it supplemented an annual \$25,610 state grant used for cost sharing.

³ Budget category covers expenses associated with anticipated special events, such as Lake Watch, litter cleanups, lake/watershed tours and carp harvests.

⁴ Referred to as Office/Mailings in 2006. Budget category now covers prior LRPLP-funded expenses such as office equipment and supplies, rent, vehicle expenses, newsletters, general communications and newspaper notices.

Molinaro asked the treasurer to go over the budget numbers. Sabella described the budgeting process and reviewed each budget category. It was noted that every line item of \$5,000 or more would need to be approved by a separate vote at the Annual Meeting. He explained that most of the proposed increase was due to the loss of Priority Lake Project funding, and that another increase would be needed in 2008 after any accrued carryover is used up. He then provided the following mill rate analysis: The actual assessed valuation of all Lake District property included on the tax rolls for the year 2006 is \$204,002,100. If the 2007 tax levy of \$67,570 is approved at the Annual Meeting, the mill rate will be 0.3312 per \$1,000 of assessed value, or \$33.12 for every \$100,000 of assessed property value. This represents a 51.4% increase over the 2006 mill rate of 0.2187 per \$1,000 (\$21.87 per \$100,000).

Molinaro explained that money had been budgeted and carried over in prior years to help cover the cost of operations in the year after the grant ends. He said this accrued money represents a significant portion of the \$39,000 in anticipated carryover for 2007. This carryover money would be used up and no longer available after next year. As a result, another tax levy increase would be necessary for 2008, culminating in an estimated mill rate of about 0.5 per \$1,000 of assessed valuation. Molinaro reviewed the District's historic mill rates and associated tax levies for comparison purposes. Kapsner expressed concern about potential confusion and misinterpretation, like the possibility that the average layperson—not understanding the role of grant funding—would look at the budget and think that the Board was proposing a 26% increase in actual spending. In actuality, it was determined that actual spending would increase by about 7%. This led to considerable discussion about how to best present and explain the budget at the Annual Meeting so it made sense to the average taxpayer. Molinaro noted that a more detailed budget would be presented at the Annual Meeting in compliance with the new statutory requirements.

Kent Brown said the Town Police had expressed interest in placing a couple more 200-foot no-wake buoys next year. He asked if the No-Wake Regulation category accounted for this possible need. Dearlove responded that a few buoys were still available in storage that could be used for this purpose. This was followed by some discussion on the factors that went into the proposed increases or decreases associated with certain budget categories.

Jacobsen-Brown was confused why the budget numbers printed in the Ripples newsletter were slightly different than those currently being presented. Sabella explained that the Board met and voted to give its Lake Manager a cost-of-living and merit-based salary increase after the mailing of the newsletter, increasing the total budget by \$1,570. Dearlove confirmed that the updated budget numbers were posted and published twice in the local newspapers prior to the hearing.

Following budget discussions, Molinaro reminded everyone about the Lake District Preserve Tour that would take place after the hearing. He also announced that Georgia Gomez-Ibanez had just presented the Lake District with an unrestricted, \$100 charitable donation. He thanked Gomez-Ibanez on behalf of the Board for her support, and said he planned to acknowledge the generosity of other contributors at next week's Annual Meeting. Gomez-Ibanez said it was important for members of the general public to know that they too could donate to support our ongoing stewardship work.

Sabella moved to adjourn the hearing at approximately 10:00 a.m. Burow seconded. Motion carried 6-0.

Respectfully Submitted,

Derek Hoffman, Secretary

Date

Recorder: PDD