

**Lake Ripley Management District  
Budget Hearing Minutes  
August 13, 2005**

The Lake Ripley Management District (LRMD) budget hearing was called to order by Chairman John Molinaro at 9:00 a.m. at the Oakland Town Hall. Board members in attendance included John Molinaro, Mike Sabella, Dennis McCarthy, Gene Kapsner, Sheri Walz, and Jane Jacobsen-Brown. Other attendees included Paul Dearlove (Project Manager), Gary Zibell (Cambridge Cable TV 12), Dawn Kubly, Ron Buss, Chuck Seeley and Dorothy Seeley.

Molinaro announced the purpose of the hearing was to present and accept public comment on the LRMD's proposed 2006 budget. He said the budget will be presented and voted on at next Saturday's Annual Meeting. The following budget was distributed to those in attendance:

|                                | <u>2005</u>  | <u>2006</u>  | <u>CHANGE</u> |
|--------------------------------|--------------|--------------|---------------|
| <b>PROJECTS</b>                |              |              |               |
| LRPLP LAG*                     | 39000        | 44000        | +12.8%        |
| LRMD ACRA CONTRIBUTION**       | 4500         | 4500         |               |
| WEED HARVESTING                | 4500         | 4500         |               |
| LAKE DISTRICT PRESERVE         | 3000         | 3000         |               |
| LAKE WATCH                     | 250          | 250          |               |
| CONSERVATION EASEMENTS         | 1500         | 1500         |               |
| NO-WAKE REGULATION             | 3500         | 1000         | -71.4%        |
| <b>INSURANCE</b>               |              |              |               |
| GENERAL LIABILITY              | 1400         | 1900         | +35.7%        |
| MARINE & TRUCK                 | 1000         | 1400         | +40.0%        |
| WORKERS' COMPENSATION          | 900          | 900          |               |
| <b>OPERATIONS</b>              |              |              |               |
| LEGAL COUNSEL                  | 3000         | 3000         |               |
| DUES/CONFERENCES               | 1500         | 1500         |               |
| OFFICE/MAILINGS                | 700          | 700          |               |
| CONTINGENCY                    | 1500         | 1500         |               |
| COMMISSIONER STIPENDS          | 4900         | 4900         |               |
| CAPITAL RESERVE & LAND ACQUIS. | 10000        | 10000        |               |
| <b>TOTAL</b>                   | <b>81150</b> | <b>84550</b> | <b>+4.2%</b>  |
| LESS EST. CARRY OVER           | <34500>      | <41150>      | +19.3%        |
| REQUIRED TAX LEVY              | 46650        | 43400        | -7.0%         |

\* Supplements an annual \$46,350 state grant used to administer the Lake Ripley Priority Lake Project

\*\* Supplements an annual \$25,610 state grant for landowner cost sharing through the Priority Lake Project

Treasurer Sabella reviewed the budgeting process. He explained that he had met with Molinaro and Dearlove to draft a recommended 2006 budget on June 27, 2005. He then described the nature and purpose of each budget item, whether any carryover was anticipated from the current year, and why any change in funding level was proposed. The following is an abbreviated discussion summary pertaining to those budget categories in excess of \$5,000, or in which funding changes were proposed:

LRPLP LAG: Since 1993, the Lake District has received a \$46,350 Local Assistance Grant (LAG) each year from the DNR to administer the Lake Ripley Priority Lake Project – a nonpoint source pollution abatement program. The grant does not get adjusted for inflation, and presently covers most, but not all, of the expenses associated with the Project (payroll, rent, office expenses, education and outreach, etc.). This annual grant award is set to expire after 2006. The Lake District maintains a budget item to help support Project-administration costs by covering ongoing and anticipated grant deficiencies. Any carryover accrued by the end of the grant period will help support continuing operations, thereby avoiding the need to significantly raise the mill rate at that time.

No-Wake Regulation: Money had been previously budgeted for the purpose of acquiring and installing extra buoys to re-define expanded slow-no-wake zones. Molinaro noted that the Town of Oakland just recently approved the requested ordinance amendment. He said he hopes to purchase some buoys with this year's budget, which would consequently reduce the amount of carryover previously estimated for this budget item. He said that next year's budget could then be used to cover any installation costs.

Insurance: Premiums for general liability and marine/truck insurance are set to increase in 2006, primarily to plug some identified gaps in our insurance coverage. It was noted that a minimum level of coverage was necessary, and that the District has little control over the cost of premiums. After a recent analysis of competing policy offers, a new insurer was retained who was able to provide a more comprehensive insurance package.

Capital Reserve & Land Acquisition: This budget category serves as a savings account to help pay for large capital expenditures, such as buying/replacing equipment or acquiring lands, should the need or opportunity suddenly arise. An estimated \$8,000 will soon be drawn from the account to pay for an expansion of the Town Hall cold-storage building. The expansion is being financed in return for space to store our weed-harvesting equipment.

Summing all budget categories, a total budget of \$84,550 is requested for 2006. This represents a 4.2% (\$3,400) increase over the prior year's budget. Due to an estimated carryover of \$41,150, the required tax levy would be reduced to \$43,400. This represents a 7.0% decrease over the prior year's tax levy. Sabella noted that the actual assessed valuation of all Lake District property included on the tax rolls for 2005 is \$198,415,160. He said that if the 2006 tax levy of \$43,400 is approved at the Annual Meeting, the mill rate will be 0.2187 per \$1,000 of assessed value. Therefore, a home would be taxed \$21.87 for every \$100,000 of assessed value for the purpose of protecting and managing the lake. Molinaro pointed out that although state statute permits the District to tax up to a 2.5 mill rate, the rate has never exceeded 0.5 mills at any time in the District's 15-year history. He said the District has obtained well over \$1 million in grants, mainly through the Priority Lake Project, and continues to operate in a fiscally conservative manner.

Dawn Kubly asked whether commissioner stipends were distributed according to actual attendance at the meetings. Noting the absence of Board members at prior meetings, she questioned why there was no estimated carryover for this particular budget category. Molinaro replied that only the elected members of the Board receive stipends, and that the stipends are in fact based on attendance. He said attendance cannot be predicted, but guessed that any carryover would be negligible.

There were no additional public comments. Molinaro then requested input on the idea of holding future budget hearings immediately prior to the Annual Meeting. He explained that while this was an option, the Board had always scheduled the hearing a week earlier to allow more time for discussion. Sabella said he supported the current arrangement as it gives the public more opportunity to review and comment on the budget. Molinaro also asked for input on the annual auditing process. Specifically, he asked if the Board felt it would be appropriate to budget for an external audit at some point in the future. After discussing the possible need and expense of hiring an external auditor, the Board elected to continue employing its internal auditing procedures.

Molinaro asked for a motion to adjourn the budget hearing. McCarthy so moved and Sabella seconded. Molinaro subsequently adjourned the hearing at about 10:00 a.m.

Respectfully Submitted,

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Derek Hoffman, Secretary

Date

Recorder: PDD