

**LAKE MINNETONKA CONSERVATION DISTRICT  
BOARD OF DIRECTORS**

7:00 P.M., March 24, 2021  
Wayzata City Hall

Due to COVID-19 Guidelines, pursuant to a statement issued by the presiding officer (Board Chair) under Minnesota Statutes, section 13D.021, the meeting was conducted remotely through electronic means using Zoom. The LMCD's usual meeting room was not open or available to the public or the Directors.

**WORK SESSION**

6:02 p.m. to 6:30 p.m.

**Members Present:** Gregg Thomas, Tonka Bay; Rich Anderson, Orono; Ann Hoelscher, Victoria; Bill Cook, Greenwood; Ben Brandt, Mound; Gary Hughes, Spring Park; Michael Kirkwood, Minnetrista; Dennis Klohs, Minnetonka Beach; Mark Kroll, Excelsior; Denny Newell, Woodland; Nicole Stone, Minnetonka; Jake Walesch, Deephaven, and Deborah Zorn, Shorewood (arrived at 6:15 p.m.). Also present: Troy Gilchrist, LMCD Legal Counsel; Vickie Schleuning, Executive Director; and Matt Cook, Environmental Administrative Technician.

**Members Absent:** Dan Baasen, Wayzata.

**1. Board Self-Evaluation Review**

Chair Thomas stated that a self-evaluation SurveyMonkey was distributed to the Board in December and welcomed additional insight. He stated that the survey included open ended questions related to future accomplishments in the next five and ten years. He noted that the results were forward to Zorn to assist with updating the Strategic Plan. He stated that while the full Board received the survey, only eight members responded.

Klohs stated that this is similar to the review of the Executive Director review in that all 14 members should be responding. He asked if there is anyone present that did not complete the survey and would provide insight.

Walesch replied that he did not see the link through email, the same as the Executive Director review. He confirmed that he gets other emails from the LMCD and Board but is unsure why he does not receive the survey links.

Thomas commented that although SurveyMonkey was used as the tool, the email was sent from Schleuning.

Schleuning confirmed that she included the link within an email to prevent it from being bounced back as spam for members. She noted that the surveys were sent in two separate emails, one for the self-evaluation and one for the Executive Director review.

Walesch apologized for missing the emails. He agreed that everyone should be completing the surveys.

Hoelscher stated that she received the email on December 14, 2020.

Brandt asked if the survey could be reopened and resent to provide the six additional members time to complete the questions.

Thomas and Schleuning agreed that could be done.

Klohs agreed that it would be more constructive to have the input of all members.

Kroll commented that he would also like to receive the email.

Hughes commented that he also did not complete the survey. He stated that he has been on the Board for about ten years and has been more impressed with the recent work of the Board and the new creation and format of Subcommittees. He stated that he often misses emails, noting that he had to request Schleuning to send another link for the meeting tonight.

Thomas asked Schleuning to send the email link out again. He asked and received confirmation that staff would be able to merge the answers together from the two groups of respondents. He asked that everyone fill it out within two weeks. He noted that this will come back to the Board after that time in an attempt to have a more thorough discussion. He reviewed a few of the questions and asked for input.

Kirkwood commented that he was intrigued by the answers received thus far. He referenced question 32, asking for ideas for the next year, and believed that should be further discussed in the future in order to put some of those ideas into action.

Thomas agreed and noted that is why he sent those responses, along with the three-to-five-year responses, to Zorn to assist in updating the Strategic Plan. He commented that he found more value in the free response questions rather than the multiple-choice responses. He asked for input on the weighted scores.

Schleuning explained how the rating was done and how scores were weighted per priority response.

Kroll stated that he likes that some "soft ball" questions were included as that helps to tell if someone has been paying attention.

Newell commented that there did seem to be some redundancy in some of the questions.

Klohs commented that one week should be sufficient for anyone to complete the survey at this time.

Anderson agreed that if the survey was sent out tonight with one week to respond, that should be sufficient to bring this back at the next meeting.

The work session was adjourned at 6:30 p.m.

**FORMAL MEETING  
7:00 P.M.**

**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; Gary Hughes, Spring Park; Michael Kirkwood, Minnetrista; Dennis Klohs, Minnetonka Beach; Mark Kroll, Excelsior; Denny Newell, Woodland; Nicole Stone, Minnetonka; Jake Walesch, Deephaven; and, Deborah Zorn, Shorewood. Also present: Troy Gilchrist, LMCD Legal Counsel; Vickie Schleuning, Executive Director; and Matt Cook, Environmental Administrative Technician.

**Members absent:** None.

**Persons in Audience:** Representative Patty Acomb, Eric Evenson, Jay Soule, Gabriel Jabbour, John Bendt, and Tyler See.

**4. APPROVAL OF AGENDA**

**MOTION:** Kroll moved, Stone seconded to approve the agenda as submitted.

**VOTE: A roll call vote was performed:**

Anderson	aye
Baasen	aye
Brandt	aye
Cook	aye
Hoelscher	aye
Hughes	aye
Kirkwood	aye
Klohs	aye
Kroll	aye
Newell	aye
Stone	aye
Thomas	aye
Walesch	aye

Zorn            aye

Motion carried unanimously.

## 5. CHAIR ANNOUNCEMENTS

There were no Chair announcements.

## 6. PUBLIC PRESENTATIONS

### A) Representative Patty Acomb

Stone provided background information on Representative Patty Acomb along with the cities she represents and her committee assignments.

Representative Patty Acomb commented that she is serving her second term and reviewed her current committee assignments. She stated that she has a heavy focus on environmental issues. She welcomed any questions the Board may have.

Thomas referenced a bill that was introduced in the Senate and House that would have placed restrictions on wake boats, which has been a trending topic with passion on both sides. He stated that the LMCD submitted comments in opposition but did not believe the bill is moving forward this year.

Representative Acomb commented that the bill has not yet had a hearing and noted that the last day for hearings of potential bills is the following day. She believed that the issue stalled as there was a desire to receive more science to base the decision upon. She also recognized that there are strong opinions on both sides of the issue. She commented that she wants to ensure that resources are protected and therefore would like to see what the science says is needed to protect resources.

Thomas agreed that more science is needed before enacting regulations. He appreciated Representative Acomb attending this meeting. He explained that one of the motives in inviting Representatives to attend is to create relationships and open lines of communication.

Representative Acomb agreed that building relationships is always important and stated that she would love to hear from the Board or individuals with any concerns that may arise.

Stone commented that she was brand new to the Board, but someone reached out to Representative Acomb in January 2020 and thanked her for being very responsive.

Representative Acomb commented that sometimes her emails are abundant, but she attempts to reply to everyone.

Thomas commented that Representative Acomb's background seems to fit nicely with the issues the LMCD is

concerned with.

Representative Acomb provided background information on her knowledge of aquatic invasive species and noted that as those continue to change, that information should be regularly updated in order to prevent the spread and increase awareness.

**7. APPROVAL OF MINUTES-** 03/10/2021 LMCD Regular Board Meeting

**MOTION:** Thomas moved, Brandt seconded to approve the 03/10/2021 LMCD Regular Board Meeting minutes as submitted.

**VOTE: A roll call vote was performed:**

Anderson	aye
Baasen	aye
Brandt	aye
Cook	aye
Hoelscher	aye
Hughes	aye
Kirkwood	aye
Klohs	abstain
Kroll	aye
Newell	aye
Stone	aye
Thomas	aye
Walesch	aye
Zorn	aye

Motion carried unanimously.

**8. APPROVAL OF CONSENT AGENDA**

Schleuning stated that she received some questions related to the AIS Committee and therefore would like to remove Item 7D from the consent agenda.

**MOTION:** Walesch moved, Brandt seconded to revise the Consent Agenda to remove Item 7D and consider that under New Business.

Further discussion: Anderson asked if the Save the Lake Committee members were approved at the last meeting.

Schleuning confirmed that to be true.

**VOTE: A roll call vote was performed:**

Anderson	aye
Baasen	aye
Brandt	aye
Cook	aye
Hoelscher	aye
Hughes	aye
Kirkwood	aye
Klohs	aye
Kroll	aye
Newell	aye
Stone	aye
Thomas	aye
Walesch	aye
Zorn	aye

Motion carried unanimously.

**MOTION:** Baasen moved, Kirkwood seconded to approve the consent agenda as amended, making the change noted above by Walesch. Items so approved included: **7A)** Audit of Vouchers (03/16/21 – 03/31/21); **7B)** Save the Lake Contribution Resolution; **7C)** Executive Director Performance Review; **7D)** Resolution Authorizing Appointment of Committee Members; and **7E)** Approval of 2021 Alcoholic Beverage License Renewals Resolution.

**VOTE: A roll call vote was performed:**

Anderson	aye
Baasen	aye
Brandt	aye
Cook	aye
Hoelscher	aye
Hughes	aye
Kirkwood	aye
Klohs	aye
Kroll	aye
Newell	aye
Stone	aye
Thomas	aye
Walesch	aye
Zorn	aye

Motion carried unanimously.

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

There were no public comments.

**10. PUBLIC HEARING**

There were no public hearings.

**11. OTHER BUSINESS**

There was no other business.

**12. OLD BUSINESS**

There was no old business.

**12. NEW BUSINESS**

**A) 2020 Financial Audit: Annual Presentation**

Schleuning introduced the auditor.

Tyler See, representing Abdo, Eick and Meyers, introduced himself and reviewed the 2020 audit results. He stated that they are issuing an unmodified or clean opinion on the financial statements. He stated that there were no issues to report related to legal compliance. He stated that there was one internal control finding related to preparation of financial statements, noting that the firm completes the financial statements and therefore it is a reoccurring finding and common for organizations of this size. He provided additional details related to the General Fund, Invasive Species Fund, Save the Lake Fund, and Equipment Replacement Fund.

Thomas commented that in previous audits there was a finding that the organization lacks segregation of duties, which he did not see in this audit.

See replied that a few years ago the firm felt that because of the involvement of the Board Treasurer that finding was no longer needed in the audit.

Kirkwood asked if money could be moved between the funds.

See commented that would be called an interfund transfer which could be done in the budget or by resolution of the Board.

Kirkwood asked if that has been done in the past or whether that has been avoided.

Cook commented that historically the Board has made transfers between the reserve funds and their respective accounts regularly. He used the example of moving funds from the AIS reserve to the AIS fund. He stated that there has not been a need to transfer between the funds, using the example of transfers from the AIS fund to the general fund, but believed that could be done if desired.

Anderson asked if the Save the Lake fund is different.

Cook commented that if a transfer were going to be made from Save the Lake to the General Fund, the Board would want to be careful about that as that fund is funded by donations from the public whereas the source of funds for the other funds is contributions by member cities.

Thomas noted that there was an industry standard shown relating to the General Fund balance but commented that was not shown for the AIS Fund.

See replied that he used the fund balance policy to create that industry standard, which is specific to the general fund for the LMCD.

Anderson asked for clarification on the finding related to the preparation of financial statements. He asked if it would be suggested to audit quarterly, which the auditor could use in their annual review.

See commented that would be a different idea and stated that while they do quarterly reporting for some clients, an audit is typically an annual process. He explained that they use the information the organization has from QuickBooks and then has to manipulate that data in order to fit into the reporting, which takes additional time.

Anderson stated that if the finding continues to occur, he would want to know if there is a reason to correct that.

Thomas commented that See commented that this is a common finding and that the firm completes this work for many small organizations as they lack the staff to complete that task internally.

See confirmed that it is more common than not to have this finding for small organizations because of the work that is necessary to prepare the financial reports.

Anderson asked for clarification on the General Fund balance comparisons that were referenced in the report.

See clarified that the presentation compared that unassigned fund balance to the budgeted expenditures of the next year while the other figure in the report compared that to the 2020 expenditures.

Anderson asked if the firm makes a recommendation on the range of the other fund balances.

See commented that would depend on what the organization plans to spend those funds on in the future. He noted that it is good to have reserves available for unexpected expenses. He believed that it would be good for the Board to discuss the fund balance policy to make those decisions. He stated that the 30 to 50 percent range is the



approved LMCD policy and is typically the range most municipalities fall under as well.

Baasen commented that a transfer was authorized from the General Fund to Save the Lake and asked if that was for 2020 or 2021.

Cook believed that was for 2021.

Baasen referenced the Save the Lake figures included in the report. He commented that there was a donation designated for the Water Patrol and asked if both the contribution and outgoing funds were reported. He stated that he would like to review the Save the Lake fund more in detail to ensure all reporting was done correctly as he did not think the fund should have ended negative \$14,000. He referenced the current resolution that relates to the Save the Lake reserve fund and noted that should be reviewed if the overall policy is reviewed to ensure that remains consistent.

Schleuning noted that the designated contributions to the Water Patrol made through Save the Lake were reflected in both revenue and expenses. She believed that this would be a good time to review the investment and other financial policies now that the audit has been completed. She noted that Save the Lake can review its policy and Finance could review the investment policy.

Baasen confirmed that he would add that to the list for Save the Lake.

Anderson noted that he would add that to the list for the Finance Committee.

Thomas thanked See for his presentation of the audit.

See thanked the Board for allowing him to make the presentation.

#### **B) Resolution Authorizing Appointment of Committee Members**

Thomas recognized that the Save the Lake members were approved at the last meeting but noted that this would formalize that further through resolution. Schleuning noted that this item was added to the agenda at the meeting, therefore, the resolution could not be prepared for the meeting. She referenced the note under the committee name indicating this was a ratification of approval.

Walesch recommended that the AIS Committee only be comprised of LMCD Board members to allow a few meetings of the group to determine how many additional members outside of the Board should be allowed in the group. He believed there would be benefit in having Board level discussions to determine the appropriate course forward. He believed that while Tom Frahm would be a good addition in the future, he would suggest he not be included at this time.

**MOTION:** Walesch moved, Zorn seconded to remove non-LMCD Board members from the AIS Committee at this time.

Further discussion: Kirkwood asked the motivation behind the change proposed.

Walesch explained that the only motivation is that he believes it would be more appropriate for some of the initial items to be discussed by only Board members. He stated that he has received additional calls suggesting non-Board members and therefore the Committee should have time to discuss the optimal number of non-Board members and what the appropriate term length would be. He stated that if the TAG group is going to remain active, he would also want to avoid redundancy between the two groups.

Kirkwood stated that he understands that reasoning.

Thomas commented that the other Committee with non-Board members, Save the Lake, had the ability to provide a recommendation on the non-Board members and therefore AIS should be allowed to follow that same format.

Newell commented that while he agrees with this logic, he asked if there is a sense of immediacy that the group should have some direction as the summer season approaches.

Walesch confirmed that sense of urgency. He believed that the next meeting should be scheduled within the next two weeks for the group to begin.

Anderson confirmed that a similar process was followed for the Save the Lake and believed it would make sense for AIS to follow that format as well.

**VOTE: A roll call vote was performed:**

Anderson	aye
Baasen	aye
Brandt	aye
Cook	aye
Hoelscher	aye
Hughes	aye
Kirkwood	aye
Klohs	aye
Kroll	aye
Newell	aye
Stone	aye
Thomas	aye
Walesch	aye
Zorn	aye

Motion carried unanimously.

**MOTION:** Zorn moved, Brandt seconded to adopt the resolution authorizing appointment of committee

members as amended.

**VOTE: A roll call vote was performed:**

Anderson	aye
Baasen	aye
Brandt	aye
Cook	aye
Hoelscher	aye
Hughes	aye
Kirkwood	aye
Klohs	aye
Kroll	aye
Newell	aye
Stone	aye
Thomas	aye
Walesch	aye
Zorn	aye

Motion carried unanimously.

### 13. TREASURER REPORT

Anderson reported that within the packet were the minutes of the Finance Committee meetings and provided a highlight of the January 12<sup>th</sup> discussion. He also provided a summary of the discussion that took place at the March 5<sup>th</sup> Finance Committee meeting. He also reviewed the recommendations from the Finance Committee related to the different funds. He stated that the Finance Committee will meet again on April 2<sup>nd</sup>.

Thomas explained that the Committee meeting minutes are approved by the Committee at its next meeting.

Anderson stated that his intent is to share the information with the Board as agreed upon by the Committee in order to begin the discussion earlier.

Thomas clarified that the Board simply notes the Committee meeting minutes and does not approve those minutes. He explained that the Committee minutes could be attached to the Board packet as a draft, if agreed upon by that Committee. He commented that while the minutes may not be able to appear in the Board packet immediately following the Committee meeting, there are two Board meetings a month.

Gilchrist commented that he agrees that the Committee approves its own minutes and that draft minutes could be included in the packet so long as they are marked draft. He commented that if a Committee has a proposal it wants to forward to the entire Board, it would not need to wait until the minutes of that Committee meeting are approved. He stated that the Committee can propose an action to go before the Board at its next meeting. He commented that the notation of the Committee meeting minutes does not mean the items discussed within those minutes are

approved, clarifying that action items would need to come forward formally. He stated that the Board could discuss the process that should be followed by Committees to propose action by the Board.

Thomas commented that he would want to see the proposal in writing. He used the example of a proposal from the Communications Committee, which was sent out in advance of the meeting, was discussed in worksession, and then had action on the regular Board agenda.

Schleuning asked if Gilchrist would be suggesting that the minutes or information could be sent directly to other Board members prior to the meeting, as that would seem in violation of the open meeting law.

Gilchrist clarified that the draft minutes are not secret until the next meeting and should be forwarded to staff. He commented that if the Board wants to see the draft minutes, they could become part of the Board packet. He agreed that discussions between meetings would need to be limited to less than a quorum and not serial meetings, therefore distribution of documents should go through staff.

Stone commented that the document proposed by Anderson does a good job of identifying the discussion that took place and the additional discussions that will be needed related to funds and the changes related to harvesting and the sale of that equipment. She agreed that the ideas conveyed in the document represent the consensus of the Finance Committee. She commented that the Committee will complete its minutes quickly, review them and then provide them to staff for distribution.

Newell commented that he believes the Finance Committee meetings are well run, following an outline of the agenda, and which discussion of the members occurring to draft the minutes.

Gilchrist commented that someone should be appointed to draft the minutes of the Committee meeting and that person should do their best job. He noted that the draft could then be provided to the Committee members who could then provide their comments prior to the approval of those draft minutes. He stated that the opportunity to discuss those minutes should occur at the next Committee meeting and consensus of the language of the minutes should not occur between meetings.

Anderson commented that it was his thought that the number of members is limited in order to avoid having a quorum involved in the discussion. He commented that it was his understanding that the Committee members could have discussion outside of Committee meetings.

Gilchrist commented that the suggestion to keep the number of Board members limited on Committees is to prevent a situation where a quorum of the Board is triggered by a Committee. He stated that because the Committees are appointed standing committees by the Board, those groups themselves are subject to the open meeting law and therefore when there is a quorum of a Committee discussing Committee business that would trigger the open meeting law, which is why those members should not have discussion outside of their Committee meeting.

Thomas noted that the Committee can set its own meeting schedule, should it want to move more quickly.

Cook commented that the increase to the AIS reserve fund would be similar this year as to what it was in 2020 and

therefore the reserve balance would continue to get more out of alignment. He agreed that Anderson did a good job of reviewing the results of the audit related to the increasing reserve balances.

Kirkwood asked when the full Board has a chance to discuss and vote on what money should be spent where. He noted that there were many suggestions made by the Finance Committee that would seem necessary to be reviewed by the Board.

Thomas confirmed that discussion would need to occur and should be brought forward in a recommendation or proposal to the Board from that Committee.

Hoelscher noted that typically the Finance Committee makes recommendations, and the Board has discussion on the policy and other finance items prior to the budget discussion.

Anderson confirmed that the Finance Committee does have the budget timeline and is working towards that.

#### 14. EXECUTIVE DIRECTOR UPDATE

Schleuning provided the following information:

- Aquatic plant harvesting equipment sale deadline is March 31<sup>st</sup>. She stated that she will need a few Board members to attend on Zoom for the opening of the bids that afternoon.
- Inquiries received related to the new Coast Guard regulations for ESOS and it won't affect Lake Minnetonka at this time. ESOS are already required for PWCs in Minnesota.
- Gray's Bay Dam update. Due to less precipitation the dam is not being deiced this spring.
- Alcoholic beverage training will occur again on Zoom this year on March 30<sup>th</sup> at 2:00 p.m.
- Ice is melting rapidly recently and is not safe.

#### 15. STANDING LMCD COMMITTEE/WORKGROUP

Aquatic Invasive Species: Cook commented that the group is in the process of scheduling its next meeting and will be discussing the TAG meeting they would like to setup.

Communications: Hoelscher reported that the group will meet the following day.

Finance: No additional report.

Operations: Hoelscher stated that Zorn asked the Committee Chairs to discuss the Strategic Plan items related to that committee and send updates to Zorn. She stated that the group will meet again the third Tuesday of the month.

Save the Lake: Baasen reported that the group has not met since his last report. He stated that the next meeting is schedule for the first week in May. He believed a meeting would be scheduled in April to discuss the solicitation letter in order to send that out in a timely manner. He commented that this Committee follows the direction given by the Board of Directors and although they value the recommendations of other committees, they look for the full Board to certify or ratify that direction.

Klohs commented that there was a lot of discussion tonight related to fund balance increases but noted that those funds would most likely be dissipated quickly following the direction from the TAG meeting.

**16. ADJOURNMENT**

**MOTION:** Kroll moved, Baasen seconded to adjourn the meeting at 8:44 p.m.

**VOTE: A roll call vote was performed:**

Anderson	aye
Baasen	aye
Brandt	aye
Cook	aye
Hoelscher	aye
Hughes	aye
Kirkwood	aye
Klohs	aye
Kroll	aye
Newell	aye
Stone	aye
Thomas	aye
Walesch	aye
Zorn	absent

Motion carried unanimously.

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Gregg Thomas, Chair

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Dan Baasen, Secretary