



# LAKE MINNETONKA CONSERVATION DISTRICT

5341 MAYWOOD ROAD, SUITE 200 • MOUND, MINNESOTA 55364 • TELEPHONE 952/745-0789 • FAX 952/745-9085

**AGENDA**  
**LAKE MINNETONKA CONSERVATION DISTRICT**  
**Wednesday, June 8, 2022**  
**Wayzata City Hall**  
**600 Rice Street, Wayzata, MN 55391**

## **PUBLIC PARTICIPATION**

Those attending the meeting, please complete the attendance sheet. Those desiring to participate in the meeting should complete the *Public Comment Form* at the meeting if the online [Public Comment Form](#) was not submitted. The Chair may choose to reorder the agenda for a specific agenda item if it would benefit the needs of those in attendance. Please see *Public Comments* Section for more information.

## **WORK SESSION AGENDA**

**5:00 - 7:00 p.m.**

- 
1. Boat Generated Wakes Review Listening Session (*Note: This session will be videotaped.*)

## **FORMAL MEETING AGENDA**

**7:00 p.m.**

---

*The purpose of the Formal Session is to allow the Board to conduct public hearings and to consider and take formal action on matters coming before the LMCD.*

- 1) **CALL TO ORDER**
- 2) **PLEDGE OF ALLEGIANCE**
- 3) **ROLL CALL**
- 4) **APPROVAL OF AGENDA**
- 5) **CHAIR ANNOUNCEMENTS**, Chair Gregg Thomas
- 6) **APPROVAL OF MINUTES** (05/25/2022 LMCD Regular Board Meeting)
- 7) **APPROVAL OF CONSENT AGENDA**
  - A) Audit of Vouchers (06/01/2022 – 06/15/2022)
- 8) **RECOGNITIONS**

9) **PUBLIC COMMENTS** – *Provides an opportunity for the public to address the board on items that are not on the agenda. Public comments are limited to 5 minutes and should not be used to make personal attacks or to air personality grievances. Please direct all comments to the Board Chair. The Board generally will not engage in public discussion, respond to or correct statements from the public, or act on items not on the agenda. The Board may ask for clarifications or direct staff to report back on items at future meetings.*

10) **PUBLIC HEARING**

11) **OTHER BUSINESS**

12) **OLD BUSINESS**

13) **NEW BUSINESS**

A) 2023 Preliminary Budget Discussion

14) **TREASURER REPORT**

15) **EXECUTIVE DIRECTOR UPDATE**

16) **STANDING LMCD COMMITTEE UPDATE**

- Aquatic Invasive Species
- Communications
- Finance
- Operations
- Save the Lake

17) **ADJOURNMENT**

**Future Items for Review – Tentative**

- Lake Use Vision and Policy Discussion Continuing Series
  - Deicing Eligibility Expansion Review



## LAKE MINNETONKA CONSERVATION DISTRICT

5341 MAYWOOD ROAD, SUITE 200 • MOUND, MINNESOTA 55364 • TELEPHONE 952/745-0789 • FAX 952/745-9085

### Process to Review Boat Generated Wave Impact on Lake Minnetonka

#### **Background**

The advent of wakesurfing and other types of boats capable of making larger waves on Lake Minnetonka has initiated discussion on what impacts the larger waves have on the ecology, shoreline erosion, safety, and conflicting uses. The Lake Minnetonka Conservation District (LMCD) Board of Directors has received a number of public comments at their meetings both expressing concern about and support of wakesurf boats. To help address these questions the University of Minnesota St. Anthony Falls Laboratory (SAFL) issued a report in February 2022 entitled "A Field Study of Maximum Wave Height, Total Wave Energy, and Maximum Wave Power Produced by Four Recreational Boats on a Freshwater Lake." The LMCD Board has been waiting to review the study results before determining what, if any, action to take. At its February 9, 2022, work session, it was agreed to develop a process for moving forward recognizing the divergent views.

#### **Process**

The LMCD Board will use its work session at a regular Board meeting to receive input from the public and stakeholders. Because this is an issue of interest to many, the first listening session is scheduled for Wednesday, June 8, 2022 beginning at 5:00 p.m. until 7:00 p.m. when the regular Board meeting begins. At this time, it is unclear if additional work sessions will be needed for public comment. Please note there is an occupancy limit in the room where the Board meetings are held based on Minnesota Fire Code so entrance into the room will be managed accordingly. The LMCD Board Meetings are held in the Wayzata Community Room, Wayzata City Hall, 600 Rice Street, Wayzata MN.

Individuals representing organizations with differing viewpoints, and receiving prior authorization from the LMCD, will be invited to address the Board and will be given adequate time for their comments. Speakers not representing an organization will be asked to limit their comments to 3 minutes. To move the process along, speakers will be asked to not repeat points made by previous speakers. Written comments will also be accepted. Written comments should be sent to the LMCD Office at [lmcd@lmcd.org](mailto:lmcd@lmcd.org) or by mail at LMCD, 5341 Maywood Rd, Suite 200, Mound MN 55364.

The listening session part of the work session will be videotaped. Background information and any updates will be provided on the LMCD website on or shortly after Monday, June 6, 2022 and for subsequent updates.

After receiving input and reviewing relevant reports, the Board will discuss what action, if any, to take. A decision will be made at a future LMCD formal meeting after the listening sessions are concluded. Options will include:

1. Wait until the State passes a law
2. Wait until subsequent phases of the SAFL study are published
3. Propose an ordinance, based on public suggestions received so far, that addresses:
  - a. Distance from shore that boats must operate at low wake
  - b. Whether this distance should be the same for different types of boats
  - c. Whether certain smaller bays should have different restrictions than larger bays
  - d. Whether there should be restricted hours or days for some recreational boating activities
  - e. Other?

### **Principles**

1. All participants will be respectful of others. Participants should be clear and succinct and do not need to repeat themselves.
2. If a speaker wants to agree with a previous comment, the speaker should simply state the agreement and not repeat the points.
3. We should focus on the activity and the results of the activity, not the type of boat.

# ITEM 6

**LAKE MINNETONKA CONSERVATION DISTRICT  
BOARD OF DIRECTORS  
6:00 P.M., May 25, 2022  
Wayzata City Hall**

**WORK SESSION**

6:00 p.m. to 7:00 p.m.

**Members Present:** Gregg Thomas, Tonka Bay; Rich Anderson, Orono; Ann Hoelscher, Victoria; Bill Cook, Greenwood; Dan Baasen, Wayzata; Mark Chase, Spring Park; Michael Kirkwood, Minnetrista; Dennis Klohs, Minnetonka Beach; Mark Kroll, Excelsior; Denny Newell, Woodland; and Nicole Stone, Minnetonka.

Ben Brandt, Mound, arrived at 6:40 p.m.

Also present: Troy Gilchrist, LMCD Legal Counsel; Vickie Schleuning, Executive Director; and Thomas Tully, Environmental Administrative Technician.

**Members Absent:** Deborah Zorn, Shorewood; and Jake Walesch, Deephaven.

**Persons in Audience:** Major Dawanna Witt, Captain Steve Labatt, and Eric Evenson.

## 1. Legal Update

A legal update was provided regarding the final resolution and overview of litigation brought by Steven Schussler and Sunhi Ryan-Schussler, Plaintiffs, v. City of the Village of Minnetonka Beach; Lake Minnetonka Conservation District; et.al. was provided by Justin Templin, Hoff Barry, P.A., legal counsel for LMCD for this case.

## 2. 2023 Preliminary Budget Discussion

Director Anderson provided an overview of the budget suggestions of the Finance Committee for the preliminary 2023 LMCD Budget. He provided a document dated 05/25/202 submitted by the Finance Committee.

Anderson provided a suggestion of transferring in \$90,000 from the reserves each year for five years in order to match the goal of holding 35 percent in the reserves. He stated that he would also suggest reducing the municipal contributions from \$300,000 to \$250,000 with no additional AIS surcharge.

Thomas referenced the previous audit report and did not recall the same percentage of balance in the reserve.

Anderson read a statement from the report which states that the balance is equal to 143 percent of the general fund. He stated that the strategic goal of the Finance Committee is to reduce the reserves to 35 percent, and this is the presented plan. He provided details on the Save the Lake reserve fund.

Baasen noted that a large portion of the 2021 reserve fund included the contributions towards the 2022 water patrol coverage. He noted that there should not be anything showing coming out of the reserve fund in 2022, aside from the water patrol contributions. He suggested that he and Anderson meet prior to the next meeting to further discuss the Save the Lake information.

Klohs recalled in previous years Save the Lake was separate from the regular budget, but it was then recommended and determined that they should be combined into one action. He noted that the 35 percent recommendation for the reserve is a recommendation and is not something that has been voted on by the Board. He believed that it was stated in the past that 50 percent should be the goal for the reserves.

Cook stated the Finance Committee drafted the budget as a starting point for the Board to consider.

Schleuning stated that some of the confusion with the increase in reserves is that the Save the Lake and equipment replacement was not considered as part of the reserves and the Equipment replacement fund amount now is being considered by the Finance Committee as part of the reserve equation increasing the perceived reserve coverage.

Thomas stated that the question would be whether Save the Lake and AIS should be included in that calculation.

Hoelscher stated that she recalled the same things as Klohs that Save the Lake should be included in the regular budget but noted that some of those funds are designated for uses by those that contributed the funds.

Gilchrist recalled that discussion a few years ago. He stated that the Save the Lake fund was treated separately for many years but was then incorporated into the overall budget. He stated that perhaps the accountant could provide input. He stated that from a legal perspective he was unsure that the Board could separate out the pot of money.

Anderson stated that previously the decision was made to roll some of the different reserve funds into the general fund, but Save the Lake remained its own account.

Schleuning agreed that there was considerable discussion about Save the Lake funds. She stated that because the funds in Save the Lake are donations, they are tracked differently, but they are still LMCD funds. She stated that the cities previously had confusion about Save the Lake, and it was explained that those were donations.

Thomas commented that while this has been a good discussion, there has not been enough time to review the Finance Committee documents. He commented that the Finance Committee has done a good job to get the ball rolling. He suggested that the Committees and Executive Director be part of the discussion and suggested the Board take a hard look at this preliminary information.

He asked that the Board be prepared to discuss this in more depth at the first meeting in June, as the budget needs to be finalized at the second meeting in June.

### 3. ADJOURNMENT

There being no further business, the work session was adjourned at 7:00 p.m.

### FORMAL MEETING

7:00 pm

#### 1. CALL TO ORDER

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

#### 2. PLEDGE OF ALLEGIANCE

#### 3. ROLL CALL

**Members present:** Gregg Thomas, Tonka Bay; Rich Anderson, Orono; Ann Hoelscher, Victoria; Bill Cook, Greenwood; Dan Baasen, Wayzata; Ben Brandt, Mound; Mark Chase, Spring Park; Michael Kirkwood, Minnetrista; Dennis Klohs, Minnetonka Beach; Mark Kroll, Excelsior; Denny Newell, Woodland; Nicole Stone, Minnetonka; and Jake Walesch, Deephaven. Also present: Troy Gilchrist, LMCD Legal Counsel; and Vickie Schleuning, Executive Director.

**Members absent:** Deborah Zorn, Shorewood.

**Persons in Audience:** Major Dawanna Witt, Captain Steve Labatt, Eric Evenson.

#### 4. APPROVAL OF AGENDA

Thomas requested to remove Item 13B from the agenda.

**MOTION:** Thomas moved; Kroll seconded to remove Item 13B from the agenda.

**VOTE:** Motion carried unanimously.

**MOTION:** Kirkwood moved, Brandt seconded to approve the agenda as amended, making the change noted by Thomas above.

**VOTE:** Motion carried unanimously.

#### 5. CHAIR ANNOUNCEMENTS

Chair Thomas commented that he has a request from Eric Evenson to speak.

Eric Evenson, LMA, commented that tonight is the kickoff for the zebra mussel research on Maxwell Bay being completed by the U of M. He stated that they are working hard to complete delineations and treatments of curly leaf pond weed. He thanked the LMCD for its funding and contributions. He commented that the contractor will be surveying for milfoil in the next few weeks anticipating treatments in the end of June or beginning of July. He commented that he has spoken with Hoelscher and another homeowner on Smithtown Bay and learned of some challenges in that bay. He stated that Hoelscher provided a generous donation to fund the survey and a grant application to the AIS Committee grant program will soon be submitted. He stated that the new grant program from the LMCD has assisted in beginning treatment on different bays. He commented about Lake Improvement Districts since it is a lot of work for the bay captains to raise the funds needed for treatments each year and should consider other options such as a Lake Improvement District (LID) for the entire lake. He believed that if the groups worked together, they could get the milfoil and AIS under control in the lake.

Anderson asked for Evenson to speak about a lower and upper lake option.

Evenson commented that the DNR and scientists have suggested that they look at dealing with Lake Minnetonka in upper and lower sections.

Evenson stated that if there are residents on North Arm Bay that have a dock and would like to support the U of M project, U of M is looking for residents that would like to place a zebra mussel box on their dock.

Thomas commented that he believes that the AIS Committee would be the right place to start the discussion.

Brandt agreed. He commented that the progress they have made this year has been encouraging.

Thomas commented that in the workshop they heard about proposed legislation for boater education. He stated that the State legislature adjourned, and they did not take action on that item. He noted that the LMCD had sent a letter of support and the bill seemed to be making traction but ultimately action was not taken.

Thomas stated that the LMCD Board had previously agreed that it would not discuss boat generated wakes while the proposed boater education legislation was being considered. He stated that because the item did not move forward in the legislature, he proposed that the June 8<sup>th</sup> workshop be used to receive input from the public on boat generated wakes.

Walesch asked what Thomas would envision the format would be for the session and how long people would be allowed to speak.

Thomas commented that he would use the workshop for that, noting that the Board reviewed a proposed format at a previous meeting. He stated that the format previously suggested speakers be



limited to three minutes, but he would suggest speakers be limited to five minutes. He noted that he could send that document to the Board again. He commented that he would suggest subsequent speakers state whether they agree or disagree with a certain viewpoint rather than each speaker reiterating the same points.

Newell commented that he would agree with that format as there has been a lot of redundancy on both sides.

Thomas recognized that five minutes would probably not be long enough for groups representing an interest or multiple parties. He confirmed that it would be a one-hour session and if additional time were needed, they would hold a second workshop. He wanted to ensure that residents have a chance to provide input before the Board makes a decision.

Newell commented that there are a lot of people with opinions on both sides of the issue and therefore if five minutes is allotted to each person that will make this very lengthy.

Thomas commented that he can stick with the three-minute time allowance.

Kirkwood suggested that structure be identified that would include a public presentation with time for public input and that organizations can submit longer comments in writing.

Thomas confirmed the consensus of the Board.

Schleuning commented that staff did receive some feedback after the last discussion and noted that there might be benefit in allowing some of the larger groups to provide longer period of input which could reduce the number of residents that speak and reduce duplicity.

Newell agreed that there are groups that represent a significant number of people and therefore allowing them to overview their position of their members in a longer format might reduce the need for multiple people to come up.

Thomas stated that he could send a letter or email to the groups the Board can think of to solicit their written feedback and invite them to the workshop.

Schleuning asked if the Board would anticipate a digital format, such as SurveyMonkey, as that data would be easy to present. She stated that she has collected names of interested people as this has moved along that she could send the survey to.

Thomas commented that he would not be inclined to use SurveyMonkey.

Kroll suggested that the four largest organizations be provided eight minutes each and the rest of the speakers have three minutes each.

Thomas noted that they could also limit each speaker to three minutes and additional comments can be submitted in writing.

Klohs commented that the LMCD has been at this for quite a while already with a lot of input and testimony. He commented that this may go more quickly because there are studies that have been completed with data provided.

Thomas commented that he would hope they could receive public input in a one-hour workshop, with the Board to have discussion in the following one-hour workshop, and then consideration of the topic at a formal meeting.

Kirkwood stated that in order to provide structure they could provide a few variations that people could express support in if the intent is to gain a sense of the input of the public. He noted that people could then vote on those options and that would provide data of what people support without drawing it out.

Kroll stated that perhaps the organizations could provide posterboards with their suggestion.

Anderson asked if there is a deadline or why this would be rushed. He believed it would be better to allow additional time if necessary.

Thomas stated that it would be great to hold one workshop, but a second workshop could be held if necessary. He stated that at some point the Board will have received enough input from the residents and it will need to make a decision.

Walesch asked if the LMCD is going to prepare for a lot of people to show up, such as additional seating.

Schleuning stated that there will be a limit of the number of people that can legally be in the room.

Hoelscher commented that workshops are generally not videotaped. She asked if these comments should be recorded.

Schleuning agreed that recording the comments would be a good idea.

Brandt asked if the entire next meeting could be devoted to this topic, rather than a workshop and regular meeting.

Schleuning stated that staff could get the meeting videotaped either way. She noted that staff could also provide a shortened regular agenda to approve the necessary items if desired.

Thomas stated that his hesitation with devoting the entire meeting would be that there may be other items that need to be addressed, such as the budget.

Gilchrist stated that the Board could choose to hold a workshop from 6 to 8 p.m. with the regular meeting starting at 8 p.m.

Hoelscher asked if the Board would be able to adjourn the workshop, hold the regular meeting and then reconvene the workshop.

Gilchrist commented that could be done but the larger group of residents may get restless. He noted that the workshop could also begin at 5 p.m. and run to 7 p.m.

Schleuning confirmed the consensus of the Board to hold the next workshop from 5 to 7 p.m. with the regular meeting to begin at 7 p.m. and for both meetings to be videotaped.

Brandt asked if the agendas could be combined into one meeting, still beginning at 5 p.m. and completing the regular agenda first and then rolling into the public comment.

Gilchrist commented that while that could be done, there would be no end time identified which could be very lengthy.

Thomas asked why Brandt would recommend that format.

Brandt replied that he has attended some long LMCD meetings. He stated that even if it were a long meeting, they would still have a chance to hear all the voices.

Kirkwood commented that given the amount of passion on this issue around the lake he wants to ensure there is structure, so this does not go off topic. He stated that if they do provide a handout that suggests possible options, speakers could then express their support for a concept.

Klohs commented that he believed that format would be drawn out. He stated that if there are five or six variables, which could have people focusing on options that the Board may never consider. He believed that at least two workshops should be scheduled.

Hoelscher stated that it is important that the information be posted on the website stating that if people cannot attend the meeting, they could provide written comments.

Brandt commented that perhaps the start time is kept at 7 p.m. and the time would limit the length of the meeting.

Thomas confirmed the consensus of the group to hold a workshop from 5 to 7 p.m. with the regular meeting occurring at 7 p.m. He summarized the agreement upon format and process.

## 6. APPROVAL OF MINUTES - 04/27/2022 LMCD Regular Board Meeting

**MOTION:** Stone moved; Newell seconded to approve the 04/27/2022 LMCD Regular Board Meeting

minutes as submitted.

**VOTE:** Ayes (11), Abstained (2), (Baasen and Klohs). Motion carried.

## 7. APPROVAL OF CONSENT AGENDA

**MOTION:** Thomas moved; Kroll seconded to approve the consent agenda as presented. Items so approved included: **7A)** Audit of Vouchers (05/01/2022 – 05/15/2022) and (05/16/2022 – 05/31/2022); **7B)** Code Amendment for Quiet Water Area on Buoy Channel at Cedar Point West between Cooks Bay and West Upper Lake; and **7C)** Save the Lake Contributions (03/31/2022 – 05/10/2022).

**VOTE:** Motion carried unanimously.

## 8. RECOGNITIONS

Baasen commented that they have gotten a nice start to the Save the Lake campaign for 2022/2023. He commented that a substantial number of contributions have been received and the solicitation letter would be mailed to about 4,000 people this week. He provided recognition of donors. He recognized a large donation that was received in memory of a resident that passed away and noted that could be an opportunity people are not aware of.

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

Anderson stated that in their effort to bring in local representatives, he invited Dewana Witt to speak, noting that she is running for Sheriff of Hennepin County.

Dewana Witt stated that she is a Major at the Hennepin County Sheriff's Office, currently overseeing the jail and courts which are the two largest divisions with the largest portion of the budget. She stated that she is running for the Sheriff position because she cares about the direction they are going and getting back to a new normal. She stated that she has nearly 23 years of law enforcement experience and provided a summary of that experience. She commented that she is a public servant and focused on doing things she loves and believes in. She stated that the relationship between Hennepin County and Lake Minnetonka is important and recognized the importance of partnerships between entities. She believed that she is the best person in the race for the position and also a person that has the experience in multiple counties. She recognized that at times you have to make sacrifices and she is willing to do that. She welcomed any questions people may have.

Thomas thanked Ms. Witt for her input.

Hoelscher thanked Ms. Witt for coming and for her service. She commented that the LMCD does not endorse candidates and welcomes anyone to speak during the public forum.

## 10. PUBLIC HEARING

There were no public hearings.

## 11. OTHER BUSINESS

There was no other business.

## 12. OLD BUSINESS

There was no old business.

## 13. NEW BUSINESS

### A) Letter of Support: U of M SAFL Study Regarding Boat and Wind Wave Impacts on Inland Lakes

Thomas stated that he and Schleuning received an email last week from the U of M St. Anthony Fall's Laboratory stating that they are soliciting funds from the LCCMR for another phase of the study that would look at other issues. SAFL requested a letter of support for the study from the LMCD. Thomas noted that he would bring the item forward to the Board meeting and advised that if the Board supports the action, staff would send a letter of support immediately as the grant application to LCCMR is due the following day.

**MOTION:** Hoelscher moved, Cook seconded to approve the letter of support for the U of M SAFL Study regarding boat and wind wave impacts on inland lakes.

Further discussion: Newell asked if this is in support of phase two.

Thomas commented that this would be for a phase three and provided details on what would be included in phase two and the proposed phase three.

Newell asked if there is a budget for the study.

Thomas stated that he is not aware of the amount being requested from the LCCMR, noting that he did not believe that would impact the decision of the Board as to whether to support the grant application. He confirmed that there was no financial request to the LMCD at this time.

Kroll noted that such letters of support are very helpful in applying for grants.

Anderson referenced the draft letter and asked for clarification.

Schleuning provided clarification on the intent of each phase of the study. She noted that the intent is to support the attempt in funding and not a certain position. She noted that the letter was a template.

Anderson suggested using more generalized boat and wind impacts rather than the more specific language.

Schleuning confirmed that she could tweak the language.

Thomas reviewed the proposed revisions to the letter.

Hoelscher and Cook accepted the revisions as a friendly amendment to the motion.

**VOTE:** Motion carried unanimously.

~~B) 2023 Preliminary Budget Adoption~~

#### 14. TREASURER REPORT

Anderson had nothing further to report.

#### 15. EXECUTIVE DIRECTOR UPDATE

Schleuning provided the following information:

- AIS Vegetation and Management opportunity for funding was advertised.
- Boater education class available.
- Boater safety education legislation did not yet pass but a lot of groups came together on the topic.
- Zebra Mussel research open house being held tonight for a project to begin on the lake.
- Save the Lake solicitation letter will be mailed to all lakeshore residents.
- Solar lights have been cleaned and maintained to prepare for installation.
- Healthy and Safe Swimming Week began May 23<sup>rd</sup>.
- Summer Rules Brochure is available.
- Trista Days was held the previous weekend and members of the Board attended.
- Licks and Lakes event was held the previous weekend where sustainability was featured and attended by staff members.
- CD3 Unit at Carsons Bay has not yet been installed but should be installed in the next few weeks.

#### 16. STANDING LMCD COMMITTEE/WORKGROUP

Aquatic Invasive Species: Brandt commented that Evenson provided many of the updates related to the grants that were awarded and stated that the delineations/surveys completed have been shared with the LMCD. He noted that he is excited to see the results of the treatments.

Communications: Hoelscher reported that the group met a few weeks ago and will meet again on June

6<sup>th</sup>. She stated that a cost estimate for a short video was included in the packet, noting that it would be a test video with content focusing on distance from shore with the buoys approved by the Board last year. She noted the estimated cost of \$600 for the video. She stated that they are also talking about getting the Board documents uploaded online and are looking for the best way to do that. She asked any members of the Board to share input on available options. She stated that the group also discussed hosting a summer event for the LMCD and welcomed any ideas of someone/place that would like to host a gathering. She commented that the intent would be to gather the Board together, and possibly spouses, in an informal setting.

Walesch asked if that gathering would need to be open to the public.

Hoelscher stated that it would need to be noticed as open to the public. She stated that while general members of the public could show up, she doubted that many would.

Finance: Anderson asked for input on what would be intended to review at the next meeting in terms of the budget.

Schleuning commented that it was her understanding that the committees will be reviewing the budget information to provide input prior to the next meeting in order to present something that the first meeting in June.

Anderson suggested placing a deadline for the feedback as next Wednesday.

Schleuning reviewed the meeting dates for the committees and the next Board meeting date.

Thomas suggested that the committees that meet close to the next meeting date could change their next meeting date in order to ensure their feedback can be received for the budget.

Anderson stated that the Finance Committee will plan to meet on June 7<sup>th</sup> with Schleuning in order to present information to the Board on June 8<sup>th</sup>.

Thomas commented that it would have been great to have the Finance Committee start prior to the previous day.

Anderson agreed but noted that the last LMCD meeting was canceled.

Operations: No report.

Save the Lake: Baasen reported that the group is scheduled to meet on June 7<sup>th</sup>, and he will attempt to meet with Anderson before that time in order to provide him with the input on the budget. He stated that the solicitation letter will be mailed this week and meets the goal to have that letter received by Memorial Day. He commented that the private campaign that occurred in 2021 is not occurring in 2022 and therefore they will need to seek additional sources of funding. He advised of the upcoming boater

safety class on June 13<sup>th</sup>. He encouraged available members of the Board to assist with the boater safety class. He thanked the Board for their assistance in the 2021 campaign, noting that at least 70 percent of the Board donated. He encouraged members of the Board to continue to spread the word about Save the Lake and encourage donations.

## 17. ADJOURNMENT

Being there was no further business, the meeting adjourned at 8:28 p.m.

---

Gregg Thomas, Chair

---

Dan Baasen, Secretary

DRAFT



9:42 AM  
06/02/22

**Lake Minnetonka Conservation District**  
**Check Detail**  
June 1 - 15, 2022

**ITEM 7A**

Date	Num	Name	Memo	Account	Class	Paid Amount
06/09/2022	EFT-22-61	ADP Service Fee		<b>Alerus Checking</b>		
			Payroll 6/1/22 - 6/15/22	4180M10 · Professional Services -...	Admin.	-84.55
TOTAL						-84.55
06/15/2022	EFT-22-62	ADP		<b>Alerus Checking</b>		
			Salaries - Admin	4020M10 · Salaries-002 - Admin	Admin.	-9,963.38
			P.E.R.A.	2020 · Payroll Liabilities -	Admin.	1,388.94
			ER PERA	4022M10 · ER PERA - Admin	Admin.	-744.08
			ER/FICA Medicare - Admin	4021M10 · ER Share of Admin FIC...	Admin.	-758.98
			Long Term Disability	2020-LT · Payroll Liabilities - UNUM	Admin.	84.96
TOTAL						-9,992.54
06/15/2022	EFT-22-63	SelectAccount Group Servic...		<b>Alerus Checking</b>		
			HSA Employer Contribution for June 2022 - Tammy Duncan	4380M10 · Employee Benefits - Ad...	Admin.	-116.67
			HSA Employer Contribution for June 2022 - Vickie Schleuning	4380M10 · Employee Benefits - Ad...	Admin.	-116.67
			HSA Employer Contribution for June 2022 - Thomas Tully	4380M10 · Employee Benefits - Ad...	Admin.	-116.67
TOTAL						-350.01
06/15/2022	EFT-22-64	P.E.R.A		<b>Alerus Checking</b>		
			Payroll 6/1/22 - 6/15/22	2020 · Payroll Liabilities -	Admin.	-1,388.94
TOTAL						-1,388.94
06/09/2022	EFT-22-65	Unum Life Insurance		<b>Alerus Checking</b>		
			Long Term Disability - June 2022	2020-LT · Payroll Liabilities - UNUM	Admin.	-169.92
TOTAL						-169.92
06/01/2022	22138	BDM		<b>Alerus Checking</b>		
06/01/2022	Postage STL ...		Postage for STL Mailing	4080M20 · Postage - S/L	STL	-1,273.69
TOTAL						-1,273.69

9:42 AM  
06/02/22

Lake Minnetonka Conservation District  
**Check Detail**  
June 1 - 15, 2022

Date	Num	Name	Memo	Account	Class	Paid Amount
06/09/2022	22139	A La Carte Design		Alerus Checking		
05/12/2022	Inv.#44656		STL Solicitation Letter 4,542	4100M20 · Printing - S/L	STL	-2,439.83
TOTAL						-2,439.83
06/09/2022	22140	AIS Advanced Imaging Solu...		Alerus Checking		
05/26/2022	Inv.#4734722...		Copier Contract 5/20/22 - 6/20/22	4140M10 · Office Equipment R&M ...	Admin.	-1,733.57
TOTAL						-1,733.57
06/09/2022	22141	Innovative Office Solutions ...		Alerus Checking		
05/13/2022	Inv.#IN37890...		Business Cards - Vickie, Maisyn, Tammy, Thomas	4220M10 · Office Supplies -Admin.	Admin.	-240.38
TOTAL						-240.38
06/09/2022	22142	Kennedy & Graven		Alerus Checking		
05/24/2022	April 2022		Legal Fees April 2022	4620M10 · Civil Legal Fees - Admin.	Admin.	-3,612.23
TOTAL						-3,612.23
06/09/2022	22143	LMCC		Alerus Checking		
05/26/2022	Inv.#1484		VOD Services for Meeting 5/25/22	4182M10 · Media (Cable/Internet) ...	Admin.	-100.00
TOTAL						-100.00
06/09/2022	22144	NCPERS Group Life Insuran...		Alerus Checking		
05/05/2022	June 2022		Life Insurance, June 2022 (Schleuning, Duncan, Tully)	4380M10 · Employee Benefits - Ad...	Admin.	-48.00
TOTAL						-48.00
06/09/2022	22145	TimeSaver Off Site Secretari...		Alerus Checking		
05/13/2022	Inv.#M27321		Board Minutes 4/27/22	4230M10 · Meeting Exp. - Admin.	Admin.	-190.50
TOTAL						-190.50



# ITEM 13A

## LAKE MINNETONKA CONSERVATION DISTRICT

5341 MAYWOOD ROAD, SUITE 200 • MOUND, MINNESOTA 55364 • TELEPHONE 952/745-0789 • FAX 952/745-9085

**DATE:** June 8, 2022 (Prepared June 3, 2022)

**TO:** LMCD Board of Directors

**FROM:** Vickie Schleuning, Executive Director *Vickie Schleuning*

**SUBJECT:** 2023 Preliminary Budget Discussion

### **ACTION**

Board discussion and potential approval of the preliminary 2023 budget, and direction to staff to communicate with member cities to seek input.

The following motions are offered depending on whether the Board wishes to approve or modify the request:

#### Approval

I make a motion to approve the preliminary 2023 budget <subject to any stated modifications>, and direct staff to seek input from the member cities.

#### Denial

I make a motion to deny the preliminary 2023 budget for the following reasons...

### **BACKGROUND**

According to Minnesota Statutes 103B.635 Subd. 1, the LMCD Board must submit a budget for the next calendar year by July 1, 2022 to the governing body of each municipality in the District, with a statement of the proportion of the budget to be provided by each municipality.

The Finance Committee consists of Treasurer Rich Anderson and Directors Bill Cook, Denny Newell, and Nicole Stone. The Finance Committee presented some preliminary 2023 budget recommendations at the May 25, 2022 LMCD Board Meeting. Based on feedback, it was recommended that more input be solicited from the Committees and staff. Since then, the Finance Committee met with the Executive Director on June 2, 2022 and is seeking input by other Committees. Some committee meetings were scheduled to review 2023 budget needs at the time of the board packet preparation. Therefore, a draft 2023 budget will be provided to the Board prior to the Board Meeting. The approved 2022 budget and financial policies are attached for review.

#### **Anticipated Upcoming Budget Process & Timeline**

- Wednesday, 05/25/2022-- Board review of Finance Committee recommendations.
- Wednesday, 06/08/2022 – Board review of additional budget recommendations.
- Wednesday, 06/22/2022 (Last possible approval meeting) – Final review and adoption by LMCD Board.

- By Thursday, 07/01/2022 – Adopted 2023 LMCD Budget to be distributed to member cities.

**CONSIDERATIONS**

---

- Does the activity align with the mission and goals of the LMCD?
- What impact will the action have on Lake Minnetonka and its stakeholders, short-term and long-term? E.g., Ecology, health, safety, nuisances, economics, etc.
- What are the short-term financial impacts of the actions?
- What are the long-term financial impacts and sustainability of the actions on the lake, lake community, organization, etc.?

**BUDGET**

---

To be provided prior to meeting.

**STRATEGIC PRIORITIES**

---

<input checked="" type="checkbox"/> Operational Effectiveness	<input checked="" type="checkbox"/> Clear & Timely Communications	<input checked="" type="checkbox"/> Effective Governance	<input checked="" type="checkbox"/> Lake Protection	<input type="checkbox"/> Other
---	---	--	---	--------------------------------

**ATTACHMENTS**

---

- 2022 LMCD Budget
- LMCD Investment Policy
- LMCD Save the Lake Reserve Fund Policy



- 3 Grants are often pass through items that show up in equal amounts in the income and expense line, and so may not be included in the budget. Rebates are included in typical amounts.
- 4 Interest amounts are variable.
- 5 License and Permit fees are expected to increase due to projects.
- 6 Court fines are also expected to remain at similar levels.
- 7 Donations are anticipated to remain the same with increase in initiatives.
- 8 Transfers in are from the reserve funds for General and AIS funds.
- 9 Transfers in are from the reserve funds for Save the Lake contributions.
- 10 Personnel services have slight increase for typical increases, dependent on workload needs and additional staff hours anticipated to provide services.
- 11 Office and supplies was decreased and also provides resources to produce routine communication mailings and education pieces.
- 12 Legal includes both the administrative, prosecution fees, legal publications and other legal activities. Legal fees have been reduced.
- 13 Professional Services primarily includes the cost of producing and broadcasting the Board Meeting, Audit fees, and IT consulting fees. It has been reduced.
- 14 AIS Prevention Program includes the activities related to current and long-term projects for the prevention of AIS, inspection activities, and similar. Grants may be received and passed through to other service providers.
- 15 The harvesting program has been discontinued and may be contracted where needed to ensure safe navigation.
- 16 The Equipment Replacement Fund has been eliminated. Equipment purchases will be funded out of the General Fund.
- 17 STL are the Save the Lake Grants that are funded from contributions and donations received from the STL program. An increase in STL expenses is targeted for water patrol and emergency services. STL programs have historically funded the ongoing Solar Light Program, Boater Safety Training Classes, and other lake protection and safety programs.
- 19 Funds support communications and legislation relations activities for lake conservation and safety including consulting fees.
- 20 Solar lights program, safety education, buoy support and other past STL programs are being transferred to the General Fund account.



## LAKE MINNETONKA CONSERVATION DISTRICT 2022 BUDGET AND LEVY (Adopted 06/23/2021)

City	2010 U.S. Census Population Data	2020 Estimated Market Value	2020 Net Tax Capacity	% of Total Net Tax Capacity (Note 1)	Share of Admin. Levy in 2022	Share of AIS Levy in 2022	Share of Total Levy in 2022	Share of Total Levy in 2021	Change in Total Levy from 2021	% Change from 2021
DEEPHAVEN	3,642	\$ 1,442,019,500	\$ 16,556,653	5.0%	\$20,032	\$0	<b>\$20,032</b>	\$25,561	-\$5,529	-21.63%
EXCELSIOR	2,188	\$ 608,817,000	\$ 7,711,079	2.3%	\$9,330	\$0	<b>\$9,330</b>	\$11,555	-\$2,225	-19.26%
GREENWOOD	688	\$ 403,204,200	\$ 4,778,360	1.4%	\$5,781	\$0	<b>\$5,781</b>	\$7,335	-\$1,554	-21.18%
MINNETONKA	49,734	\$ 10,833,743,300	\$ 132,459,172	40.0%	\$60,000	\$0	<b>\$60,000</b>	\$75,000	-\$15,000	-20.00%
MTKA BEACH	539	\$ 396,316,100	\$ 4,711,441	1.4%	\$5,700	\$0	<b>\$5,700</b>	\$7,028	-\$1,328	-18.89%
MINNETRISTA	6,384	\$ 1,963,840,700	\$ 21,101,097	6.4%	\$25,530	\$0	<b>\$25,530</b>	\$31,819	-\$6,289	-19.76%
MOUND	9,052	\$ 1,564,564,700	\$ 16,540,281	5.0%	\$20,012	\$0	<b>\$20,012</b>	\$24,147	-\$4,135	-17.12%
ORONO	7,437	\$ 3,441,380,700	\$ 39,732,951	12.0%	\$48,073	\$0	<b>\$48,073</b>	\$59,500	-\$11,427	-19.21%
SHOREWOOD	7,307	\$ 1,951,455,600	\$ 21,702,658	6.6%	\$26,258	\$0	<b>\$26,258</b>	\$32,985	-\$6,727	-20.39%
SPRING PARK	1,669	\$ 339,411,400	\$ 4,071,042	1.2%	\$4,926	\$0	<b>\$4,926</b>	\$6,013	-\$1,087	-18.09%
TONKA BAY	1,475	\$ 645,125,300	\$ 7,421,441	2.2%	\$8,979	\$0	<b>\$8,979</b>	\$11,319	-\$2,340	-20.67%
VICTORIA	7,345	\$ 1,823,878,200	\$ 19,143,794	5.8%	\$23,162	\$0	<b>\$23,162</b>	\$29,463	-\$6,301	-21.39%
WAYZATA	3,688	\$ 2,368,535,600	\$ 30,895,419	9.3%	\$37,380	\$0	<b>\$37,380</b>	\$47,215	-\$9,835	-20.83%
WOODLAND	437	\$ 338,409,300	\$ 3,998,051	1.2%	\$4,837	\$0	<b>\$4,837</b>	\$6,059	-\$1,222	-20.16%
	101,585	\$ 28,120,701,600	\$ 330,823,439	100.0%	\$300,000	\$0	<b>\$300,000</b>	\$375,000	-\$75,000	-20.00%
Maximum Levy Per MN statute 103B.635 (Total Taxable Market Value * 0.00242%):								\$680,521		
<b>(Note 1)</b> Per MN statute 103B.631, no city may pay more than 20% of the total levy. The City of Minnetonka would pay a constant 20% of any amounts to be levied.										
Remaining cities factor for determining levy amounts is computed as: (City Net Tax Capacity / ( Total Net Tax Capacity - Minnetonka Net Tax Capacity ) ) * 80%										
Total Net Tax Capacity			330,823,439							
less Minnetonka Net Tax Capacity			(132,459,172)							
Net Tax Capacity for remaining 13 cities			198,364,267							

# **LAKE MINNETONKA CONSERVATION DISTRICT (LMCD) INVESTMENT POLICY (Approved 12/14/2016)**

## **1.0 PURPOSE**

The purpose of this policy is to establish specific guidelines the LMCD will use in the investment of District funds. The LMCD will invest District funds in order to attain a market rate of return while preserving and protecting the capital of the overall portfolio. Investments will be made, based on statutory constraints, in safe, low risk instruments.

## **2.0 SCOPE**

This policy applies to the activities of the LMCD with regard to the collection, management, disbursement, safekeeping, investment, auditing, and reporting the financial assets of all funds in the custody of the LMCD including, but not necessarily limited to, the General Operating Fund, the Aquatic Invasive Species (AIS) Management Operating Fund, the Equipment Replacement Fund, and the Save The Lake Fund. Minnesota Statutes, Chapters 103B and 118A define the provisions and limitations of investments allowed for the LMCD. These are detailed in Section 6.2.

## **3.0 GOALS AND OBJECTIVES**

**3.1 Fund Income:** Funds of the LMCD will be collected and deposited in a timely fashion in liquid accounts at approved depository institutions, with proper accounting documentation subject to periodic audit.

**3.2 Disbursement of Funds:** Funds will be disbursed to lawful and appropriate payees in a timely fashion to not incur penalties for late payments. Disbursements will be accounted for and reported via budget reconciliation and cash management reports to the Board on a monthly basis. Additionally, funds shall be transferred from operating funds to reserve funds according to the parameters defined below.

**3.3 Reserve Funds:** Funds not required for use within certain parameters are defined as “In Reserve” and will be accounted for as defined in Section 5.0. Investments shall be made based on statutory constraints, utilizing the standard of prudence by the Executive Director, as defined in Section 3.2. Subject to the requirement of the objectives below, it is the policy of the LMCD to seek safe and low risk investments that meet statutory requirements.

Investment activities shall meet the following three main objectives that are prioritized as follows:

- **Safety-** Safety of the principal is the foremost objective of the LMCD. Each investment transaction shall seek to first insure that capital losses are avoided.
- **Liquidity-** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may reasonably be anticipated. This is accomplished by structuring the portfolio so that investments mature concurrently with cash needs to meet anticipated demands.



- Yield- The investment portfolio of the LMCD shall be designed to attain a market-average rate of return through budgetary and economic cycles, taking into consideration the LMCD's cash flow needs and prudent investment principles.

#### **4.0 DELEGATION OF AUTHORITY**

**4.1 Executive Director:** Management responsibility for the investment portfolio is hereby delegated from the Board to the Executive Director, under the authority and direction of the Board. The Executive Director shall establish procedures for the operation of the investment program, consistent with this policy. Such procedures shall include delegation of authority to persons responsible for investment transactions. The Executive Director shall be responsible for all transactions taken and shall establish a system of internal controls designed to prevent losses from fraud and employee error.

**4.2 Treasurer:** The Executive Director shall carry out the investment policy in consult with the Treasurer. All Board Directors and staff involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or could impair their ability to make impartial investment decisions.

#### **5.0 FUND MANAGEMENT**

**5.1 General Operating Fund:** The General Operating Fund is comprised of annual assessments from the member municipalities, license and permit fees, court fine revenue, governmental grants, and other sources. It is used for the normal operations of the LMCD, exclusive of AIS management and prevention efforts defined in Section 5.2. It is intended that a minimum reserve fund balance of 30 to 50 percent of annual budgeted operating expenses shall be maintained in a highly liquid account, accessible on an as-needed basis, to meet the cash needs of the LMCD.

**5.2 AIS Management Operating Fund:** The AIS Management Operating Fund is comprised of annual assessments from the member municipalities, governmental grants, and other sources. It is used for: 1) the management of Eurasian Watermilfoil (EWM) through mechanical harvesting, and 2) the prevention of new AIS through watercraft inspections and educational efforts. It is intended that a minimum reserve fund balance of 30 to 50 percent of annual budgeted operating expenses shall be maintained in a highly liquid account, accessible on an as-needed basis, to meet the cash needs of the LMCD.

**5.3 Equipment Replacement Fund:** The Equipment Replacement Fund is comprised of financial resources from private donations, member municipalities, and other sources. The intended use is for purchase, replacement, and major maintenance of requisite capital equipment for the EWM Harvesting Program. Management of this fund shall strive to protect the principal and maintain "market rate of return" to preserve the purchasing power of the funds. The funds may be less liquid and, while reasonable interest is expected, the investments shall not be speculative. See investment limitations in Section 6.0.

**5.4 Save the Lake Fund:** The sources of these funds are private donations, proceeds from fundraising events, and interest earned on the principal. Funds will be made available annually, per policy of the LMCD, to benefit the environmental and recreational needs of Lake Minnetonka. They will be used to support various community projects recommended by the Save the Lake Advisory Committee and approved by the LMCD Board of Directors. Fund levels to cover budgeted amounts shall be maintained in a highly liquid account, accessible on an as-needed basis, to meet the cash management needs of the LMCD.

**5.5 Reserve Fund:** All other financial resources shall be designated as part of, and accounted for, in the Reserve Fund. These funds shall be managed in accordance with the investment limitations in Section 6.0. It is intended that the principal shall be protected and the purchasing power preserved, with probable income derived from prudent and conservative instruments.

## **6.0 PORTFOLIO MANAGEMENT**

**6.1 Portfolio Sources:** Funds to be invested and managed under this Section will come from budgeted reserves in the General Operating Fund, the AIS Management Operating Fund, the Equipment Replacement Fund, and the Save the Lake Fund. Funds may be comingled for investment purposes; however, they shall be accounted for separately, noting principal, earnings, withdrawals, and deposits in an auditable form.

**6.2 Portfolio Diversification:** The LMCD, via the Executive Director, shall diversify investments to avoid incurring unreasonable risks. Further, the timing and duration of instruments can also impact risk and these parameters shall be carefully considered. Pursuant to Minnesota Statutes, Section 103B.621, investments shall be limited to the following:

- U.S. Treasury Bonds;
- Certificates of indebtedness, bonds or notes of the United States of America; and
- Certificates of indebtedness, bonds or notes of the State of Minnesota.

The bonds, notes, or certificates of indebtedness must mature within three years from the date of purchase.

**6.3 Reinvestment of Earnings:** Interest and other forms of earnings shall flow to the source fund from which the principal originated. It shall not be automatically reinvested in the base but shall be subject to consideration for investment as part of the deliberations.

**6.4 Maturity Scheduling:** Investment maturities for all funds shall be scheduled to satisfy projected cash flow needs and take into account large, planned expenditures, as well as anticipated revenues. If the Board determines that invested funds are needed for current purposes before the maturity date of the bonds, certificates or notes, the Board shall notify

the Treasurer and Treasurer shall order the sale or convert the bonds, certificates or notes into cash in the amount determined by the Board.

**6.5 Collateralizing of Deposits:** Deposits in excess of FDIC limits shall be collateralized as provided for in Minnesota Statutes, Chapter 118. Safekeeping receipts of all transactions and periodic statements shall be furnished to the LMCD by the collateral depository in a timely manner and organized and maintained by the Executive Director.

## **7.0 FINANCIAL ADMINISTRATION**

**7.1 Executive Director:** The Executive Director is responsible for timely and accurate reporting of all financial transactions, investment decisions, and narrative necessary for clarification. Further, the Executive Director is responsible for initiating, authorizing, and documenting financial transactions as necessary to maintain prescribed levels of liquidity, to maximize investment of unused funds, and to comply with all provisions of this policy.

**7.2 Treasurer:** The Treasurer shall be responsible for obtaining monthly reports of investment activity, initiating competitive quote/bid activities, and overseeing compliance with all provisions of this policy. Reports shall be made quarterly by the Treasurer to the LMCD Board, with an annual Report to the LMCD member municipalities.

**7.3 Controls:** The Treasurer shall require that a system of internal controls, reviewed annually by the independent audit, shall be designed and implemented to prevent the loss of funds due to fraud, error, misrepresentation, or imprudent actions.

## **8.0 EFFECTIVE**

This policy rescinds and supersedes the existing Investment Policy, adopted by the LMCD on 5/10/95, and any other investment policies in place for the LMCD. Adopted by the LMCD Board of Directors this 12<sup>th</sup> day of January, 2011. Amended by the LMCD Board of Directors this December 14, 2016.

**LMCD RESOLUTION 118**

**A RESOLUTION TO ESTABLISH A POLICY ON A  
RESERVE BALANCE FOR THE SAVE THE LAKE FUND**

WHEREAS, the Lake Minnetonka Conservation District (LMCD) normal activities are publicly funded through a tax levy to the 14 member cities that abut Lake Minnetonka, license and permit revenue, court fines, and limited grant funding; and

WHEREAS, the LMCD annually solicits private funds to supplement these funding sources for special public safety, environmental, and public service/educational projects; and

WHEREAS, the disbursement of these funds is managed by the LMCD Board of Directors; and

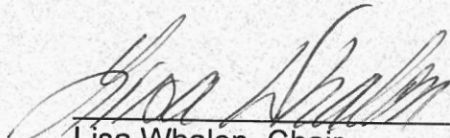
WHEREAS, a Save the Lake Advisory Committee, represented by LMCD Board members and persons appointed by the LMCD Board of Directors, makes recommendations to the LMCD Board for fundraising and disbursement programs;

NOW THEREFORE, BE IT RESOLVED by the LMCD Board of Directors that the maximum amount of Save the Lake Funds available for projects shall be up to 25 percent of the reserve fund balance as of December 31st.

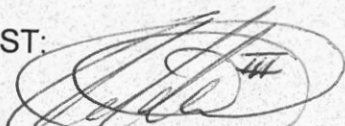
BE IT FURTHER RESOLVED, that the LMCD will announce the availability of these funds by April 15<sup>th</sup> for the following calendar year.

BE IT FURTHER RESOLVED, that the Save the Lake Advisory Committee and LMCD Board of Directors will review requests for Save the Lake Funds utilizing existing Save the Lake Program Funding Criteria.

Adopted by the LMCD Board this 9<sup>th</sup> day of July, 2008.

  
\_\_\_\_\_  
Lisa Whalen, Chair

ATTEST:

  
\_\_\_\_\_  
Andrew McDermott III, Secretary