

**LAKE MINNETONKA CONSERVATION DISTRICT
BOARD OF DIRECTORS**

7:00 P.M., Wednesday, March 25, 2015
Wayzata City Hall

1. CALL TO ORDER

Baasen called the meeting to order at 7:06 p.m.

2. ROLL CALL

Members present: Dan Baasen, Wayzata; Jay Green, Mound; Gary Hughes, Spring Park; Gregg Thomas, Tonka Bay; James Doak, Woodland; Ann Hoelscher, Victoria; Gabriel Jabbour, Orono; Dave Lang, Minnetrista; Rob Roy, Greenwood; Sue Shuff, Minnetonka; and Deborah Zorn, Shorewood. Also present: Charlie LeFevere, LMCD Counsel; Greg Nybeck, Executive Director; Judd Harper, Administrative Technician; and Emily Herman, Administrative Assistant.

Members absent: Jennifer Caron, Excelsior; Chris Jewett, Deephaven; and Dennis Klohs, Minnetonka Beach.

3. APPROVAL OF AGENDA

MOTION: Green moved, Zorn seconded to approve the agenda as submitted.

VOTE: Motion carried unanimously.

4. CHAIR ANNOUNCEMENTS, Chair Baasen

Baasen stated that Board member Jabbour has suggested that we conduct a community survey relative to the role of the LMCD. He believed this would be helpful in conjunction with updating the LMCD's strategic plan. He asked the Board to consider involving Tom Skramstad as a neutral LMCD liaison (based on his involvement in the strategic planning process) and Jabbour's concern that the LMCD's involvement may slow the process down.

Jabbour stated that this project was a private matter that he is doing independently from the LMCD, that he has allowed the LMCD to be a part of. He communicated that he had previously spoke with Skramstad, who stated he did not need to be a part of this project. Jabbour stated that he has worked with the University of Minnesota Carlson School of Management on multiple occasions and this project is being performed for the benefit of the community. He did not want to think this body should, for a moment, consider this project adversarial.

Baasen expressed concern that Jabbour was misunderstanding his intentions as he believed his project was of benefit to the LMCD's strategic planning update process, in which his goal was to provide him with a liaison that was not directly involved with the Board. He offered two additional Chair announcements. First, he thanked Jay Soule and Brian Roath for coordinating the March 14th Boater Safety Education Course. Second, he thanked those that participated in the Save the Lake Banquet, which received good attendance. He

stated it was a celebration of Lake Minnetonka that included former Water Patrol Lt. Art Saunders receiving the Minnesota Department of Natural Resources (MN DNR) Boat and Water Safety Officer of the Year Award and Special Deputy John Feyder receiving the Special Deputy of the Year Award.

- 5. APPROVAL OF MINUTES-** 1/10/15 LMCD Board Workshop
2/25/15 LMCD Regular Board Meeting
3/11/15 LMCD Workshop
3/11/15 LMCD Regular Board Meeting

MOTION: Roy moved, Shuff seconded to approve the 1/10/15 LMCD Board Workshop minutes as submitted.

VOTE: Motion carried unanimously.

MOTION: Green moved, Lang seconded to approve the 2/25/15 LMCD Regular Board Meeting minutes as submitted.

VOTE: Aye (9), Abstained (2; Doak and Roy); motion carried.

MOTION: Thomas moved, Green seconded to approve the 3/11/15 LMCD Board Workshop minutes as submitted.

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

MOTION: Lang moved, Shuff seconded to approve the 3/11/15 LMCD Regular Board Meeting minutes as submitted.

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

6. APPROVAL OF CONSENT AGENDA

Green requested that agenda item 6C be removed from the consent agenda.

Roy moved, Shuff seconded to approve the consent agenda as amended, removing agenda item 6C. Motion carried unanimously. Items so approved included **6A)** Audit of vouchers (3/16/15 – 3/31/15); **6B)** January financial summary and balance sheet; and **6D) 2015 Liquor Licenses**, staff recommends Board approval of renewal applications as outlined in 3/19/15 staff memo.

6C) Three Rivers Park District, 2015 agreement with LMCD to provide watercraft inspectors at selected public accesses on Lake Minnetonka;

Green stated that the total cost of the 2015 agreement with the Three Rivers Park District (TRPD) to provide watercraft inspectors is \$39,000 (an estimated \$4,000 savings from the 2014 program budget). He further stated the LMCD's total out-of-pocket expense was estimated at \$13,000 based on the receipt of anticipated

grant funds from the MN DNR and Minnehaha Creek Watershed District.

Jabbour expressed the importance for the Board to be aware that last year's program was poorly performed.

Green stated that the LMCD previously contracted with Volt Workforce Solutions (Volt) who supplied watercraft inspectors for the LMCD and a number of other agencies. Although they went through the same training as the MN DNR inspectors, they lacked supervision and there was some poor employee attendance. He stated that Volt is no longer providing this service.

Jabbour personally believed 2015 will be a substantially better program.

Baasen publically thanked TRPD for this partnership, as well as Green for his active involvement in initiating this option.

MOTION: Thomas moved, Zorn seconded to approve the 2015 agreement with the TRPD to provide watercraft inspectors at selected public accesses on Lake Minnetonka.

VOTE: Motion carried unanimously.

Baasen stated he will submit a letter of appreciation to the TRPD.

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

There were no public comments.

8. PUBLIC HEARING

- **Belle Properties, LLC**, non-conforming, non-multiple dock permit application for four Boat Storage Units on approximately 107 feet of shoreline on Jennings Bay (continued from the 2/25/15 LMCD Regular Board Meeting)

Baasen asked Harper for an update of this agenda item.

Harper provided the following comments via a PowerPoint presentation:

- He directed the Board to his staff memo, dated 3/19/15, in which Belle Properties, LLC has submitted a non-conforming, non-multiple dock license application to moor or dock four restricted watercraft on approximately 107 feet of shoreline. The watercraft would be owned by tenants of the subject site (5040 Enchanted Road) or owners of such (Rafik Moore and Fonda Broekhuis). A draft site plan was presented, as well as an additional email, dated 3/25/15, from Ms. Sharon King (neighboring property owner).
- A public hearing for this application was held at the February 25th LMCD Board Meeting in which the following was offered:
 - Testimony was given by the applicant and evidence was presented. The applicant had submitted a photo obtained from the previous property owner of two docks with four boats that they believed was taken sometime during the 1970's. The applicant had also submitted a letter

- from prior owner Jay C. Rusthoven, which was read in full and offered within the packet.
- The majority of the Board did not feel that the evidence submitted was sufficient to prove that four restricted watercraft were moored or docked at this site on May 3, 1978. The Board did not take action on this application to allow more time for the applicant to obtain additional evidence. The Board continued the public hearing to this meeting (with a few Board members offering to assist the applicant). The Board also directed staff to look through aerial photos within the LMCD office and other possible sources to try to find additional evidence of the number of boats moored at this site.
- Staff discovered three 1977 aerial photos of the West Arm shoreline in the LMCD office. Staff worked with Jabbour to digitize the photos from the negatives. Unfortunately, because of the angle that the photos were taken and the altitude of the plane, the dock or boats could not be distinguished.
- Staff obtained additional aerial photos from 1957-1989 through a contact within Hennepin County Geographic Information System Department. Staff also utilized online sources to obtain aerial photos of the site from 1991-2014. He directed the Board to an aerial photograph packet from 1957-2014, in which he provided a chart (outlined within his memo) that assessed to the best of his abilities the dates of the photographs and either the estimated number of watercraft that were present within or that the respective photograph was not discernible.
- The photos obtained by staff did not provide a documented instance in which up to four watercraft were moored at the dock at 5040 Enchanted Road. To date, the applicant has not provided additional evidence that four restricted watercraft were moored or docked at this site on May 3, 1978.
- He directed the Board to an email within their packet, dated 3/4/15, from Ms. Lori Hays who is a neighboring property owner. In this e-mail, she outlined her concerns for the consideration of this application.
- Based on the evidence provided, staff did not believe there was sufficient evidence to prove that four restricted watercraft were moored or docked at 5040 Enchanted Road on May 3, 1978. He recommended the LMCD Board direct LeFevere to prepare draft Findings of Fact and Order for denial of the non-conforming, non-multiple dock license application.
- He entertained questions and comments from the Board.

Jabbour requested clarification that the applicant had previously provided a photograph documenting the existence of four boats; however, the date of the photograph could not be confirmed.

Harper confirmed Jabbour was correct that the applicant did provide a photograph with four watercraft; however, the date could not be confirmed. Additionally, he reiterated that from the aerial photographs that staff obtained, there had not been a documented instance of four watercraft moored at the site.

Thomas thanked Klohs, Jabbour, and staff for their time in doing what they could for the applicant.

Baasen invited the applicant to address the Board.

Ms. Fonda Broekhuis, representing Belle Properties, LLC, stated that she was simply requesting to be grandfathered in for the watercraft that was historically stored at the subject property. She had never

asked for five boats (per one of the emails enclosed within the packet from a neighboring property owner). She stated there are an estimated 15 abandoned properties that she has rehabilitated and are now occupied with tenants. She was not aware of the rule whereby she could not store her boat at the subject dock. She respectively asked for the four boat storage slips to be available to the tenants. She stated that if the Board did not concur with her request, so be it and she would move forward. In closing, she stated she does her best to clean up the properties (specifically this one) and believed that it looked pretty nice.

Baasen stated that should the approval not be granted, she would have the ability to store up to two restricted watercraft.

LeFevere stated that if the Board was satisfied with the proposed grandfathered number of watercraft, then the storage would reference no ownership restrictions (only dock use area restrictions).

Broekhuis stated the Board will find no photographs that will provide sufficient evidence (as per the ordinance). Most boats are out in May and the photos are dated from the month of April. Many of the tenants did not have boats. If the Board's decision denied the request, she asked if her boat could be one of the two that could be stored there, in which LeFevere confirmed the two would not have ownership restrictions. She expressed concern that the neighbors who commented were placing her on trial.

Baasen reassured Broekhuis that she was not on trial and that the Board was offering due process of her request.

Baasen opened the public hearing at 7:39 p.m.

Mr. Jay Rusthoven, 505 Orleans Street in St. Paul, stated that he was the previous property owner. He purchased the property in 1970 at which time he installed two long dock structures that offered four slips. Since that date, there would have been any number of up to four boats present at a time (i.e., one, three, four, etc.) He confirmed those two dock structures historically offered four slips. He apologized for not taking historical pictures. He stated it was nice to offer a slip to the tenants that rented the units, which historically had not been a concern.

LeFevere reminded the Board that granting the grandfathered status is not within the Board's discretion. Approval of this application must be based on the Board's determination that sufficient evidence existed to document a specific number of boats were present on May 3, 1978. The applicant would then be entitled to that watercraft density.

There being no further comments, Baasen closed the public hearing at 7:43 p.m. He entertained further discussion by the Board or a motion.

MOVED: Thomas moved, Lang seconded to direct LeFevere to prepare draft Findings of Fact and Order for denial of the Belle Properties, LLC non-conforming, non-multiple dock permit application.

VOTE: Ayes (10), Nays (1, Green); motion carried.

Green asked if the applicant were to find additional evidence, could she request the Board reconsider her application.

LeFevere stated that there is nothing in the Code that would prohibit a reapplication. The Board would not want to reconsider a matter that it had already decided. However, nothing would prevent the Board from considering a new application if there was newly discovered evidence that should be considered in the interest of fairness.

Broekhuis stated that she would not be finding additional evidence and will be selling the property with the storage stipulation of two watercraft.

9. OTHER BUSINESS

A. Abdo, Eick, & Meyers, review of draft 2014 LMCD Audit

Baasen welcomed representatives and invited them to provide an overview of the draft 2014 LMCD Audit.

Mr. Steve McDonald, Managing Partner of Abdo, Eick, & Meyers, introduced himself and Mr. Kevin Knopik, Audit Manager. He explained the difference between the Management Letter vs. the Annual Financial Report. The representatives offered the following comments via a PowerPoint presentation:

- Financial operations were in compliance with State of Minnesota standards, which met the goal of an “unmodified” opinion within the audit process. Additionally, no legal compliance issues existed.
- One internal control deficiency was noted (preparation of financial statements). He explained that the accounts receivable portion of finances is well segregated. However, at the end of the year, it is the Executive Director (one employee) who has ultimate responsibility for the financial statements (working closely with the treasurer). He stated this is common in a small office setting. He believed Nybeck takes full responsibility for this task, in which he asks very good questions and keeps the auditor accountable; offering good compensating control measures.
- Performing the audit provided for no disagreements or difficulties. All materials requested were received and in compliance.
- The 2014 General Reserve Fund budget planned for the use of \$44,565. An overall positive variance of \$37,493 was offered, which was mainly a result of less rent expenditures than anticipated. He stated the LMCD has a 50% General Reserve Fund balance policy as of the start of the next budgeted year; providing for the ending Fund balance to be at 56% at the end of 2014. He confirmed the LMCD has maintained this policy for the past five years.
- The Aquatic Invasive Species (AIS) Fund had a flat budget of \$125,000. The Fund ended up with an excess of \$13,478 (\$21,466 in revenue and an excess of \$7,998 in expenses). This was driven by additional funds received from other public agencies to increase watercraft inspections beyond the adopted budget. This resulted in increased expenses in that area being over budget. He stated the LMCD has a 50% AIS Reserve Fund balance policy, which provided for 68% at the end of 2014.
- The Save the Lake Fund had a flat budget of \$44,100. The Fund ended up with an excess of \$8,463 (a revenue shortfall of \$4,341 and a surplus of \$12,804 in expenditures). This was due to

less than anticipated contributions and less expenditure needs than budgeted for in the contingency line item (\$11,800).

- The Equipment Replacement Fund, which provides for future capital equipment purchases, was at \$67,472. He referenced a harvester that was purchased in 2012 that brought the Fund balance significantly down and that \$25,000 was transferred from the General Fund during 2013 and 2014 to increase that fund balance.
- He entertained questions and comments from the Board.

Baasen asked Treasurer Hughes if he had any questions prior to opening this up to the Board.

Hughes preferred to offer comments after the Board's discussion.

Roy directed the Board to pages 20 and 39 of the draft audit. Specifically, capital assets (net of accumulated depreciation) and inquired if there was a more detailed depreciation schedule than what was documented within the audit.

Knopik confirmed a more detailed schedule was provided by staff during the course of the audit. The first line item on page 39 is the total cost of all the machinery the LMCD had purchased with the depreciation line item offering an estimated accounting life on the use of that equipment.

Roy believed that depreciation value should be reflected in the LMCD's monthly summary and balance sheet figures.

McDonald stated, to Roy's point, most businesses account for their depreciation schedule. The complication in this matter is specific to the cash values and financial statements, which is what the Board receives on a monthly basis. The LMCD falls under governmental accounting standards whereby the depreciation values are not a part of the operating budget (cash values). He recognized the fairness of the question but reiterated that value is typically not documented in the monthly financial statements.

Roy expressed concern that the LMCD is taking money out of the budget to replace the harvesters; however, the report is not documenting the degradation of those harvesters.

McDonald offered to work with staff to enhance the monthly report if that is what the Board would prefer.

Nybeck stated that he was not familiar with the detailed depreciation scheduled that Knopik referenced; however, he would be happy to work with Abdo Eick, & Meyers on this request.

Baasen entertained a motion from the Board in reference to Roy's request.

MOTION: Jabbour moved, Green seconded to place the depreciation values within the monthly financial statements.

VOTE: Motion carried unanimously.

Thomas inquired on the inconsistent use of the word "personal" vs. "personnel" on pages 26 and 29 of the

draft audit.

McDonald confirmed that the word "personal" was correctly utilized on page 26 of the draft audit. He stated that word is utilized via the professional government accounting standards and that it was defined as "salaries and benefits." He concurred with Thomas that the two words were inconsistently utilized and that "personnel" should be amended to "personal" on page 29.

Hughes stated that Board member Thomas previously asked a question of him relative to the audit term "disclosure check list." The City of Spring Park (city), in which he represents, utilizes that terminology, as well. He read the following statement offered within the city's audit, "He reported one matter involving the city's internal control over financial reporting that we consider to be a material weakness to the limited size of office staff. The city has limited segregation of duties within certain areas." He recognized the similarities between the city and LMCD's audit and asked McDonald to further expound on this matter.

McDonald stated that the "disclosure check list" refers to financial statements that the auditor prepares. This is a list of accounting standards that need to be incorporated into the statements (70 currently in effect). He stated it was a matter of interpreting each of those accounting standards and making sure the disclosures of those standards are accurately reflected. Most clients are not heavily involved in preparing the financial statements, which are difficult to complete and not an efficient use of their time (offering the need to almost be a full time accountant). Most clients provide for the accountant to create the financial statement and take the consistent documentation of such within their annual audit (recognizing that compensating controls are in place).

Hughes asked Nybeck to provide an overview, for the Board's education, of the LMCD's set procedure in receiving and processing the daily mail (referencing segregation of duties).

Nybeck stated that based on past audits and the notation that there is a deficiency in internal controls, either he or Harper opens the mail. Administrative Clerk Tammy Duncan processes the mail and audit of vouchers, with a second review by Herman and final review by himself. He stated that staff takes the need to incorporate as much segregation as possible (for an office of four) very seriously.

McDonald clarified that the deficiency offered within the 2014 LMCD audit only refers to the preparation of the year-end reports and not the monthly financial summary and balance sheets. He further clarified that the audit did not offer a finding as to how the LMCD processes cash, makes payroll, bills out, etc.

Baasen thanked McDonald and Knopik for their presentation.

B. Hennepin County Sheriff's Office, consideration of 2015 Save the Lake grant proposal

Baasen stated that the LMCD has been working with Sheriff Stanek and representatives from his office to enhance the public safety coverage for Lake Minnetonka. He asked Nybeck for an overview of this agenda item.

Nybeck provided the following comments via a PowerPoint presentation:

- Background information that included: 1) announcing the availability of Save the Lake (STL) funds

on 10/9/14 with a deadline of 12/5/14, 2) three proposals were received (as outlined within his presentation) in which one was from the Hennepin County Sheriff's Office (HCSO) for \$52,164 to provide added law enforcement, and 3) the STL Fund had \$50,394 (25% of the 12/31/13 STL Reserve Fund balance of \$201,576) in available funds.

- The review of the HCSO proposal was considered via the following avenues:
 - December 16, 2014: STL Committee (tabled until after the annual HCSO/LMCD meeting);
 - February 4, 2015: HCSO/LMCD annual meeting (discussed in general terms);
 - February 19, 2015: STL Committee (Lt. Vnuk provided a detailed overview of the Water Patrol's staffing schedule, with the committee not providing a recommendation);
 - March 9, 2015: Meeting with Major Storms and Sandra Westerman, Dir. of HCSO Intergovernmental Relations, with Baasen, Jabbour and himself in attendance. Baasen indicated at this meeting that the HCSO proposal of \$52,164 might be too steep and that any additional coverage provided via the approval of their proposal would be over and above the current baseline coverage. In turn, Nybeck submitted a request to amend their original proposal; and
 - March 11, 2015: LMCD Board Meeting (unanimous support for more coordinated coverage).
- Originally submitted HCSO proposal (\$52,164) included: Memorial Day through Labor Day (peak boating periods); Monday-Thursday (3:00 p.m. to 9:00 p.m.), Friday, Saturday, and holidays (9:00 a.m. – 9 p.m.); 828 total coverage hours (\$63 per hour).

Baasen reinforced that this proposal provided for additional coverage over and above the base coverage already provided.

- Amended HCSO proposal (\$33,264) included: Memorial Day through Labor Day (peak boating periods); no coverage proposed Monday – Wednesday; coverage offered Thursday, Friday, Saturday, and holidays from 1:00 p.m. to 9:00 p.m.; 528 total coverage hours (\$63 per hour).
- He recommended that any approval would require LeFevere to prepare an agreement between the HCSO and LMCD for consideration at the Board's 4/8/15 meeting (reiterating this is coverage over and above the standard baseline coverage for Lake Minnetonka).
- \$35,214 of STL funds remains available.
- He entertained questions and comments from the Board.

Jabbour stated that it would be unfair to describe the proposal as "additional" coverage (offering this proposal provides for a new Lake Minnetonka program). He recognized that it acts as a "catch 22" as the state mandates that the HCSO provide coverage, in which the LMCD is entitled to. He stated that he had previously worked with Hennepin County to provide two additional peace officers (as a single line item), in which he asked why the county would give additional funds if we represent it as "additional" coverage. He believed the LMCD should receive the law enforcement they are entitled to with the ability to substantially augment that option for better coverage. Additionally, the new officer will be fully assigned to Lake Minnetonka (short of a catastrophe off the Lake). Lastly, he stated that if the Water Patrol were to be built today, it would not have been built in the same location based on the response time of 40 to 90 minutes from Spring Park Bay to Wayzata Bay. Therefore, he has vowed to: 1) provide a station in the lower lake that would significantly cut the response time down and 2) further promote the HCSO Special Deputy Program by establishing a more attractive package for the volunteers.

Baasen referenced Jabbour's comment (made at a prior meeting) that Maynards, Lord Fletchers, and Cruisers Cove (Big Island) make up the Bermuda Triangle of Lake Minnetonka, which offers a very busy traffic flow. He further stated that this program may encourage additional stakeholder partnerships.

Hughes questioned if the proposal would be for a sworn deputy that could make driving while intoxicated (DWI) arrests, in which Lt. Kent Vnuk, who was in attendance, confirmed it would.

Baasen thanked Lt. Vnuk for attending this meeting and invited him to address the Board.

Lt. Kent Vnuk, representing the HCSO Water Patrol, stated that he was pleased to be representing the amended proposal being considered at this meeting. He stated that he lives in the area, keeps a boat on the Lake, and has served with the Water Patrol Unit for seven years. He further expounded on what he had offered to the STL Committee on February 19th. To this end, he made the following comments:

- The Boat and Water Safety Act mandates the Sheriff of each county provide law enforcement (including search and rescue).
- The HCSO Water Patrol Unit is the largest unit in the Midwest. The unit maintains eight licensed peace officers (six deputies, a sergeant, and himself); with Vnuk and the sergeant providing 100% and 50% of administrative duties, respectively.
- The HCSO is responsible for all water related incidents in Hennepin County (104 lakes and three rivers). This also includes incidents pertaining to hot tubs and pools (in which he named examples of).
- Two deputies are assigned to the day shift with four providing for night coverage. During the day, two boats (one on Lake Minnetonka and one hooked to a trailer) stand ready; however, the deputies do not stray far from the site based on the need to provide an efficient response time for calls that may be received. During the night shift, one deputy is assigned to Lake Minnetonka (with the remaining deputies responsible for the county-wide calls).
- HCSO expends approximately 85% to 90% of their resources to Lake Minnetonka. He acknowledged that stakeholders from other bodies of water express concern for their lack of presence; however, they do the best they can with the amount of coverage offered.
- Special deputies are increasing (recently welcoming six new special deputies). His goal is to increase the current number of special deputies from 25 to 50 by the end of the year; acknowledging that they will definitely reach 40 special deputies. He recently invited some formerly retired special deputies to re-join the force, in which they did.
- To this end, the HCSO proposal currently being considered will provide great benefit to Lake Minnetonka (even with the proposed increased number of special deputies).
- He entertained questions and comments from the Board.

Jabbour asked Vnuk to expound on the proposed satellite station.

Vnuk stated that Jabbour worked with Major Storms on setting up a Water Patrol satellite station at the Shorewood Yacht Club. This matter was raised based on the response time concerns during last year's historical high water levels. He stated that although they are exempt from traversing at regulated speeds during an emergency, the public continues to question their ability to do so (even with the lights and

sirens activated) via multiple complaint calls at one time. Therefore, the HCSO is working with Jabbour to place a boat at the Shorewood Yacht Club, which would cut down on response times. This option also saves about 25 minutes of navigation time through the quiet water areas during non-emergency periods to reach that area of the Lake. Additionally, it would be a plus to have a visual of that area at all times.

Shuff referred to a prior comment that there is more activity in the evening. She asked if that was true for Lake Minnetonka.

Vnuk stated that Lake Minnetonka's boating traffic generally starts picking up at 1:00 p.m. Mooring at Big Island is busy by 2:00 p.m., in which it quiets down for dinner between 5:00 p.m. and 6:00 p.m. The more serious time of the day is between 10:00 p.m. and 11:00 p.m. when patrons are leaving Maynard's and Lord Fletcher's (offering violations of the quiet water areas and boating accidents).

Jabbour stated that when the legislature mandated that certain bars could stay open until 2:00 a.m., he worked very diligently to have Maynard's and Lord Fletcher's close at the same time to prevent a surge of traffic from one location to the other. Additionally, he was told that Lake Minnetonka is one of the safest lakes in the United States for its size. However, he believed that status was slipping based on the decrease in special deputies and the loss of three deputies from the Three Rivers Park District that used to patrol the islands. It is his understanding that they are going to be re-activated this year.

Baasen expressed the Board's appreciation for expanding their Special Deputy Program.

Vnuk confirmed that program offers four additional boats just for Lake Minnetonka. He stated the special deputies are assigned to a crew that works every other Saturday or Sunday from 10:00 a.m. to 6:00 p.m. The HCSO try to get special deputies in beyond that; however, many of them also volunteer for side teams (water recovery, swift, sonar, etc.) that mandate their time over and above every other weekend. Those individuals are already volunteering 80 to 90 hours a year; therefore, having them come in for additional coverage time over and above their assigned weekend is difficult.

Thomas complimented the HCSO for doing a terrific job with the amount of staff provided. He asked if the amended proposal substantially changed from what was discussed at the HCSO/LMCD's February 4th annual meeting (i.e., adding more specific coverage requirements vs. offering funds that would be absorbed into the current coverage).

Baasen confirmed the proposal being considered at this meeting has substantially changed from the original proposal submitted last winter. He further stated that based on the February 4th meeting, he and other representatives met with Storms and Vnuk to provide for a coordinated coverage proposal (encompassing all their programs and logistics to find the best coverage needs).

Vnuk confirmed the approval of the amended proposal would provide for additional enforcement over and above the staffing previously mentioned. Additionally, the Minnesota Department of Natural Resources (MN DNR) annually provides a grant for an additional peace officer, which is typically assigned to Lake Minnetonka.

Green supported approving the amended proposal and thanked Vnuk for presenting this evening. He

believed the presence of officers on the Lower Lake would be a significant enhancement and thanked Jabbour for offering Shorewood Yacht Club as a satellite station. He questioned if, for whatever reason, the amended proposal was not approved, would the presence on Lower Lake still be possible.

Vnuk confirmed that option would still be viable. However, if the amended proposal was not approved, the current coverage would then be reallocated in different areas of the Lake.

Green believed that the satellite option would enhance the Special Deputies Program (providing for a more attractive package that could offer additional program training partnerships).

Baasen reiterated a comment previously offered by Storms, in which the approval of this proposal will provide benefits beyond what is proposed.

Jabbour confirmed that the planning of the satellite was independent of the proposal under discussion. He stated that one cannot win the war with just one issue and credited the HCSO for taking action to address coverage concerns. He believed that the coverage was back on track.

MOTION: Roy moved, Hughes seconded to direct LeFevere to prepare an agreement approving the HCSO Save the Lake amended grant proposal in the amount of \$33,264.

Lang stated that while in favor of this proposal, he asked if the ultimate goal was to demonstrate to the State of Minnesota how Lake Minnetonka's public safety had improved (warranting additional state funds).

Vnuk stated the primary funding for the Water Patrol comes from the Hennepin County Board. He stated Sheriff Stanek regularly requests additional funding from the Hennepin County Board for more staffing; however, he is regularly denied based on budget allotments.

Jabbour stated that he understood the Hennepin County Board had hired a consultant; however, he does not think they are looking to expand the budget.

Baasen stated the next step is to take a serious look at how the proposed program is working prior to consideration of municipal budgets. This does not always have to come from the same source of funding (acknowledging it does fit the STL's mission).

Vnuk confirmed the HCSO will provide detailed documentation of their services to this program. Lastly, he recommended the hours proposed in the agreement (1:00 p.m. to 9:00 p.m.) be amended to add two hours either way due their normal shift time resulting in 10 vs. eight hours.

VOTE: Motioned carried unanimously.

Hughes asked if the sworn MN DNR conservation officer will be on the Lake and can that person enforce the LMCD ordinances.

Vnuk confirmed a sworn MN DNR officer will be on Lake Minnetonka; however, they are required to issue

citations based on state law.

Baasen thanked Vnuk on behalf of the Board.

C. Timetable for 2016 LMCD Budget Process

Baasen asked Nybeck for an overview of this agenda item.

Nybeck directed the Board to the staff memo, dated 3/18/15, which outlined the proposed timetable for the 2016 budget process. He made the following comments:

- He referenced Minnesota Statute 103B.635 which outlines the LMCD's funding. Specifically, he referenced Subd. 1 that requires the Board to, on or before July 1 of each year, prepare and submit a detailed budget of the LMCD's needs for the next calendar year to the governing body of each member city.
- The LMCD typically initiates the budget process by holding a workshop session in the office prior to the initial review of such at an LMCD Regular Board meeting (scheduled for April 22nd). He recommended that workshop be scheduled between April 10th and April 16th.
- At the April 22nd Board meeting, a budget is typically received and staff is directed to distribute such to the member cities for their review and comments. He reminded the Board that some member cities only have one city council meeting per month.
- A meeting is planned for June 4th in the LMCD office to review and discuss the budget with member city officials.
- Final review and approval of the budget is planned for the June 10th Board Meeting. This meeting is typically scheduled to allow for a back-up date should future quorum issues exist. If needed, a final review is possible at the June 24th Board Meeting.
- A draft budget is currently being prepared and he anticipated that more than one option will be available for Board consideration.
- He entertained questions and comments from the Board, in which there were none.

10. UPDATE FROM STANDING LMCD COMMITTEES

Hughes stated the Public Safety Committee has met to further discuss the proposed amendment to the High Water ordinance (providing an overview of the Board's discussion). The committee will be bringing further recommendations to the Board, which will include the recommendation for a subsequent public hearing.

Baasen questioned if the Board could consider this prior to the boating season, in which an agenda item was scheduled for the April 8th Board meeting.

Green stated he was working with Harper on the upcoming Eurasian Watermilfoil Harvesting Program.

Baasen stated the Executive Committee met with two additional Board members to outline the year-end review process of the Executive Director, which will be brought forward to the Board at the April 8th meeting.

Hughes asked Nybeck to provide an overview of the recent banking depository change from 4M to Beacon.

Nybeck stated the transfer to Beacon Bank has transpired, in which staff had provided positive comments relative to working with their system. He stated that a Finance Committee will be scheduling a meeting in the near future to consider the depositing of additional Certificate of Deposits (CD).

Baasen stated Beacon Bank guarantees any needed collateralization of the funds based on the LMCD's approved investment policy. Additionally, they recognize the LMCD as a public agency. Therefore staff and the Board Officers do not have to provide personal documentation for the depositing of funds into a CD (as outlined within the Patriot Act requirements).

11. EXECUTIVE DIRECTOR REPORT

Nybeck reported on two matters. First a Water Quality Seminar will be held on April 8th, which is the same day as a regularly scheduled LMCD Board meeting. He asked any Board members interested in attending to communicate such so that he can confirm a quorum of the LMCD meeting will be present. Second, he was working with Baasen, Zorn, Jewett, and Jabbour in identifying contractors for facilitating the strategic planning process.

Baasen acknowledged both quality and time are important in this matter. He encouraged the Board to offer any recommendations of professionals they may have in mind.

Zorn stated that she had a couple community contacts and expressed an interest in that the solicited proposals offer apples to apples.

Nybeck stated the LMCD did not provide a scope of service when proposals were discussed with possible contractors. The thought process for this was to allow the contractor the ability to propose the scope of work, timeline, etc.

12. OLD BUSINESS

Jabbour stated that he would like to talk further about the survey being performed with the Carlson School of Business as that matter seemed to be misconceived. He urged the Board to understand that the reaching out to the community can deliver beyond the LMCD's needs. He had been mentored in this process and had worked with them on similar projects such as this (in which he named). He did not recall asking the LMCD to be directly involved. He had asked the school to do a "need" study, in which his involvement is only to get the school to focus on the LMCD's value (where the LMCD excels) and to ascertain what the community's perception of the LMCD is (acknowledging the school could toss those efforts out). He believed there is a perception that those that are involved are going to skew the process, which was unrealistic and unfair for a premier college within this state. He stated he started this project prior to even considering serving on the Board and is involved in at least 50 other independent projects. He confirmed the class had already started. He reiterated that he previously asked Skramstad if he would like to be involved (prior to serving on the Board). Skramstad attended the first meeting; after which, he expressed the lack of need for him to continue. Jabbour informed him the door would remain open should he change his mind. He further stated that he is a strong believer in being squeaky clean; acknowledging he did not want to violate Open Meeting Law (OML). If this body assigned a committee to this task, he would have to post each gathering. He personally found

great value in participating in projects such as this. In regards to this survey, he had invited Zorn to personally be involved and expressed an interest in her taking it over. To this end, he wanted the Board to know that they will have the ability to participate when asked. He stated he would never sneak anything around the Board and will take pleasure in reporting the completed project.

Baasen stated that he did not off any communication that provided suspicion of Jabbour. He met, as a representative of the Board, with Jabbour and representatives of the school. He left that meeting impressed with what was offered and recognized the need for timing. He believed that the only difference that he and Jabbour may have, if there is a difference at all, is the interest in the LMCD having some involvement as this matter is about the LMCD. For this reason, he reiterated that he, no more than a week ago, spoke with Skramstad on the idea of representing the LMCD relative to this survey, in which Skramstad stated that he was uncomfortable representing the LMCD unless the Board approved such. He stated he would be comfortable with Zorn, who is a member of this Board, as well as a member of the Strategic Planning Committee, representing the LMCD should the Board approve such.

Jabbour stated Zorn is not acting as a representative of the Board in this capacity but as a fellow resident of the community, which prevents any violations of the OML.

Baasen and Jabbour asked LeFevere to confirm if two members of this Board (Zorn and Jabbour) can actively participate in this project without posting the gatherings.

LeFevere stated that if the Board members do not have any status or authority given by action of the Board but just happen to be on the Board, then there are no legal concerns. However, if the Board is approached on this matter, the gathering would have to be posted. He further stated that complying with the OML is not difficult; one must decide when and where the meeting will be held and then post notice.

Zorn stated that she was a former student of the Carlson School of Management. These are students who are looking to take on a project and gain some insight on the matter at hand. Upon acceptance, it is their project to take whatever direction they deem necessary. She was 110% confident that these students are competent to handle this project with staff available to guide them when needed. As questions arise, the students will call Jabbour or herself. She stated they may suggest an additional survey be completed in the future. But at this time, she had no hesitations in offering her service to streamline the project.

Jabbour stated that the MN DNR held a recent service provider training session in which 80 people were in attendance. Additionally, they will be holding a decontamination session at Tonka Bay Marina the second week in June. He welcomed the Board to attend.

13. NEW BUSINESS

There was no new business.

14. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:08 p.m.

Dan Baasen Chair

Gregg Thomas, Secretary