

**Lake Ripley Management District
Annual Meeting Minutes (DRAFT)
August 19, 2006**

NOTE: Minutes are considered DRAFT until they are approved at the next Annual Meeting of the electors.

I. Call to Order

The Annual Meeting of the Lake Ripley Management District electors was called to order by Chairman Molinaro at 9:00 a.m. at the Oakland Town Hall. Board members present were John Molinaro, Mike Sabella, Mike Burow, Gene Kapsner, Jane Jacobsen-Brown and Dennis McCarthy. Derek Hoffman was absent. Others present included Gary Zibell from Cambridge Cable TV 12, and a total of 33 voting electors (including eligible Board members).

II. Approval of 2004 Annual Meeting Minutes

Minutes of the 2005 Annual Meeting were reviewed with no additions or corrections requested. *Ted Lewandowski moved to approve the minutes as written. David Cox seconded without subsequent discussion. Motion carried unanimously by the electors present.*

III. Nomination of Board Candidates

Ballots were distributed to elect a candidate for one open position on the Board. Incumbent Derek Hoffman was the only nominee appearing on the ballot. Additional space was provided for write-in candidates. Molinaro asked if there were any motions from the floor to nominate additional candidates. Seeing none, he requested that all electors cast their ballots so they could be tabulated by the election committee.

IV. Chairman's Report

Molinaro delivered the following report:

“Every year this is my opportunity to talk about the state of the lake. Lake Ripley is a living, changing body of water which in general is doing well. Unfortunately, that does not mean we do not have to continue to work on a daily basis to make sure it stays that way.

Today we are at a crossroads. For the last 14 years, we have been the recipients of several grants from the DNR that have allowed us to accomplish so much to protect and preserve Lake Ripley. We have been able to rebuild miles of shoreline and drainage ditches. We have restored wetlands and created ditch plugs that have kept tons of sediment out of the lake. Weed harvesting has slowed the spread of Eurasian milfoil and in some areas stopped it all together. Working with the DNR, we monitor water quality and maintain records of the lake's progress. We consult with the DNR fish manager on the best method of maintaining the fishery. Working with the Town of Oakland, we have improved the safety of Lake Ripley. Board members and staff have worked with the DNR and UW-Extension on numerous studies that not only benefit our lake but all the lakes of Wisconsin. We continue to closely monitor invasive species such as zebra mussels and Eurasian milfoil, and work to find answers when they arrive. All our efforts have maintained strong property values for now and hopefully into the future.

We have learned from other lakes not to rest on our laurels. We do not have the luxury to sit back and wait for the next problem to appear on our door step. Those DNR grants have come to an end. It is now up to us to continue the work that will protect our lake. So today we present a budget that maintains the progress we have made up until now. We have tried to be fiscally responsible while maintaining existing programs. I hope you agree.”

V. Treasurer's Report

Sabella reviewed his role and responsibilities as treasurer, which is primarily to safeguard the assets of the District and Lake Ripley Priority Lake Project. Responsibilities include collecting funds and paying operating expenses, preparing monthly summary reports and quarterly financial statements, and satisfying all government reporting requirements.

As mandated under Section 33.29(2) of the Wisconsin Statutes, Sabella explained that the Board must conduct an audit of the District's financial transactions prepared at the close of each fiscal year and presented at the Annual

Meeting. The audit may be performed by an outside accounting firm or an internal audit committee comprised of Lake District residents. He said the Board elected to convene an internal audit committee that met at the District office from 9:00 to 11:15 a.m. on July 22, 2006. Committee members included Chuck Seeley and Jim Rank, with Sabella attending to present the accounting records and answer questions. Sabella asked Chuck Seeley, as committee chair, to read the audit report into the record. Seeley reported a single discrepancy involving a \$147.18 credit balance in the Visa account that was not properly reflected in the year-end financial statements. A refund check was received in March 2006. This exception was deemed immaterial to the overall financial statements for the year ended December 31, 2005. No other exceptions or errors were found. It was concluded that the financial records, with the exception noted above, reflect properly, accurately and fairly the financial condition of the Lake Ripley Management District and Lake Ripley Priority Lake Project for the year ended December 31, 2005. Sabella thanked Seeley and Rank for volunteering to serve on the committee.

VI. Budget & Tax Levy

Copies of the 2007 proposed budget were distributed to the electors (see below).

	<u>2005</u> <u>ACTUAL</u>	2006 <u>JAN-JUN</u> <u>ACTUAL</u>	2006 <u>JAN-DEC</u> <u>ESTIMATE</u> <u>D</u>	2007 <u>PROPOSED</u>
Revenues:				
Real Estate Tax Levy	\$ 46,650	\$ 29,627	\$ 43,400	\$ 67,570
Grants	83,880	54,050	65,000	-
Interest Income	1,968	2,304	4,600	-
Carry-over	<u>34,500</u>	<u>41,150</u>	<u>41,150</u>	<u>39,000</u>
Total Revenues	\$ 166,998	\$ 127,131	\$ 154,150	\$ 106,570
Projects:				
Staff Payroll, Fringes, Taxes	51,786	27,367	54,617	57,570
Landowner Cost Sharing	43,792	20,018	28,447	10,000
Weed Harvesting	3,111	2,064	4,132	3,725
Lake District Preserve	376	-	280	1,500
Lake Watch	28	-	-	-
Special Programs	34	-	-	500
Conservation Easements	-	-	-	500
No-Wake Regulation	508	250	250	-
Pier-Shading Study	2,356	-	-	-
Insurance:				
General Liability	1,877	-	1,877	1,900
Marine & Truck	1,377	-	1,377	1,400
Worker's Compensation	915	921	921	925
Operations:				
Legal Counsel	1,073	-	-	3,000
Dues & Conferences	1,728	710	1,499	1,600
Office & Community Outreach	6,963	1,307	6,550	7,550
Contingency	1,024	-	-	1,500
Commissioner Stipends	4,450	950	3,400	4,900
Rent	1,788	900	1,800	-
Capital Reserve, Land/Equip. Acquisition	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
		=		
Total	<u>133,186</u>	<u>54,487</u>	<u>115,150</u>	<u>106,570</u>

Balance \$ 33,812 \$ 72,644 \$ 39,000 \$ _____

	<u>CAPITAL RESERVE, LAND & EQUIPMENT ACQUISITION</u>	<u>F.K. ELSON MEMORIAL</u>
Non-Lapsable Fund:		
Balance at 12/31/05	\$84,415	\$610
2006 Additions	10,000	-
2006 Estimated Interest	3,400	24
2006 Expenditure (10 yr Storage Lease)	<u>(8,000)</u>	<u>-</u>
Estimated Balance at 12/31/06	<u>\$89,815</u>	<u>634</u>

Molinaro asked Sabella to go over the budget. Sabella began by pointing out that the Lake Ripley Priority Lake Project was ending this year, and that the District would consequently be losing its annual DNR grants that previously funded many of its operations. As a result, he said that the first of two tax levy increases was now being proposed to account for this loss of funding. He said that money had been budgeted and accrued in recent years to help cover a portion of project and operational expenses in the first year after the grant ends (2007). He explained that a second levy increase would need to be requested in 2008 once this accrued carryover is used up.

Sabella said the budget was presented in a format dictated by Wisconsin statute, and reflected actual and estimated expenses on a combined basis for both the Lake Ripley Management District and Lake Ripley Priority Lake Project for 2005 and 2006. He said that the \$106,570 in total revenues proposed for 2007 would come from a combination of \$67,570 in real estate taxes and a \$39,000 carryover from the current year. While no grant revenues are currently projected, he said that the District would continue to proactively pursue other sources of funding. In addition, while no estimate is provided for interest income, he noted that the District currently has significant assets invested in a bank certificate of deposit through its capital reserve account. Total 2007 expenses were estimated to be \$106,570. The current status of restricted accounts was also reviewed. Estimated balances at 12/31/06 were: \$89,815 for the Capital Reserve, Land & Equipment Acquisition account, and \$634 for the F.K. Elson Memorial account.

Molinaro said the District has been very fortunate to have DNR grants cover the bulk of its operating costs over the years. During the course of the last 13 years, he estimated that Priority Lake Project funding alone had contributed more than \$1 million to ongoing lake-improvement efforts. He pointed out that total spending will actually decline next year due to the loss of the grant and various line-item cuts. Molinaro said the next order of business was to go over each line of the budget, explaining how each number was derived and what factors were considered in arriving at next year's projections. As required by state statute, each line item in excess of \$5,000 would require a separate vote. Motions relevant discussion are as follows:

Staff Payroll, Fringes and Taxes. Molinaro noted that the Board met in closed session in July and voted to give its employee, Paul Dearlove, a cost-of-living and merit-based salary increase. This increase is reflected in the adjusted budget numbers. He asked if any of the Board members wanted to speak to the issue. Board members took turns voicing their support and appreciation for Dearlove's work, making the case that he should continue in his present capacity. ***David Cox moved to approve the \$57,570 budgeted for Staff Payroll, Fringes and Taxes. Motion was seconded by Kent Brown without subsequent discussion. Motion carried unanimously.***

Landowner Cost Sharing. Molinaro explained that about \$25,000 in annual DNR grants were received in the past to help landowners implement various projects around the lake and throughout the watershed. This money will no longer be available in future years. In recent years, the District has budgeted up to \$10,000 of its own money to supplement these cost-sharing efforts. Molinaro said he also was hopeful that additional grants could be obtained

on a project-specific basis. Sabella provided background on how the District's cost-share program works and what types of projects are eligible for funding. **Ted Lewandowski moved to approve \$10,000 for Landowner Cost Sharing. Motion was seconded by Ann Kisow without subsequent discussion. Motion carried unanimously.**

Office and Community Outreach. Molinaro explained that this budget category covers everything from office rent, supplies and equipment, to newsletter mailings, vehicle expenses and general communications. **Chuck Seeley moved to approve the \$7,550 budgeted for Office and Community Outreach. Georgia Gomez-Ibanez seconded without subsequent discussion. Motion carried unanimously.**

Capital Reserve, Land and Equipment Acquisition. Molinaro explained that this budget item represents a restricted account where unspent funds do not need to be carried over and used in the next fiscal year. He said it serves as a savings account that can be tapped for the purpose of purchasing land or replacing/acquiring capital equipment. Sabella confirmed that an \$86,000 balance is projected in the account by 12/31/06. **Leonard Tomasello moved to approve the \$10,000 for Landowner Cost Sharing. Motion was seconded by Kent Brown without subsequent discussion. Motion carried unanimously.**

The final order of business was to vote on the budget in its entirety. Molinaro explained that the electors would be voting on whether to approve a \$67,570 tax levy. This money and a \$39,000 carryover from the current year would generate \$106,570 to cover operations in 2007. He said this would translate into a 26% increase in the tax levy due to the loss of the grant, but a decrease of several thousand dollars over the current year in terms of actual spending. Sabella added the following 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). **Georgia Gomez-Ibanez moved to approve the proposed 2007 budget in its entirety, including the \$67,570 tax levy. Ann Kisow seconded without subsequent discussion. Motion carried unanimously.**

VII. Tabulation of Vote & Election of Officers

A brief recess was taken while the elections committee tabulated the 30 ballots that were cast. The final tally was 30 votes in favor of Derek Hoffman, and no write-in votes. Hoffman was re-elected to serve another three-year term.

Molinaro moved to nominate Sabella to continue serving as treasurer. McCarthy seconded. Motion carried 6-0. Molinaro moved to nominate Jacobsen-Brown to serve as secretary. Sabella seconded. Motion carried 6-0. Finally, Sabella nominated Molinaro to continue to serve as chairman. Jacobsen-Brown seconded. Motion carried 6-0.

VIII. Adjournment

Kent Brown moved to adjourn the 2006 Annual Meeting at approximately 11:00 a.m. Dottie Seeley seconded. Motion carried unanimously by the electors present.

Next regular meeting: September 16, 2006 (9:00 a.m. at Oakland Town Hall)

Respectfully Submitted,

Derek Hoffman, Secretary

Date

Recorder: PDD