

**LAKE MINNETONKA CONSERVATION DISTRICT
BOARD OF DIRECTORS**

7:00 P.M., November 8, 2017
Wayzata City Hall

1. CALL TO ORDER

Green called the meeting to order at 7:00 p.m.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Members present: Jay Green, Mound; Gregg Thomas, Tonka Bay; Ann Hoelscher, Victoria; Bill Cook, Greenwood; Gary Hughes, Spring Park; Dennis Klohs, Minnetonka Beach; Mark Kroll, Orono; Fred Meyer, Woodland; Gregg Prest, Excelsior; Sue Shuff, Minnetonka; and, Deborah Zorn, Shorewood. Also present: Vickie Schleuning, Executive Director.

Members absent: Chris Jewett, Deephaven; Dan Baasen, Wayzata; and, Mike Molitor, Minnetrista.

4. APPROVAL OF AGENDA

MOTION: Kroll moved, Meyer seconded to approve the agenda.

VOTE: Motion carried unanimously.

5. CHAIR ANNOUNCEMENTS

Green reminded the Board to use their microphones when speaking.

6. APPROVAL OF MINUTES- 10/25/17 LMCD Regular Board Meeting

MOTION: Hughes moved, Cook seconded to approve the 10/25/17 LMCD Regular Board Meeting minutes.

VOTE: Ayes (10), Abstained (1, Zorn); motion carried.

7. APPROVAL OF CONSENT AGENDA

MOTION: Thomas moved, Zorn seconded to approve the consent agenda as submitted. Items so approved included: **7A)** Audit of Vouchers (11/01/2017-11/15/2017); **7B)** October Financial Summary and Balance Sheet; and, **7C)** 2018 Appointments for Legal Services, Auditor, Official Newspaper, Bank Depository:

- Civil Attorney – Kennedy and Graven, Chartered
- Prosecuting Attorney – Tallen and Baertschi
- Auditor – Abdo, Eick and Meyers (for 2017 Audit)
- Designation of Official Newspaper – Lakeshore Weekly News
- Bank Depository – Alerus Bank

VOTE: Motion carried unanimously.

8. PUBLIC COMMENTS- Persons in attendance, subjects not on the agenda (limited to 5 minutes)

There were no public comments.

9. PUBLIC HEARING

None.

10. OTHER BUSINESS

None.

11. UPDATE FROM STANDING LMCD COMMITTEES

Aquatic Invasive Species Committee/Taskforce: Green reported Tonka Auto and Marine will take part in the lake service provider pilot project. They posted a \$50,000 surety bond and can now tag boats, take them to their winter storage facility and bring them back in the spring without having to go through the full decontamination process. There is another group on Gull Lake that will be doing the same thing.

Green directed the Board to a press release that states AIS grants for 2018 will be eliminated due to lack of funding from the legislature for areas of the Department of Natural Resources (DNR) that managed AIS for the counties. The press release states the State AIS committee was part of the decision, but Green noted they were not part of that decision.

Green also reported additional information is forthcoming about flowering rush and that the DNR is considering bringing back the yearly sticker that indicates a boat has been inspected.

Thomas inquired if flowering rush is a native plant.

Green responded it is an invasive plant that displaces other bull rushes. Anything that breaks off will grow somewhere else which makes treatment very difficult. The recommendation is to perform herbicide treatments under the water level.

Green reported the next AIS meeting is anticipated to take place in early December.

Meyer encouraged the Board to attend the AIS meetings. He stated they used to meet every month, but his impression was that different agencies involved were fed up with talking about the same things at the meetings. He thought it was apparent at the last meeting that these agencies do not communicate with each other anymore and it is important to keep these meetings going.

Green stated the climate has changed because they do not have actual projects to work on like they did with the

milfoil study. He agreed it is helpful to keep everyone in the loop and to build relationships with the Lake Minnetonka Association and the watershed.

Budget Workgroup: Green reported they met on November 1 and this item will be discussed later in the agenda.

Hughes agreed with Green that they have had some very good meetings and occasionally when a member of the Board shows up to the meeting, they really add to the discussion.

Recodification Workgroup: Schleunig reported Gilchrist is making a lot of progress and the workgroup should have a good format for review at the end of November. The workgroup is on schedule and the next step will be to perform cross checks to make sure everything was brought into the new format. She hopes to have something for the Board to review in January.

Save the Lake Committee: Thomas reported they met yesterday and reviewed the finances. They have received \$15,000 so far this year and are hopeful the year end solicitations will be successful. They will send out an additional mailing next week to about 500 benefactors and this same letter will reach an additional 4,000 people by including it in the LMCD newsletter at the end of November. He stated they also discussed possible grant options they could pursue and Dan Gustafson plans to draft a letter to send to area businesses around the lake that typically sponsor other groups in the area. With decreasing grants, it is crucial that Save the Lake receives additional donations. People who donate will receive a Save the Lake sticker along with a thank you letter.

Shuff reported Jay Soule plans to conduct a boater safety class sometime between January and March. The committee also discussed what the watershed district is doing to celebrate 50 years and opportunities for the LMCD.

Thomas commented they believe the celebration to be more of a Board issue because it is the LMCD that is 50 years old, not Save the Lake.

Strategic Plan Subcommittee: Zorn reported they have scheduled a work session in January.

Schleunig commented they need to clarify the reserves with the Strategic Plan and then it will be posted to the website.

12. EXECUTIVE DIRECTOR UPDATE

Schleunig reported they have had a good response with deicing license applications and the process for alcohol renewal licenses are in process. Multiple dock licenses went out last week and they are already receiving information back. They saved about \$60.00 by redesigning the applications and using smaller envelopes and positive comments were received about the new format. They also had a variance application come in and it will be discussed at the December meeting.

Green inquired if they are still getting a lot of foot traffic in the LMCD office.

Schleunig responded yes, and there are still a lot of property sales and inquiries. They are trying to catch up on items from the summer and also in process of training a new employee.

13. OLD BUSINESS

A) 2017 Budget Status and Projection

Schleuning referred to the memo provided on page 20 of the meeting packet. She reported the budget workgroup met and reviewed some of the expenses. She was surprised that the budget will be very close to being balanced with the unbudgeted items and unexpected expenditures.

Green stated the budget is going to be close, and they have additional income from BWI settlements and increased license applications. Some unexpected expenses include paying departing staff for vacation time and legal fees from an unemployment court case. He is confident they are on target with an acceptable amount of error, and people can attend the next budget workgroup meeting if they would like more opportunity for details and discussion.

Prest commented they looked at numbers through October and the remainder of the year is typically a slower time of the year.

Green stated AIS program was cut back due to lack of funding, and they received an unanticipated \$5,000 grant to help cover it. The cost of the inspection program is anticipated to be approximately 15 percent less than what they budgeted, which led to a \$3,000 savings in the AIS budget.

Kroll recognized Schleuning for being a good steward of the public's money.

B) Technology Needs Assessment and Funding

Schleuning referred to the memo provided on page 21 of the meeting packet and requested Prest provide a report on the LMCD technology update.

Prest referred to the handout provided to the Board dated November 8, 2017. He provided the following information regarding current technology in the LMCD office:

- There are five desktops and one laptop and all are old and have replacement parts from other computers.
- The virus software and other software need to be renewed and replaced.
- The server is outdated and needs to be replaced with more adequate storage. It also had no redundancy, so if the hard drive fails, it is done.
- It is not a good environment to be operating in and leads to inefficiency and unreliability.

Prest reported on the proposed strategy for the technology upgrade and provided the following information:

- Replace four out of five computers and purchase them from Microcenter for cost savings. This includes a laptop for Schleuning.
- Purchase Microsoft Office 365 at a reduced monthly user fee for non-profits. It will be updated regularly and will allow internet based email, calendar, and other software integration.
- Purchase new virus protection that will be regularly maintained.
- Purchase a new server that has proper mirroring of the hard drives, adequate storage, strong firewall, and remote back up.

- They will buy the hardware and hire a tech company to put it all together and build a server. This will cost anywhere from \$10,000 to \$15,000.

Kroll commented his family uses Office 365 and it is great. The proposal also looks great and he inquired how much the subscription will be for the office and what email program will be used.

Prest responded it is less expensive for a non-profit. The email will be Outlook Exchange with Office 365.

Green stated the equipment replacement fund will be used for this upgrade.

Zorn commented the proposal looks great and inquired how they could save money with the voluntary expertise of the Board.

Green stated most technology companies charge minimum of \$125 per hour and they can save money by having Director Prest and him purchase the equipment, bring it back to the office, and set it up. The expertise will come from the technology company in building the server, making sure all the machines work with the software, and training staff.

Zorn thanked Green and Prest for serving in this way and saving the LMCD a lot of money.

Kroll inquired how the current database of donors is maintained.

Schleuning responded the donor list is in an Excel spreadsheet and licenses are in an Access database.

Hughes inquired about the discussion regarding battery backup and surge protection.

Green stated that would be part of the server options and should provide protection from a lightning strike.

MOTION: Hoelscher moved, Thomas seconded to approve the request for funding for IT upgrades not to exceed \$15,000, and authorize staff to work with the Financial Workgroup to procure information technology items.

VOTE: Motion carried unanimously.

Thomas commented he is amazed they can get all this technology for \$10,000 to \$15,000.

Green stated he looked at five comparable machines today for under \$4,000.

C) Appointment of Nominating Committee for 2018 Officers

Schleuning referred to the memo provide on page 24 of the meeting packet. She reported the Nominating Committee ends after the officers are elected after the first of the year. She had previously requested volunteers to serve on this committee, and Directors Zorn, Cook, and Baasen have expressed interest. She inquired if there were

any other individuals that would like to participate on the Nominating Committee.

No other Directors volunteered for this committee.

MOTION: Shuff moved, Hughes seconded to appoint Director Zorn, Director Cook, and Director Baasen to the Nominating Committee for selection of candidates for Officers in 2018.

VOTE: Motion carried unanimously.

14. NEW BUSINESS

A) 2018 LMCD Employee Benefits Package

Schleuning referred to the memo on page 28 of the meeting packet. She reported the cost estimate for the 2018 budget was received as part of the budget preparation in May 2017. At that time, the percentage increase for this plan was considered fairly stable and low. However, this year's proposal reflects a 43 percent increase for the current health insurance plan and 0.99 percent decrease for dental insurance. The Financial Workgroup/Human Resources Workgroup reviewed the options and the contracts for benefits due for 2018.

Schleuning summarized the options available and provided the following information:

- Option 0: Continue existing coverage
 - 2018 Premium is \$762 per single employee per month
 - No deductible
 - Cost per month to LMCD per single employee is \$762
 - Considerations: May be subject to future significant rate hikes; incentives to switch to a deductible plan may not be offered in the future;
 - This plan is not recommended.

- Option 1: Employee Coverage of High-Deductible Plan
 - 2018 Premium is \$610 per single employee per month
 - Deductible is \$1,350 per single employee per year (\$2,700 for family coverage)
 - Cost per month to LMCD per single employee is \$722.50
 - Includes Health Savings Account (HSA) option
 - Competitive with plans/compensation for public agencies
 - This plan is recommended for 2018

- Option 2: Employee Pays High-Deductible Plan
 - 2018 Premium is \$610 per single employee per month
 - Deductible is \$1,350 per single employee per year
 - Cost per month to LMCD per single employee is \$610
 - Cost to single employee out-of-pocket is \$1,350 per year
 - Includes a HSA option
 - Different than previous years and may not be competitive for overall compensation

Option	Cost to LMCD	Cost to Employee
Option 0: Same Plan; Employer covers deductible	+\$3,550.32/year	\$0
Option 1: Employer covers deductible	+\$2,590.32/year	\$0
Option 2: Employee covers deductible	-\$97.68/year	\$1,350 each/year

Schleuning reported after reviewing everything, the workgroup agreed that Option 1 was a good transition into what options to consider next year. After speaking with smaller organizations, she learned it is labor intensive to offer a lot of different options, such as a cafeteria plan. They looked at a plan that offered the best options overall for the staff and organization, and that is the basis of the recommendations.

Green referred to the chart, and inquired if the cost to the LMCD is above what is budgeted for next year.

Schleuning confirmed that is true.

Thomas inquired if the copays are the same under each option.

Schleuning responded Option 0 does not have a copay, but Options 1 and 2 would have a copay. The prescription coverage is not as good and there is not a fourth quarter rollover.

MOTION: Green moved, Kroll seconded to authorize staff to negotiate Option 1 for 2018 benefits.

Prest inquired if she and Cook are satisfied with Option 1.

Schleuning responded they talked about the initial cost and this is a good option for them.

Prest commented the LMCD is funding the deductible and the HSA option stays with the employee. Since Cook is young and if he stays healthy, the HSA option can offer additional compensation.

Schleuning stated they talked about having the HSA and how it is a great option to help plan for the future.

Prest commented the previous plan was exceptional, but too good to be true because they got nailed with a 43 percent increase.

VOTE: Motion carried unanimously

15. ADJOURNMENT

There being no further business, the meeting was adjourned at 7:47 p.m.

James Jay Green, Chair

Ann Hoelscher, Secretary