

**Lake Ripley Management District  
Budget Hearing Minutes  
August 14, 2004**

The Lake Ripley Management District (LRMD) budget hearing was called to order by Chairman John Molinaro at 9:00 a.m. Board members present were John Molinaro, Mike Sabella and Dennis McCarthy. Paul Jorstad, Derek Hoffman, Sheri Walz and Joanne Knilans were absent. Paul Dearlove (Lake Ripley Priority Lake Project Manager) and Shirley Teske (Cambridge News) were also present.

Molinaro explained that the purpose of the hearing was to review the proposed 2005 budget and allow for public comment. He said the budget will be presented and voted on at the August 21, 2004 Annual Meeting. The budget was then summarized and is presented in its entirety below:

	2004	2005	%CHANGE
<b>PROJECTS</b>			
LRPLP LAG	34000	39000	+14.7
LRMD ACRA CONTRIBUTION	10000	4500	-55.0
WEED HARVESTING	4500	4500	
LAKE DISTRICT PRESERVE	4900	3000	-38.8
LAKE WATCH	250	250	
CONSERVATION EASEMENTS	1500	1500	
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	3000	3000	
DUES/CONFERENCES	1000	1500	+50.0
OFFICE/MAILINGS	500	700	+40.0
CONTINGENCY	1500	1500	
COMMISSIONER STIPENDS	4900	4900	
CAPITAL RESERVE & LAND ACQUIS.	10000	10000	
<b>TOTAL</b>	<b>82850</b>	<b>81150</b>	<b>-2.1</b>
LESS CARRY OVER	<26300>	<34500>	
REQUIRED TAX LEVY	56550	46650	-17.5

Molinaro explained in detail what each budget item entailed, and why funding increases or decreases are expected for specific categories. The following discussion relates to budget categories in which funding changes are proposed:

Currently, the Lake District receives a \$46,350 local assistance grant each year from the DNR to administer the Lake Ripley Priority Lake Project (LRPLP LAG). This annual grant presently covers most of the expenses (~88%) associated with the project (payroll, office rent, education & outreach, etc.), but is not adjusted for inflation and will no longer be available after 2006. Consequently, the Lake District maintains a budget item to supplement these funds. Some of the proposed 14.7% increase would cover ongoing project-implementation costs, making up for any

shortfall in the grant. The rest of the increase would be used to finance a reserve account that could be tapped to pay for ongoing programs when the grant is no longer available.

The Lake District also receives up to \$25,610 in annual cost-sharing grants for the installation of watershed-protection practices. A budget item (LRMD ACRA Contribution) is maintained to supplement these funds so more can be achieved in any given year. The proposed 55% decrease in this category reflects a larger than anticipated carryover from the current year due to some unanticipated project delays. It is also expected that less money will be needed as the pool of eligible projects begins to decline toward the end of the grant.

The Lake District Preserve budget will decrease by a proposed 38.8% from the current year. This decrease is the result of postponing significant trail upgrades and other planned property improvements as a cost-cutting measure.

A 50% increase is proposed for the Dues/Conferences budget category. This line item covers membership dues, and provides partial funding so board members and staff can attend conferences and participate in continuing education programs. The funding adjustment reflects general cost increases and greater participation in these programs by board members.

A 40% increase is proposed for the Office/Mailings budget category. This category pays for mailings and general office expenses that are not covered by the Lake Ripley Priority Lake Project grant. The added cost to produce and distribute newsletters accounts for most of the proposed increase.

Although no change is proposed for the Capital Reserve & Land Acquisition budget category, the projected balance by the end of the current fiscal year is about \$72,900. This balance is legally allowed to accrue from year to year. It serves as a savings account that can help pay for large capital expenditures should the need or opportunity suddenly arise.

Summing all budget categories, a total budget of \$81,150 is requested for 2005. This represents a 2.1% decrease over the prior year's budget. Due to an estimated carryover of \$34,500, the required tax levy would be reduced to \$46,650. This represents a 17.5% decrease over the prior year's tax levy. Most of the anticipated carryover is from the LRPLP LAG budget category.

Molinaro then reviewed an example tax bill to show how money gets allocated to the different governmental entities. Sabella noted that the Lake District receives only about 1% of the tax bill to manage and protect Lake Ripley. Based on the total assessed valuation of property in the District, the proposed 2005 tax levy equates to \$24.32 per \$100,000 of assessed valuation. This represents a \$14.21 drop over the prior year.

Molinaro concluded by reminding everyone that the LRPLP grants—totaling about \$72,000 per year—will no longer be available after 2006. He forewarned that without this annual funding, a significant tax increase may be needed by 2008 to maintain important management programs. He also noted that the Lake District continues to pursue grants and operate fiscally conservatively, and that it has been able to keep the mill rate very low over the years as a consequence.

Budget hearing was adjourned at 9:40 a.m.

Respectfully Submitted,

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John Molinaro, Chair

Date

Recorder: PDD