

**LAKE MINNETONKA CONSERVATION DISTRICT
BOARD OF DIRECTORS**

7:00 P.M., April 25, 2018
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; Dan Baasen, Wayzata; Gary Hughes, Spring Park; Dennis Klohs, Minnetonka Beach; Mike Molitor, Minnetrista; Andrew Punch, Excelsior; Sue Shuff, Minnetonka; and, Deborah Zorn, Shorewood. Also present: Vickie Schleuning, Executive Director.

Members absent: Mark Kroll, Orono; Jake Walesch, Deephaven; and, Chris Rich, Woodland.

4. APPROVAL OF AGENDA

MOTION: Shuff moved, Thomas seconded to approve the agenda.

VOTE: Motion carried unanimously.

5. CHAIR ANNOUNCEMENTS

There were no Chair announcements.

6. APPROVAL OF MINUTES- 04/11/2018 LMCD Regular Board Meeting

MOTION: Cook moved, Baasen seconded to approve the 04/11/18 LMCD Regular Board Meeting minutes as presented.

VOTE: Ayes (9), Abstained (1, Zorn). Motion carried.

Molitor arrived at the meeting.

7. APPROVAL OF CONSENT AGENDA

Green referred to item 7(b) and noted there was an amended audited voucher. The Board received an amended report.

MOTION: Shuff moved, Zorn seconded to approve the consent agenda as amended. Items so approved included: **7A**) Audit of Vouchers (04/16/2018 – 04/30/2018); and, **7B**) Resolution Accepting Save the Lake Contributions (03/20/2018 – 04/17/2018).

VOTE: Motion carried unanimously.

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

Gabriel Jabbour provided the Board with information regarding the State law on discharging sewage on the lake. While winterizing boats in the fall, he noticed there were several boats that had opened valves. It is against the law and he expressed concern with E. coli and other impacts. He suggested the Board consider adopting the State law by reference and have the water patrol inspect boats to make sure sewage is not being emptied into the lake.

Molitor inquired about the capacity of the discharged tanks.

Mr. Jabbour responded they are between 30 and 40 gallons. The cruise boats are substantially larger, but not equipped for discharge on the water. He also reported the Sheriff recommends they have two more deputies, but when this request went before the County Board, it failed. He encouraged Board members to lobby for additional deputies on the lake.

Baasen inquired how extensive the problem is of boats discharging on the lake.

Mr. Jabbour responded there are quite a few. He believes the Board could supersede State law and have stricter guidelines.

9. PUBLIC HEARING

There were no public hearings.

10. OTHER BUSINESS

There was no other business.

11. OLD BUSINESS

There was no old business.

12. NEW BUSINESS

A) Proposed 2019 Budget

Cook reported on the proposed 2019 LMCD budget and provided the following information via a PowerPoint presentation:

- Action requested: approval of 2019 preliminary budget; direct staff to work with the Financial Workgroup to communicate with cities; and, submittal of approved budget to member cities by July 1, 2018.

- Reserve Funds include AIS and General Fund. The other funds are used for equipment replacement and Save the Lake activities. This fund is at 44 percent.
- Fund balances for end of 2017: General Fund, \$168,928; AIS Fund, \$85,176; Save the Lake, \$164,133; and, Equipment Replacement Fund, \$118,422.
- Property values in the member cities have increased 5.58%, and a levy increase of 5.1% is proposed. The proposed levy is \$360,000 and the maximum levy allowed by State law is \$570,000.
- Administrative Municipal Dues are proposed to increase 4.4% for 2019 and AIS Municipal Dues are proposed to increase 7.3%.
- A higher number of donations for Save the Lake and a lower number for court fines is budgeted.
- License and permit fees are proposed to increase as they develop the actual cost of the permit programs.
- Lower administrative professional services and legal fees are proposed. Other expenses represent a projection of historical numbers.
- There will be a single line item for contingencies in the budgeting process and this amount will be \$15,000 for the 2019 budget.
- Timeline for budget process: If the 2019 budget is approved by the Board, a letter to member cities will be sent.
- Based on comments from agencies, grants for the 2019 budget are not anticipated aside from a \$694 administrative grant they receive every year.
- The 2019 budget is showing a \$6,000 year-end surplus, but it is a transfer of funds.

Thomas inquired why they would not take all the equipment replacement money out of the Equipment Replacement Fund.

Cook responded the goal is to get into the habit of funding the equipment replacement fund and he expects there to be an increase in the fund balance each year. If they buy something that consumes the money in the fund, it will not increase in that year.

Thomas inquired if the \$15,000 contingency and net income of \$6,200 is the same as having a \$21,200 contingency. He suggested they increase the contingency in order to show the cities a balanced budget.

Cook agreed it is the same as having the larger contingency. The goal is to maintain and grow operating and reserve funds. They should plan to put \$6,200 back into the reserve funds at the end of each year. The money could also be put into the transfer fund.

Green explained this would be easier to show through a transfer line item.

Cook noted he has looked at past transfers and stated they can be hard to follow if they are a double-negative or double-positive.

Molitor offered praise to Cook for his work on the 2019 budget and agreed the surplus would look cleaner as a transfer. He inquired where the AIS levy goes.

Green responded it goes directly into the AIS Fund and is used for AIS specific activities. He clarified that personnel

costs for AIS are included in the personnel line item.

Cook stated after this budget is approved, they will populate a more detailed budget that specifically identifies Save the Lake, AIS, and Administration. This will allow them to look at personnel with each specific fund.

Schleuning pointed out that reports for the 2017 actuals and 2018 budget are provided in the packet and include the specific subaccounts for these three funds.

Thomas inquired where the two separate levy amounts will be reflected.

Cook responded they will be included in the AIS levy along with the office expenses for AIS.

Green inquired if the proposed reduction of 17% in legal fees is realistic.

Schleuning responded they cannot predict what will happen. However, the attorney will not attend Board meetings where specific legal expertise is not needed. If the operations for the year is stable, the proposed amount should be close to what is needed.

Klohs commented the recodification will not be complete. This year, only the first phase will be completed, and they have a very lengthy list of ordinance changes and updates to follow up with. He does not agree with the proposed decrease in legal fees due to the more complex work of the recodification process that is still needed.

Schleuning commented they did do a couple of major changes of code amendments outside the recodification process in 2017.

Green noted he would like to see a plan from the Recodification Workgroup to determine what codes need to be changed. It should be prioritized, and the budget should reflect what is needed. In the past, a lot of this type of work was done by the Board ahead of time before legal counsel was involved.

Klohs referred to line 18 and inquired if there was Board consensus to get out of the AIS prevention watercraft inspection business. There is room to include this in the levy and they should give the cities the opportunity to vote on a significant increase in inspections if they so choose.

Green explained watercraft inspections were removed from the budget last year due to lack of funding, unless funding became available. The way Cook divided up the budget emphasizes to the cities that AIS is a key part of LMCD's programs.

Klohs inquired if more specific information should be included in the cover letter sent to the cities.

Thomas stated they did approve spending \$10,000 of grant money toward the AIS watercraft inspection program. The 2019 budget does not assume they will receive any grant money towards this, but if they do receive it, they will then make a decision on how to proceed.

Baasen commented they may want to have full disclosure to the cities. They should indicate that this is the first

year they do not have money set aside for inspections. If cities feel strongly about this topic, it would allow for further discussion.

Green stated they had \$0 money in the budget for 2018 for inspections as well.

Molitor noted his City Council does not vote specifically on the LMCD budget and it is often handled administratively. If it were on the meeting agenda, there are a lot of Council members not on the lake and the levy could be taken in a negative direction. They need to be careful how this is proposed.

Zorn stated a City may look at the amount they owe for AIS municipal dues and then wonder why there is nothing budgeted for AIS prevention. She recommended they add the word "harvesting" so that it adds more detail under revenue.

Cook suggested to include under expenses: Personnel Services: Admin and AIS; Office and Supplies: Admin and AIS; and, Harvesting: AIS Harvesting.

Zorn inquired how the Share of AIS column in the levy was determined.

Green reported the AIS levy was originally voluntary. He is not sure where the dollar figure comes from, but he believes it is what the actual dollar figure was for AIS.

Hughes stated they should use terminology that reflects they are being proactive with inspections.

Green commented it used to be called Proactive Code Enforcement and that terminology was removed a couple of years ago.

MOTION: Molitor moved, Thomas seconded to approve the 2019 preliminary budget with modification discussed.

VOTE: Motion carried unanimously.

Green noted the budget must be sent out soon in order for it to reach member cities with early May Council meetings.

Cook noted it will be sent out at the end of the week or early next week.

13. TREASURER REPORT

There was no Treasurer report.

14. EXECUTIVE DIRECTOR UPDATE

- Boater Safety Program – It is rescheduled to Monday, June 18 from 8:00 a.m. to 6:00 p.m.

- 2018 Summer Rules brochure is ready for distribution. Changes were made to the electrical section relating to residential docks as well as the section relating to carbon monoxide alarms. The DNR has also updated their website on these changes. More information was also included on the Lake Minnetonka Service Provider Pilot Study of regarding watercraft inspections administered by the MN DNR. She thanked all the agencies and stakeholders for their feedback.
- The 2018 Minnesota Boating Guide is available.
- A meeting was held with various stakeholders regarding harvesting opportunities. They also discussed what is working and it is apparent that if they had the appropriate resources, there are a lot of things that could be done in the area of AIS prevention and management.
- The office received at least 50 unique questions about properties or issues from the public. They continue to receive a lot of questions related to property sales. They received a nice comment relating to how easily information could be accessed on the website and how nice it is to have a coordinated approach among the cities. She thanked residents and other parties for their patience as they attempt to respond to the various inquiries.
- Questions have been received about the ice thickness and ice out. The ice is still thick in some areas but varies and she cautioned people trying to access iced areas.

15. STANDING LMCD COMMITTEE/WORKGROUP UPDATE

Aquatic Invasive Species Committee/Taskforce: Green had nothing to report.

Schleuning reported they have three applicants for harvesting and they will begin interviews soon. They will also reach out to students at universities.

Budget Workgroup: None.

Communications Workgroup: Thomas reported they met last week and plan to present at the next workshop. If all goes well, it can be approved on the Consent Agenda.

Recodification Workgroup: Schleuning reported it is a slow process, but she is making progress.

Save the Lake Committee: Baasen reported they have not met since the last meeting. They are getting ready for the Boater Safety Class and working on the May/June solicitation letter. They will provide LMCD 50th Anniversary tools to Board members who will represent them at their City's festivals.

Strategic Plan Subcommittee: None.

16. ADJOURNMENT

There being no further business, the meeting was adjourned at 8:10 p.m.

James Jay Green, Chair

Ann Hoelscher, Secretary