

**Lake Ripley Management District
Annual Meeting Minutes
September 8, 2012**

NOTE: These minutes are considered DRAFT until approved at the following Annual Meeting.

I. Call to Order

The Annual Meeting of the Lake Ripley Management District was called to order by Chairman John Molinaro at 9:00 a.m. on September 8, 2012. The meeting was held at the Oakland Town Hall and had been preceded by a budget hearing. Board members in attendance: John Molinaro, Mike Sabella, Walt Christensen, Georgia Gomez-Ibanez, Jane Jacobsen-Brown and Dennis McCarthy. Gene Kapsner was absent. Also present: Debra Kutz, Rick Kutz, Ann Molinaro, Kent Brown, Craig Kempel, Diane Russo, Ed Grunden, Jonathan Kaiser (DNR Deputy Conservation Warden), and Cambridge Cable TV 12.

II. Approval of 2010 Annual Meeting Minutes

Minutes of the August 27, 2011, Annual Meeting were distributed and reviewed by those in attendance. Molinaro asked if there were any corrections or additions to the minutes. *Kent Brown moved to approve the minutes as presented. Motion seconded by Rick Kutz. Motion carried unanimously.*

III. Nomination of Board Candidates (Name appearing on the ballot: Georgia Gomez-Ibanez, incumbent)

Ballots were distributed by Ann Molinaro, chair of the elections committee, to fill one open position. Gomez-Ibanez was on the ballot as an incumbent running for reelection to an additional three-year term. Additional space was provided on the ballot for write-in candidates. Molinaro asked if there were motions from the floor to nominate write-in candidates. Hearing none, all eligible electors were asked to cast their ballots so they could be tabulated.

IV. Chairman's Report

Molinaro described the past year as both unique and challenging, but with some notable accomplishments. Accomplishments included the receipt of several grants and the completion of some important technical work, including fishery and shoreline assessments. Extreme weather conditions, including record heat and a severe summer drought, were responsible for most of the challenges that were faced. Challenges included plummeting lake levels and a record-setting season for aquatic plant growth, largely due to warmer temperatures and exceptionally clear water. In response, weed harvesting was intensified by adding crew members and increasing cutting hours. To date, a record 146 dump truck loads of weeds had been removed from the lake, and cutting was expected to continue well into September. Never in the history of the Lake District had more than 52 loads been taken out of the lake. This increased effort has put a significant strain on the budget, with many complaints being received about the need for even more cutting. In addition, there was a misperception among some people that the harvester was not collecting the weeds which would then wash up on shore.

Molinaro said the board recognizes and has tried to meet these challenges. Also, significant effort has been made to keep the tax levy down given the state of the economy, particularly by using some reserves and employing an effective harvesting crew. Nonetheless, budget increases are being proposed for both weed harvesting and needed work at the Lake District Preserve. He explained that work in the Preserve was being guided by a 20-year plan that had recently been adopted by the board. Given the significance of a healthy Preserve in filtering the water that feeds Lake Ripley, he felt it was a worthwhile investment. He concluded by acknowledging the board and staff for all their continued dedication and hard work.

V. Treasurer's Report

Sabella reviewed his various responsibilities as treasurer, which involved safeguarding the District's financial assets. Responsibilities include collecting funds and paying operating expenses, investing any excess funds, developing and presenting financial statements and monthly summary reports to the Board, and preparing staff payroll and related government reports. He also said he serves on the budget and weed-harvesting committees and as an advisor to the citizen audit committee.

Next, Sabella reviewed a June 30, 2011 vs. June 30, 2012 comparative net asset report. Total cash on hand was roughly \$144,000 as of June 30, 2011, compared to about \$162,000 as of June 30, 2012, of which about \$65,000 is restricted. On June 30, 2012, liabilities consisted of payroll tax accruals of about \$1,600 that were paid in July. The District currently has no outstanding debt.

As per Section 33.29(2) of the Wisconsin Statutes, Sabella explained the Board's mandate to conduct an annual audit of the District's financial transactions. The audit can be performed either by an outside accounting firm or a chair-appointed citizen audit committee. A citizen audit was conducted on June 29, 2012. Audit Committee members consisted of District electors Chuck Seeley (Chair), George Kledzik and Debra Kutz. Sabella and Dearlove were also in attendance to present the accounting records and answer any questions. Kutz was asked to read the audit meeting minutes and findings into the record (see attached). In conclusion, the committee found that the financial records reflect properly, accurately and fairly the financial condition of the District for the year ended December 31, 2011. Molinaro thanked the audit committee members and Sabella for all their excellent work. ***Craig Kempel moved to accept the audit committee report and enter it into the record. Motion seconded by Kent Brown. Motion carried unanimously.***

VI. Budget and Tax Levy

Copies of the proposed 2013 budget were distributed (see attached). Molinaro reported that the budget had been duly noticed and published, and was the subject of a public hearing that preceded the Annual Meeting. Sabella provided an overview of the budget and explained how it was developed.

A tax levy of \$118,320 was proposed for 2013, which was about equal to the prior two years' levies. Anticipated expenses were \$136,500. Projected cost increases over the prior year were mostly related to the Lake District Preserve and weed harvesting. The budget for the Preserve consisted of a \$10,250 increase over the current year, primarily to cover the cost of a restoration project identified in an approved 20-year plan. This work would also be supported by grants totaling over \$10,000. As for weed harvesting, a \$3,360 increase was being requested to accommodate the need for more cutting. Other budget items either stayed the same or did not change significantly.

To maintain a consistent tax levy and balance the budget, there was a recommendation to release \$17,500 from unrestricted funds. The transfer would primarily go toward a one-time capital expenditure (non-operational) that was needed for the planned restoration work at the Preserve. Transferred funds would also include dollars that were previously earmarked for landowner cost-share projects and would be used for that purpose.

Molinaro noted that the assessed valuation of property in the Lake District had gone down. He said that while the requested tax levy would remain the same, there was likely to be a small increase in the mill rate to raise the needed levy. ***Diane Russo moved to approve the budget and tax levy as proposed. Motion seconded by Rick Kutz. Motion carried unanimously.***

LAKE RIPLEY MANAGEMENT DISTRICT
MINUTES OF THE AUDIT COMMITTEE MEETING OF
June 29, 2012

The meeting was called to order by Chuck Seeley, Audit Committee Chairman, at 8:00 A.M. Committee members George Kledzik and Debra Kutz were in attendance. Mike Sabella, Treasurer of the Lake Ripley Management District was in attendance to present the accounting records. Paul Deerlove, Lake District Manager, was also present.

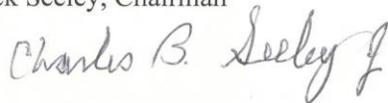
There was general discussion as to the responsibilities of the Treasurer and his procedures on a monthly, quarterly and annual basis. Accounting records for the year 2011 were made available. The committee members then began their examination of the accounting records.

It was agreed that a report would be prepared and that the Chairman of the Committee would submit this report to the members of the Board of the Lake Ripley Management District for inclusion in the Minutes of the annual meeting to be held September 8, 2012.

The meeting adjourned at 9:50 A.M.

Respectfully submitted,

Chuck Seeley, Chairman



September 1, 2012

To: Members of the Board,

Lake Ripley Management District

From: Chuck Seeley, Audit Committee Chair

George Kledzik, Audit Committee Member

Debra Kutz, Audit Committee Member

The Audit Committee of the Lake Ripley Management District convened on June 29, 2012 in the District's office in the Town of Oakland, near the Village of Cambridge, Wisconsin. The purpose was to examine the financial books and records of the Lake Ripley Management District for the year ended December 31, 2011.

There was general discussion as to the operations and condition of the records and procedures that would be followed to examine and test the records.

At the direction of the Chairman and on a test basis, certain audit and examination procedures, as deemed necessary, were performed.

Findings:

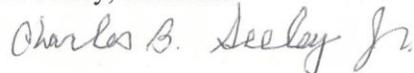
An exception was found in that an incorrect calculation was made for one of the employee's paychecks; \$10.00 per hour was used rather than \$10.50. As a result, the employee's paycheck was short \$15.13. This amount was reimbursed to the employee as part of the July 17th payroll, along with an apology.

Three instances were found where supporting information for credit card charges had to be tracked down. All were substantiated; however, more care should be taken to attach purchase receipts to credit card statements.

Based on the testing and examination of the financial records of the Lake Ripley Management District, the Committee concludes that the financial records, with the exception noted above, reflect properly, accurately and fairly, the financial condition for the year ended December 31, 2011.

Respectfully submitted,

Chuck Seeley, Chairman



**LAKE RIPLEY MANAGEMENT DISTRICT
2013 PROPOSED BUDGET**

	2011 <u>ACTUAL</u>	2012 JAN-JUNE <u>ACTUAL</u>	2012 JAN-DEC <u>ESTIMATED</u>	2013 PROPOSED <u>BUDGET</u>
Revenues:				
Real Estate Tax Levy	\$ 118,775	\$ 79,127	\$ 118,320	\$ 118,320
Grants		10,855	10,855	
Interest Income	448	431	826	
Carryover				680
Use of Unrestricted Funds				17,500
Restricted Funds, Net		<11,517>	<11,679>	
Other	294	500	500	
Total Revenues	<u>119,517</u>	<u>79,396</u>	<u>118,822</u>	<u>136,500</u>
Projects:				
Landowner Cost Sharing	2,368	7,463	14,238	5,000
Weed Harvesting	9,086	2,376	7,500	10,560
Lake District Preserve	5,113	1,985	4,500	14,750
Special Programs	676	65	250	250
Operations:				
Staff Payroll/Fringes/Taxes	67,038	34,769	69,950	70,620
Insurance	4,558	5,191	5,191	5,220
Legal Counsel	0	0	1,000	1,500
Dues & Conferences	992	830	1,400	1,400
Office & Community Outreach	5,596	2,082	6,282	7,300
Contingency	2,463	970	3,200	3,200
Commissioner Stipends	4,600	2,100	4,750	4,900
Rent	1,800	900	1,800	1,800
Capital Reserve, Land/Equipment Acquisition	10,000	0	10,000	10,000
Total Disbursements	<u>114,290</u>	<u>58,731</u>	<u>130,061</u>	<u>136,500</u>
Balance	<u>\$ 5,227</u>	<u>\$ 20,665</u>	<u>\$ <11,239></u>	<u>\$ --</u>

Restricted Funds:	Capital Reserve, Land & Equipment Acquisition	F.K. Elson Memorial	Friends of the Preserve	Preserve Restoration & Development
Est. Balance (12/31/11)	\$ 61,838	\$ 206	\$ 2,020	\$ 2,244
Additional 2011 activity:				380
Increase				
Decrease				
Final Balance (12/31/11)	61,838	206	2,020	2,624
2012 Est. Additions	10,500		150	
2012 Est. Interest	300	1	10	13
2012 Est. Expenditures				(1,515)
Est. Balance (12/31/12)	<u>\$ 72,638</u>	<u>\$ 207</u>	<u>\$ 2,180</u>	<u>\$ 1,122</u>