



LAKE MINNETONKA CONSERVATION DISTRICT

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

AGENDA WORK SESSION AND FORMAL MEETING LAKE MINNETONKA CONSERVATION DISTRICT Wednesday, March 24, 2021

Join Zoom Meeting

<https://us02web.zoom.us/j/81143263480?pwd=TkhoN0VGcUg2dkNnV1dpU2ZSYXRqUT09>

Dial by your location

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

Meeting ID: 811 4326 3480

Passcode: 904903

Pursuant to a statement issued by the presiding officer under Minnesota Statutes, section 13D.021, the meeting will be conducted remotely using electronic means. The LMCD's usual meeting room will not be open to the public or the Directors. The LMCD will be using Zoom platform to conduct the meeting remotely. More details about how to use Zoom is available on the website at www.lmcd.org.

PUBLIC PARTICIPATION

Those desiring to participate in the meeting should complete the online form by 2:00 p.m. prior to the meeting. If you are invited to speak at the *Public Comments* Section or *Agenda* Item: 1) Indicate your desire to be heard by "raising hand" through Zoom, 2) Direct comments to Chair Gregg Thomas, 3) Be concise and courteous. The Chair may choose to reorder the agenda for a specific agenda item if it would benefit the needs of those in attendance. People who are disruptive will be expelled from the meeting. If you have questions, please email the Executive Director at vschleuning@lmcd.org.

WORK SESSION AGENDA

6:00 p.m.

The purpose of the Work Session is to allow staff to seek input from the Board and for the Board to discuss matters in greater detail than generally available at the formal Board Session. The Board may give staff direction or express a preference, but does not formally vote on matters during Work Sessions. While all meetings of the Board are open to the public, Work Session discussions are generally limited to the Board, staff, and designated representatives. Work Sessions are not videotaped. The work session may be continued after the formal meeting, time permitting.

1. 2020 Board Self-Evaluation Review

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) PUBLIC PRESENTATIONS**
 - A) Representative Patty Acomb
- 7) APPROVAL OF MINUTES** (03/10/2021 LMCD Regular Board Meeting)
- 8) APPROVAL OF CONSENT AGENDA**
 - A) Audit of Vouchers (03/16/2021 – 03/31/2021)
 - B) Save the Lake Contribution Resolution
 - C) Executive Director Performance Review
 - D) Resolution Authorizing Appointment of Committee Members
 - E) Approval of 2021 Alcoholic Beverage License Renewals Resolution
- 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**
 - A) None
- 11) OTHER BUSINESS**
- 12) OLD BUSINESS**
- 13) NEW BUSINESS**
 - A) 2020 Financial Audit: Annual Presentation

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
 - Watercraft Density
 - Lake Sales and Services
 - Deicing Eligibility Expansion Review
 - Review of Types of Watercraft and Prototypes
- Reserve Fund Balances



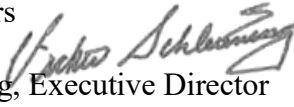
WS ITEM 1

LAKE MINNETONKA CONSERVATION DISTRICT

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

DATE: March 24, 2021

TO: Board of Directors

FROM: Vickie Schleuning, Executive Director 

SUBJECT: 2020 Board Director Self-Evaluation Review

ACTION _____

Board discussion and review of the completed self-evaluation.

BACKGROUND _____

Annually, LMCD Board Directors are asked to complete a self-evaluation to assess the effectiveness of the Board and guide the organization's operations in the coming year.

The 2020 LMCD Board Director Self-Evaluation survey was distributed in December. Attached are excerpts from survey responses regarding Board Directors' priorities and perceptions of the short and long-term issues facing the LMCD. The answers for the open ended Question #32 were compiled and categorized to review the perspectives more easily.

CONSIDERATIONS _____

- What do the results indicate about the Board's evaluation of its own alignment with the mission of the LMCD?
- How can the results help to guide the operations and effectiveness of the overall Board, individual Board members, and organization?

BUDGET _____

N/A

STRATEGIC PRIORITIES _____

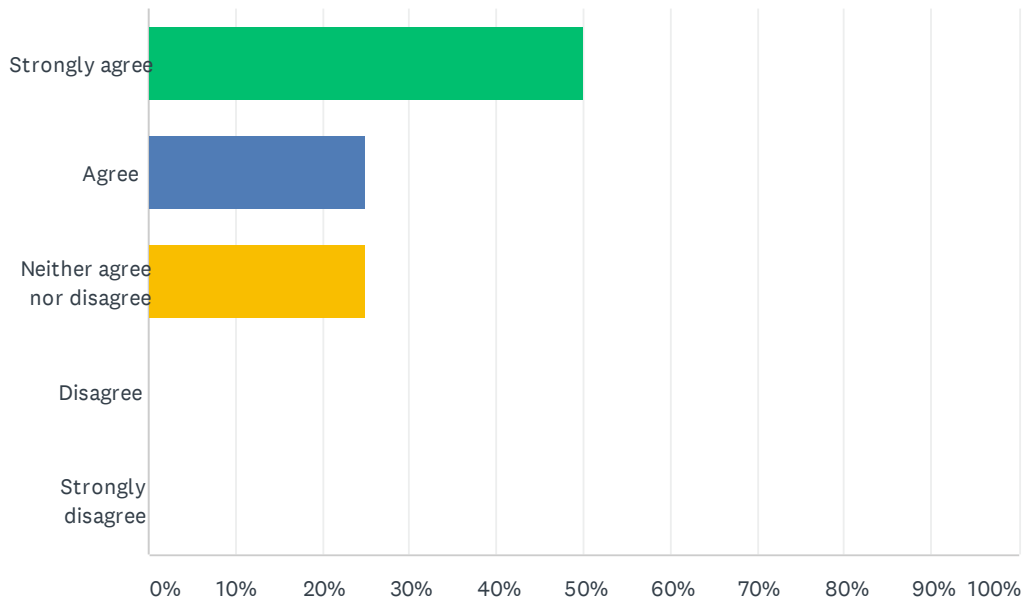
| | | | | |
|--|--|--|--|--------------------------------|
| <input type="checkbox"/> Operational Effectiveness | <input type="checkbox"/> Clear & Timely Communications | <input checked="" type="checkbox"/> Effective Governance | <input type="checkbox"/> Lake Protection | <input type="checkbox"/> Other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

ATTACHMENTS/SUPPLEMENTARY INFORMATION

- 2020 Board Self-Evaluation
- 2020 Board Self-Evaluation Open-Ended Question Compilation

Q2 Structural pattern (board, officers, committees, executives and staff) is clear, delineated in bylaws, and followed by board.

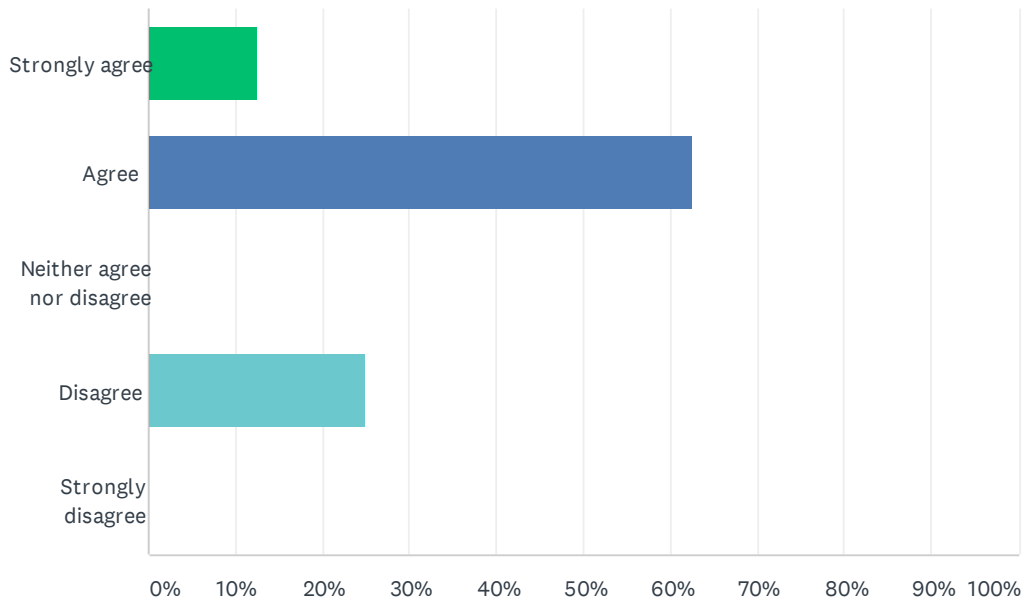
Answered: 8 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|----------------------------|-----------|---|
| Strongly agree | 50.00% | 4 |
| Agree | 25.00% | 2 |
| Neither agree nor disagree | 25.00% | 2 |
| Disagree | 0.00% | 0 |
| Strongly disagree | 0.00% | 0 |
| TOTAL | | 8 |

Q3 The board has adopted and uses, explicit measures of progress toward identified outcomes.

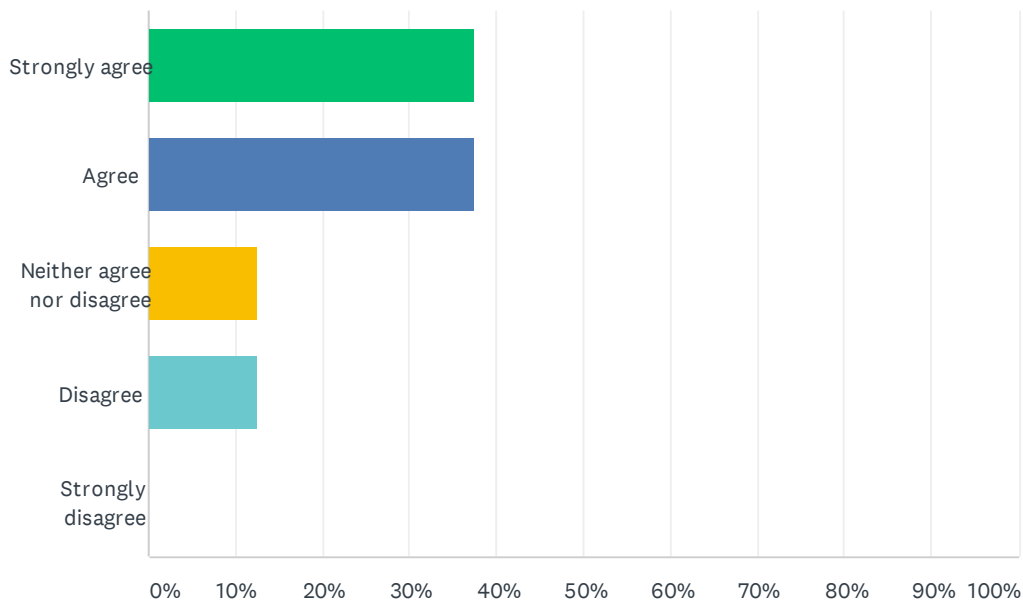
Answered: 8 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|----------------------------|-----------|---|
| Strongly agree | 12.50% | 1 |
| Agree | 62.50% | 5 |
| Neither agree nor disagree | 0.00% | 0 |
| Disagree | 25.00% | 2 |
| Strongly disagree | 0.00% | 0 |
| TOTAL | | 8 |

Q4 Board regularly evaluates and develops yearly goals with the executive director.

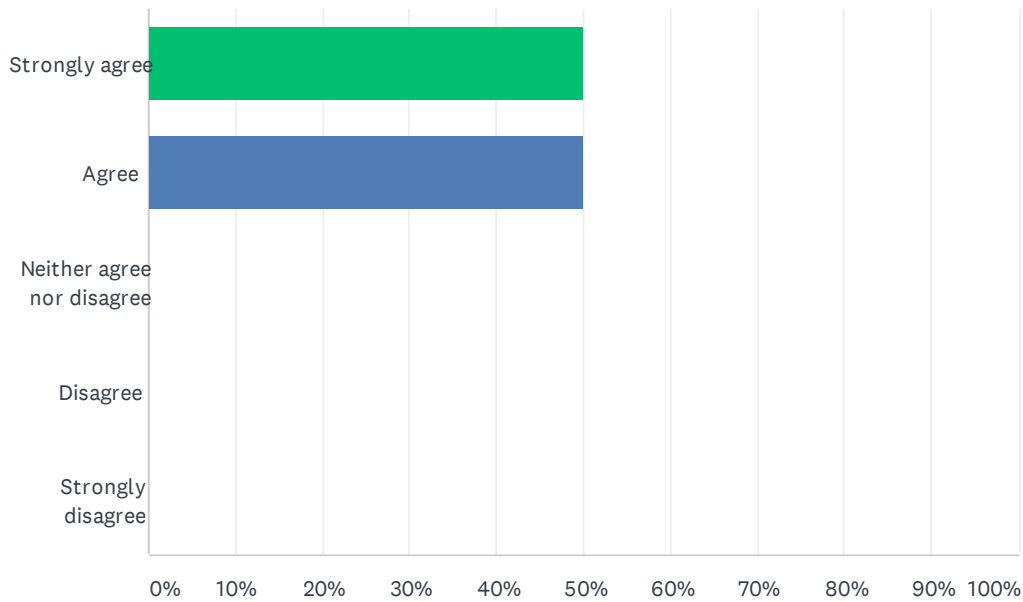
Answered: 8 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|----------------------------|-----------|---|
| Strongly agree | 37.50% | 3 |
| Agree | 37.50% | 3 |
| Neither agree nor disagree | 12.50% | 1 |
| Disagree | 12.50% | 1 |
| Strongly disagree | 0.00% | 0 |
| TOTAL | | 8 |

Q5 Board culture encourages and welcomes open discussion, even when members disagree.

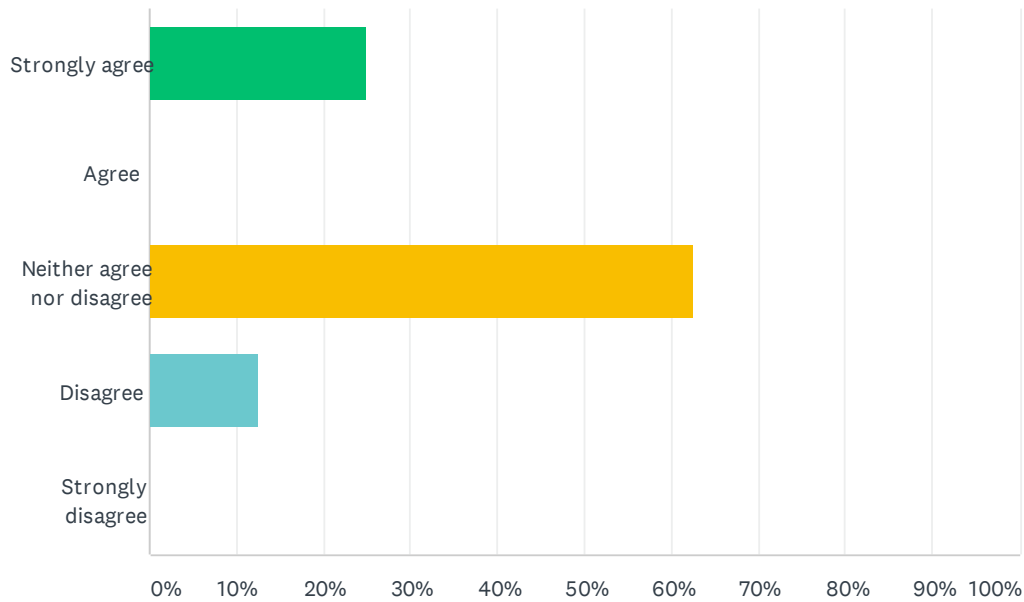
Answered: 8 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|----------------------------|-----------|---|
| Strongly agree | 50.00% | 4 |
| Agree | 50.00% | 4 |
| Neither agree nor disagree | 0.00% | 0 |
| Disagree | 0.00% | 0 |
| Strongly disagree | 0.00% | 0 |
| TOTAL | | 8 |

Q6 Board regularly assesses itself as a whole and also board member participation individually.

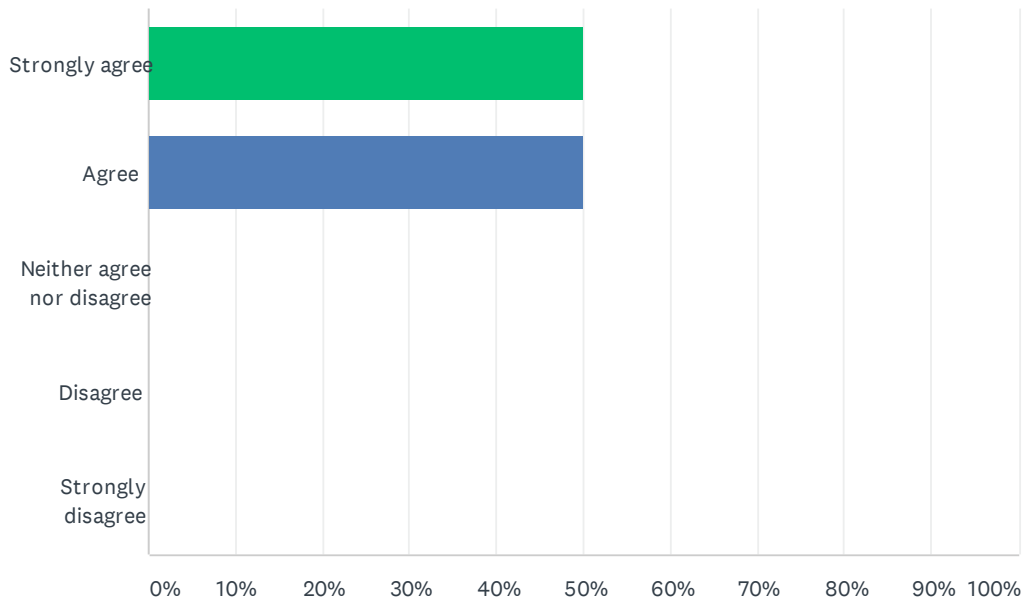
Answered: 8 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|----------------------------|-----------|---|
| Strongly agree | 25.00% | 2 |
| Agree | 0.00% | 0 |
| Neither agree nor disagree | 62.50% | 5 |
| Disagree | 12.50% | 1 |
| Strongly disagree | 0.00% | 0 |
| TOTAL | | 8 |

Q7 Board has a packet of materials for new board members and an orientation process for them.

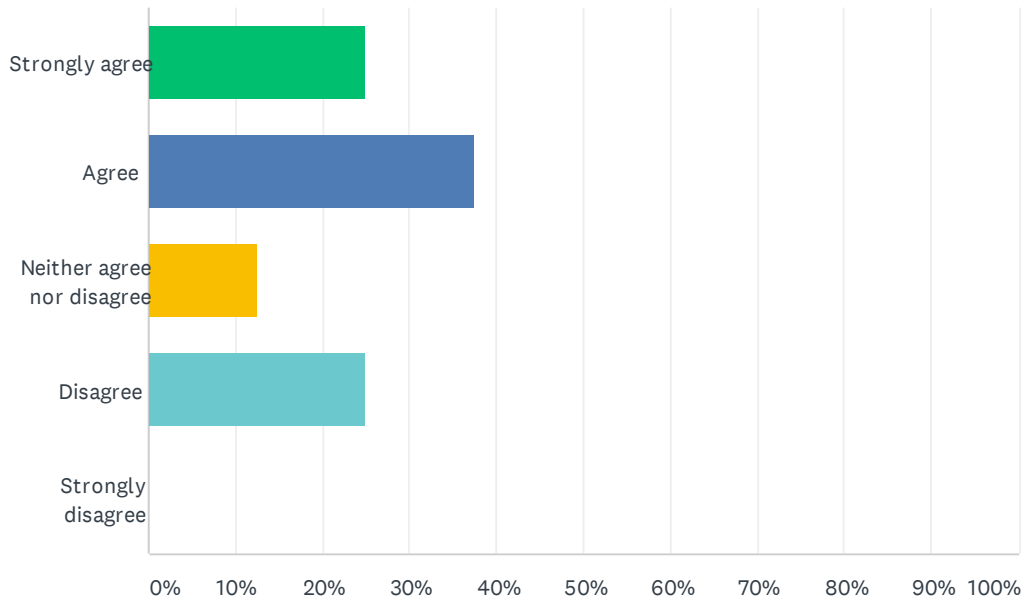
Answered: 8 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|----------------------------|-----------|---|
| Strongly agree | 50.00% | 4 |
| Agree | 50.00% | 4 |
| Neither agree nor disagree | 0.00% | 0 |
| Disagree | 0.00% | 0 |
| Strongly disagree | 0.00% | 0 |
| TOTAL | | 8 |

Q8 A strategic process is in place for developing the board.

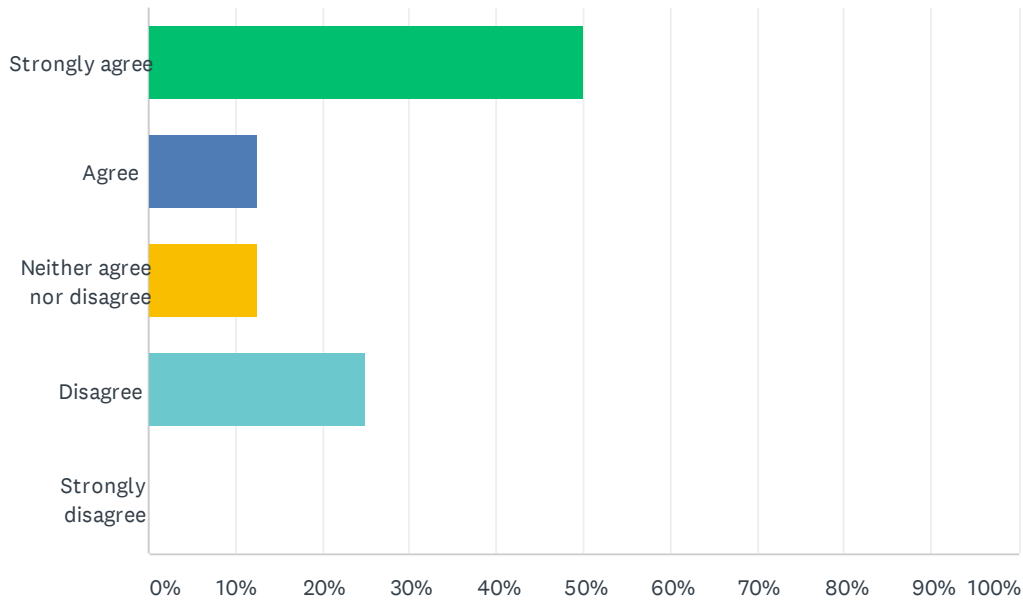
Answered: 8 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|----------------------------|-----------|---|
| Strongly agree | 25.00% | 2 |
| Agree | 37.50% | 3 |
| Neither agree nor disagree | 12.50% | 1 |
| Disagree | 25.00% | 2 |
| Strongly disagree | 0.00% | 0 |
| TOTAL | | 8 |

Q9 The board regularly monitors financial performance and projections.

Answered: 8 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|----------------------------|-----------|---|
| Strongly agree | 50.00% | 4 |
| Agree | 12.50% | 1 |
| Neither agree nor disagree | 12.50% | 1 |
| Disagree | 25.00% | 2 |
| Strongly disagree | 0.00% | 0 |
| TOTAL | | 8 |

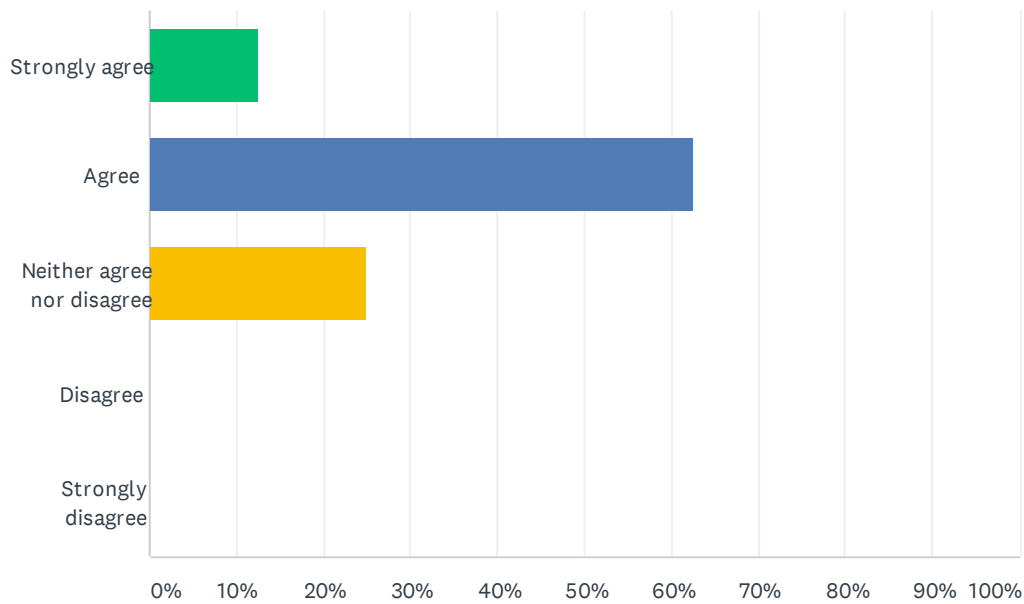
Q10 Provide any comments about Effective Governance.

Answered: 3 Skipped: 5

| # | RESPONSES | DATE |
|---|--|---------------------|
| 1 | A major plus, in my opinion is that the Chair allows everyone to opine on their thoughts on subjects.... | 12/21/2020 12:30 PM |
| 2 | I'm disappointed after my first year. We are stuck in our past. Our communities and "partners" are not happy with us. We are showing no direction on AIS, etc. | 12/16/2020 1:05 PM |
| 3 | Board members should be reminded of their oath of office - our duty is to the public not personal agendas. | 12/15/2020 11:09 AM |

Q11 Board meetings are adequate in length and held at the right time of the day.

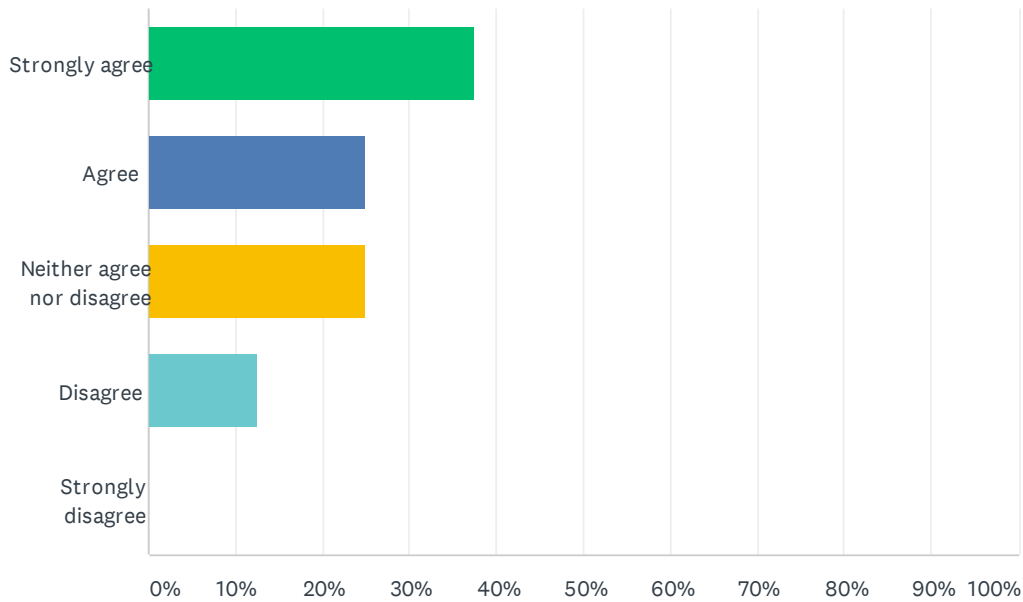
Answered: 8 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|----------------------------|-----------|---|
| Strongly agree | 12.50% | 1 |
| Agree | 62.50% | 5 |
| Neither agree nor disagree | 25.00% | 2 |
| Disagree | 0.00% | 0 |
| Strongly disagree | 0.00% | 0 |
| TOTAL | | 8 |

Q12 There are adequate number of well-functioning board committees and work groups.

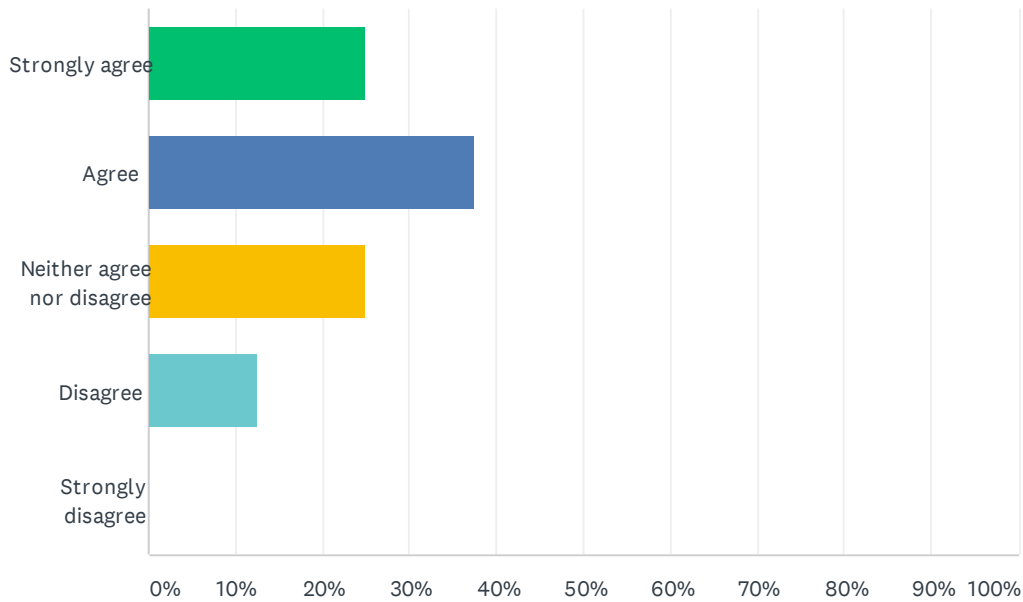
Answered: 8 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|----------------------------|-----------|---|
| Strongly agree | 37.50% | 3 |
| Agree | 25.00% | 2 |
| Neither agree nor disagree | 25.00% | 2 |
| Disagree | 12.50% | 1 |
| Strongly disagree | 0.00% | 0 |
| TOTAL | | 8 |

Q13 Board is attentive to building leadership capacity for both board and staff.

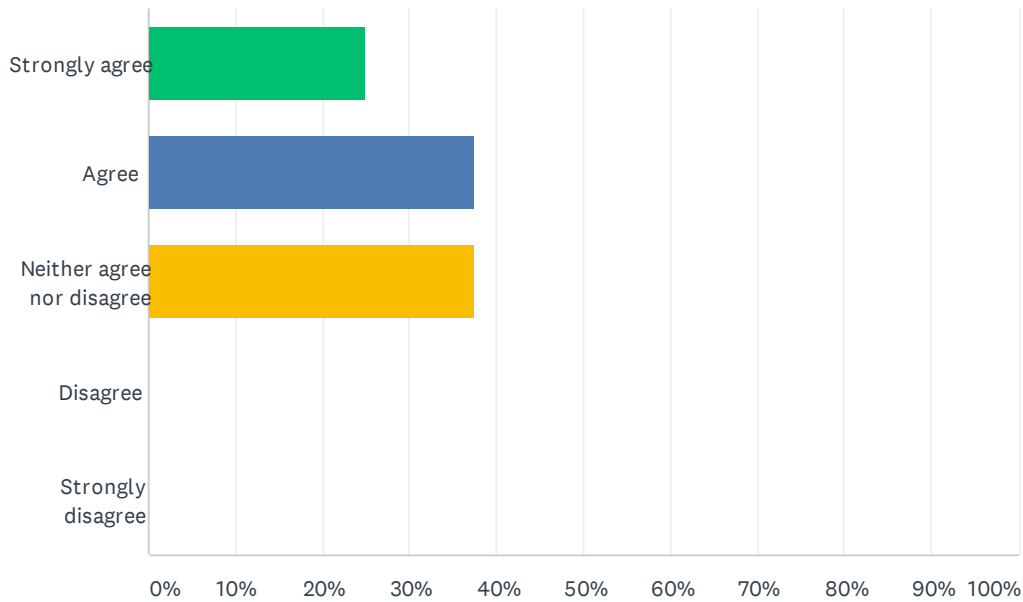
Answered: 8 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|----------------------------|-----------|---|
| Strongly agree | 25.00% | 2 |
| Agree | 37.50% | 3 |
| Neither agree nor disagree | 25.00% | 2 |
| Disagree | 12.50% | 1 |
| Strongly disagree | 0.00% | 0 |
| TOTAL | | 8 |

Q14 Board is attentive to policy-related decisions that effectively guide operational activities of staff.

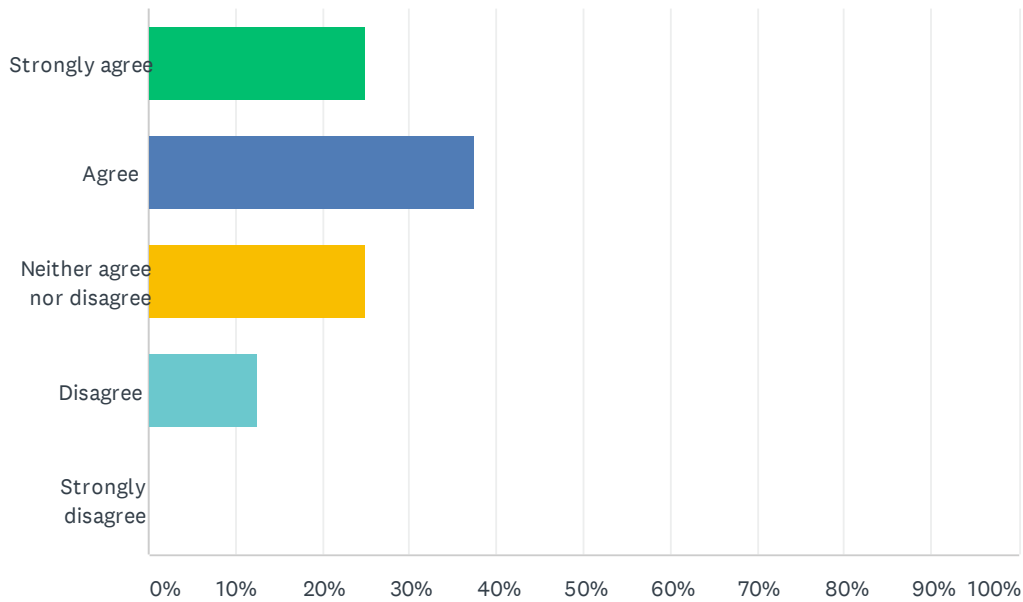
Answered: 8 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|----------------------------|-----------|---|
| Strongly agree | 25.00% | 2 |
| Agree | 37.50% | 3 |
| Neither agree nor disagree | 37.50% | 3 |
| Disagree | 0.00% | 0 |
| Strongly disagree | 0.00% | 0 |
| TOTAL | | 8 |

Q15 Board receives regular reports on finances/budgets, services/program performance and other important and timely matters.

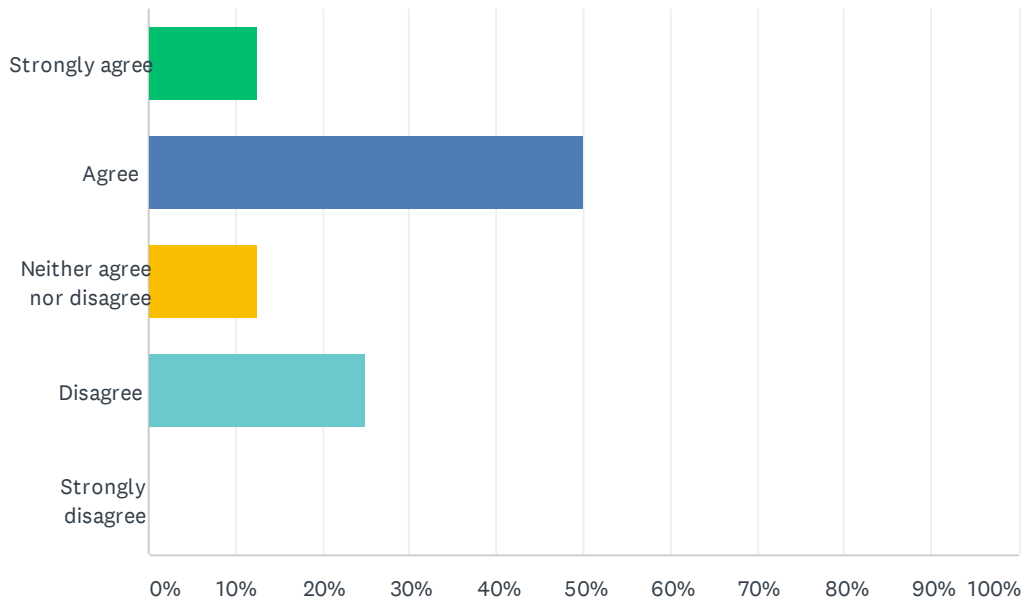
Answered: 8 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|----------------------------|-----------|----------|
| Strongly agree | 25.00% | 2 |
| Agree | 37.50% | 3 |
| Neither agree nor disagree | 25.00% | 2 |
| Disagree | 12.50% | 1 |
| Strongly disagree | 0.00% | 0 |
| TOTAL | | 8 |

Q16 Board helps set fundraising goals and is actively involved in some aspect of fundraising (Save The Lake).

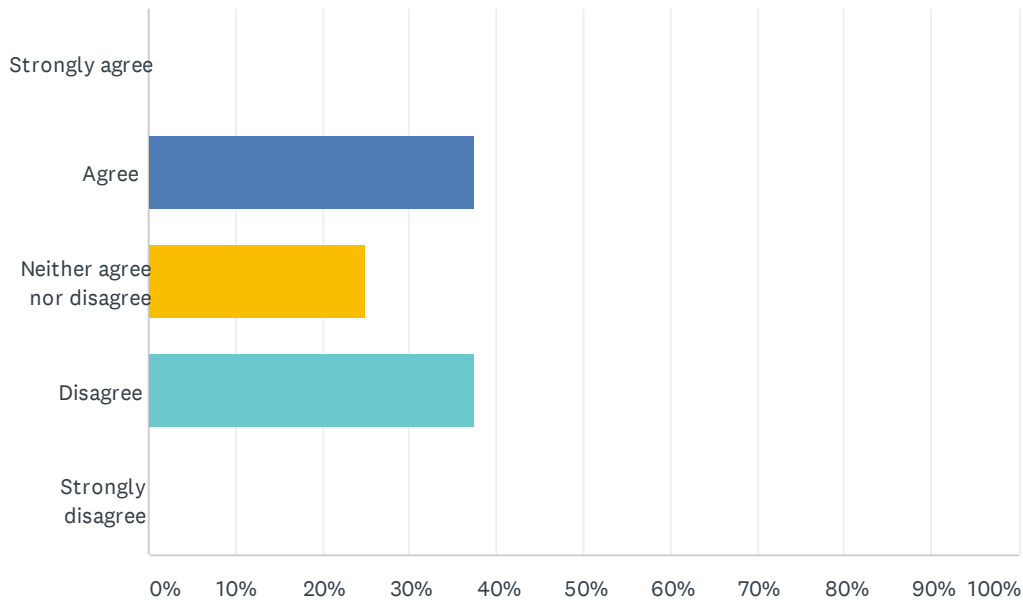
Answered: 8 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|----------------------------|-----------|---|
| Strongly agree | 12.50% | 1 |
| Agree | 50.00% | 4 |
| Neither agree nor disagree | 12.50% | 1 |
| Disagree | 25.00% | 2 |
| Strongly disagree | 0.00% | 0 |
| TOTAL | | 8 |

Q17 Board effectively represents the organization to the community (i.e. has an “elevator speech”).

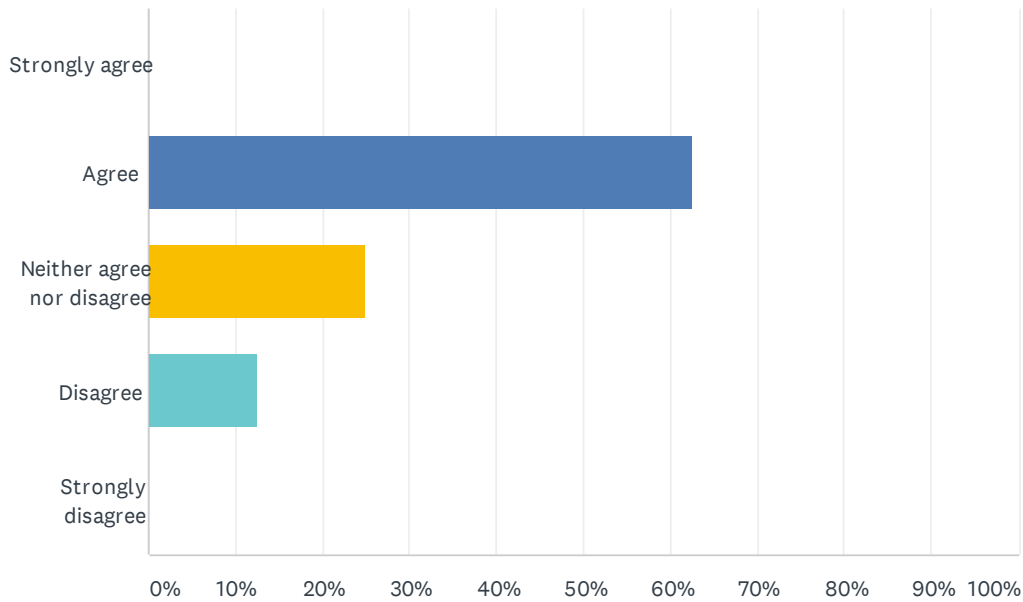
Answered: 8 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|----------------------------|-----------|---|
| Strongly agree | 0.00% | 0 |
| Agree | 37.50% | 3 |
| Neither agree nor disagree | 25.00% | 2 |
| Disagree | 37.50% | 3 |
| Strongly disagree | 0.00% | 0 |
| TOTAL | | 8 |

Q18 Board meetings effectively facilitate focus and progress on important organizational matters with reporting kept to a minimum.

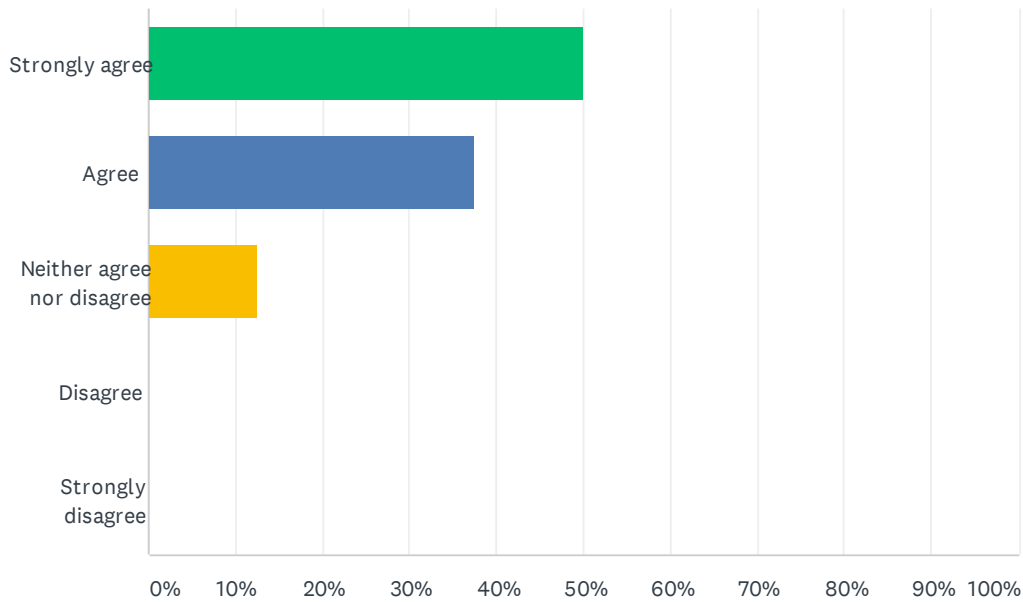
Answered: 8 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|----------------------------|-----------|---|
| Strongly agree | 0.00% | 0 |
| Agree | 62.50% | 5 |
| Neither agree nor disagree | 25.00% | 2 |
| Disagree | 12.50% | 1 |
| Strongly disagree | 0.00% | 0 |
| TOTAL | | 8 |

Q19 The board reviews the compensation of the Executive Director based on industry standards.

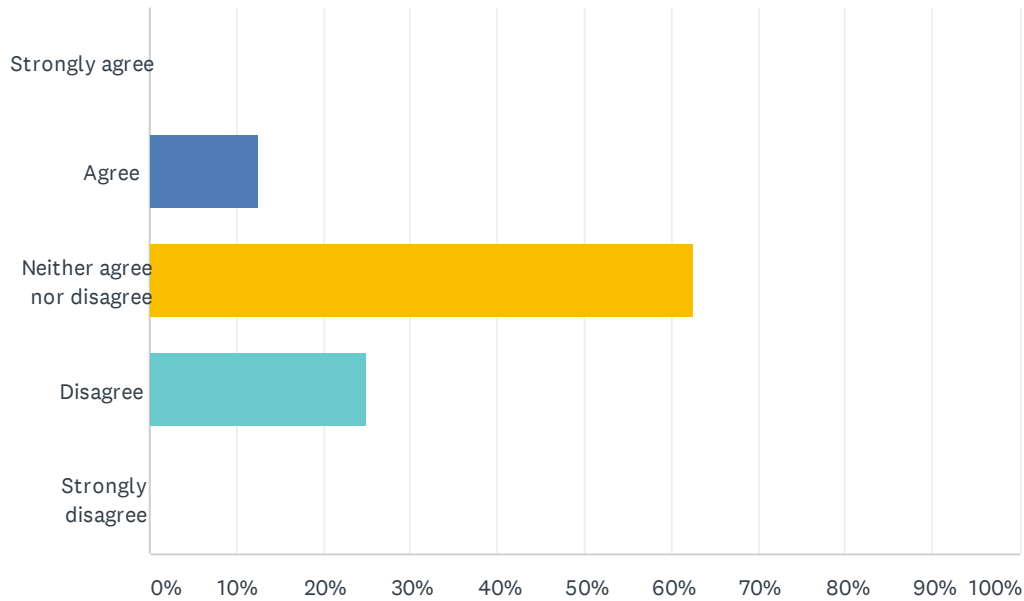
Answered: 8 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|----------------------------|-----------|---|
| Strongly agree | 50.00% | 4 |
| Agree | 37.50% | 3 |
| Neither agree nor disagree | 12.50% | 1 |
| Disagree | 0.00% | 0 |
| Strongly disagree | 0.00% | 0 |
| TOTAL | | 8 |

Q20 Board has an emergency succession plan for the executive director.

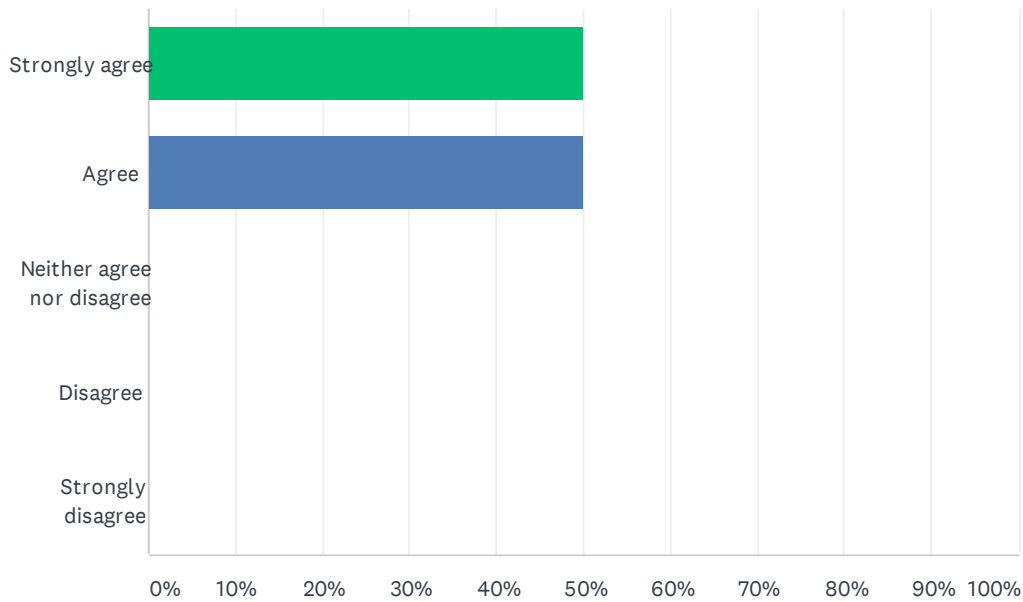
Answered: 8 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|----------------------------|-----------|---|
| Strongly agree | 0.00% | 0 |
| Agree | 12.50% | 1 |
| Neither agree nor disagree | 62.50% | 5 |
| Disagree | 25.00% | 2 |
| Strongly disagree | 0.00% | 0 |
| TOTAL | | 8 |

Q21 The board reviews the audit report and has an opportunity to ask questions of the auditor.

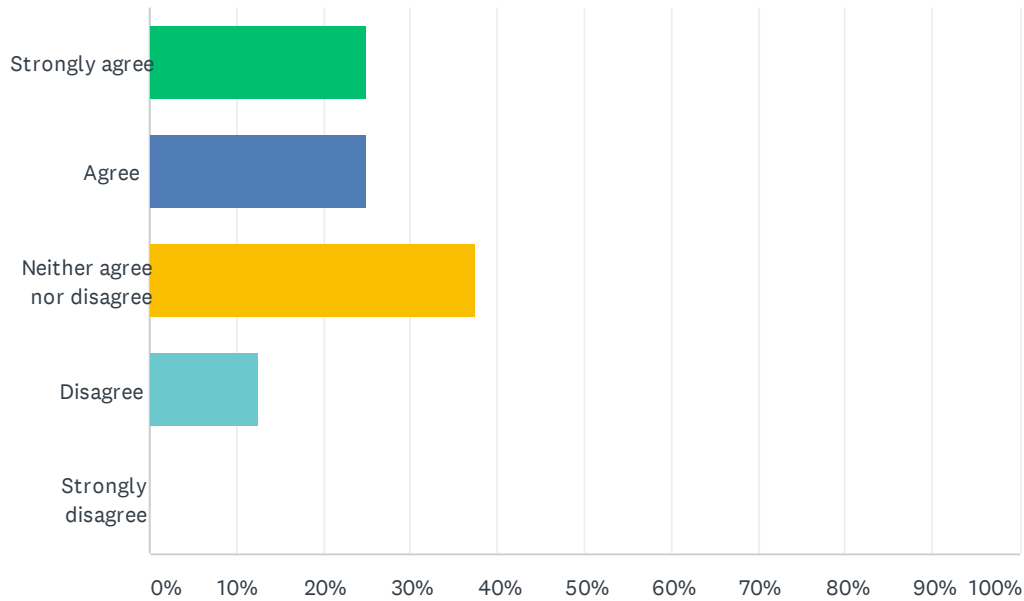
Answered: 8 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|----------------------------|-----------|----------|
| Strongly agree | 50.00% | 4 |
| Agree | 50.00% | 4 |
| Neither agree nor disagree | 0.00% | 0 |
| Disagree | 0.00% | 0 |
| Strongly disagree | 0.00% | 0 |
| TOTAL | | 8 |

Q22 Board discussions focus on the organization's future, not it's past.

Answered: 8 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|----------------------------|-----------|---|
| Strongly agree | 25.00% | 2 |
| Agree | 25.00% | 2 |
| Neither agree nor disagree | 37.50% | 3 |
| Disagree | 12.50% | 1 |
| Strongly disagree | 0.00% | 0 |
| TOTAL | | 8 |

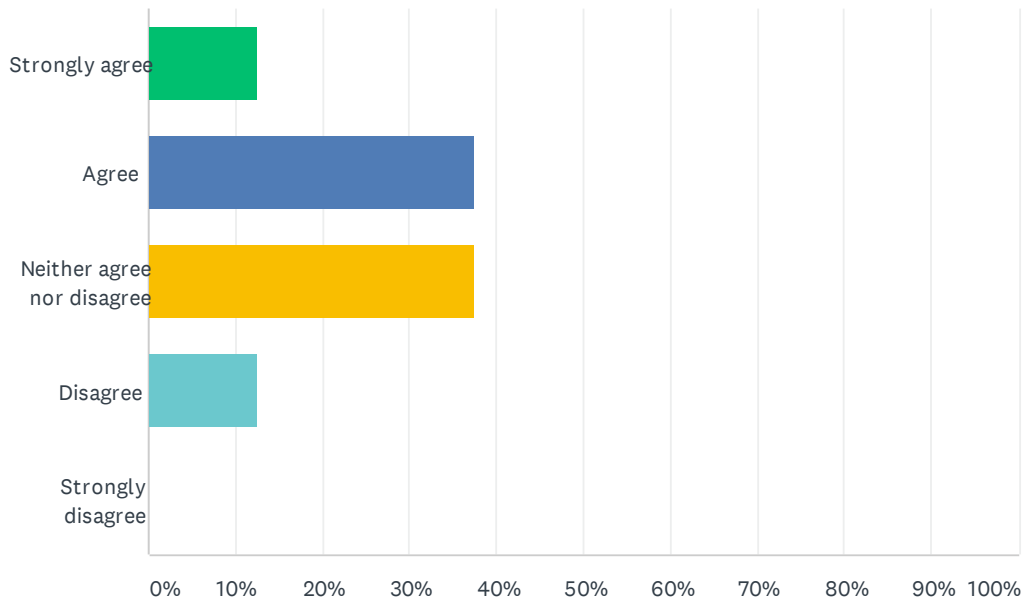
Q23 Provide any comments about Operational Effectiveness.

Answered: 2 Skipped: 6

| # | RESPONSES | DATE |
|---|---|---------------------|
| 1 | Nothing has moved on AIS or Budget. | 12/16/2020 1:08 PM |
| 2 | We need to emphasize to the board and public to focus on the future - not the past. | 12/15/2020 11:15 AM |

Q24 Board has a full and a common understanding of the roles and responsibilities of the board.

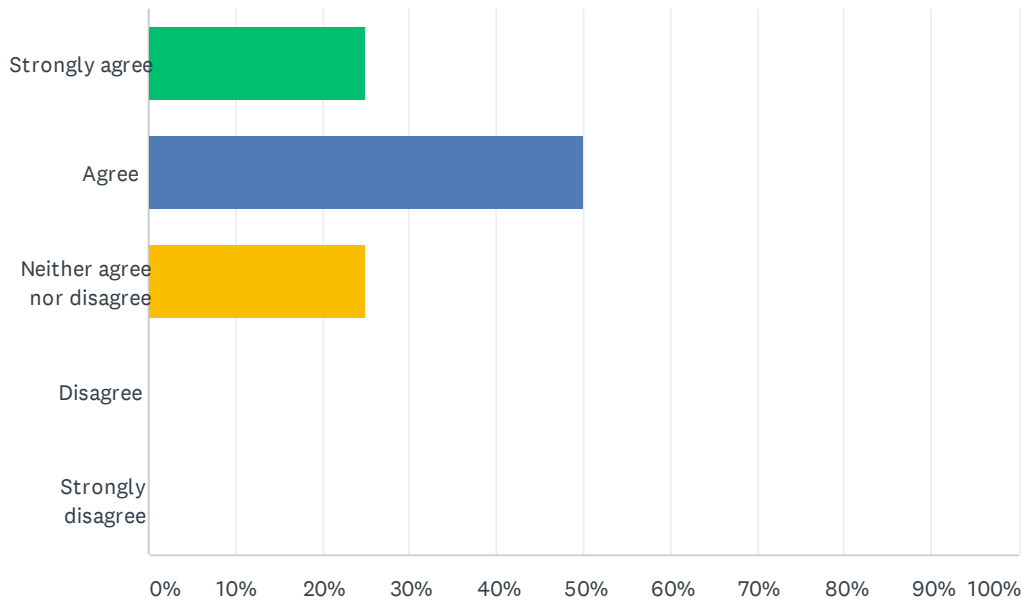
Answered: 8 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|----------------------------|-----------|---|
| Strongly agree | 12.50% | 1 |
| Agree | 37.50% | 3 |
| Neither agree nor disagree | 37.50% | 3 |
| Disagree | 12.50% | 1 |
| Strongly disagree | 0.00% | 0 |
| TOTAL | | 8 |

Q25 Board members understand the organization's mission, vision and services/programs.

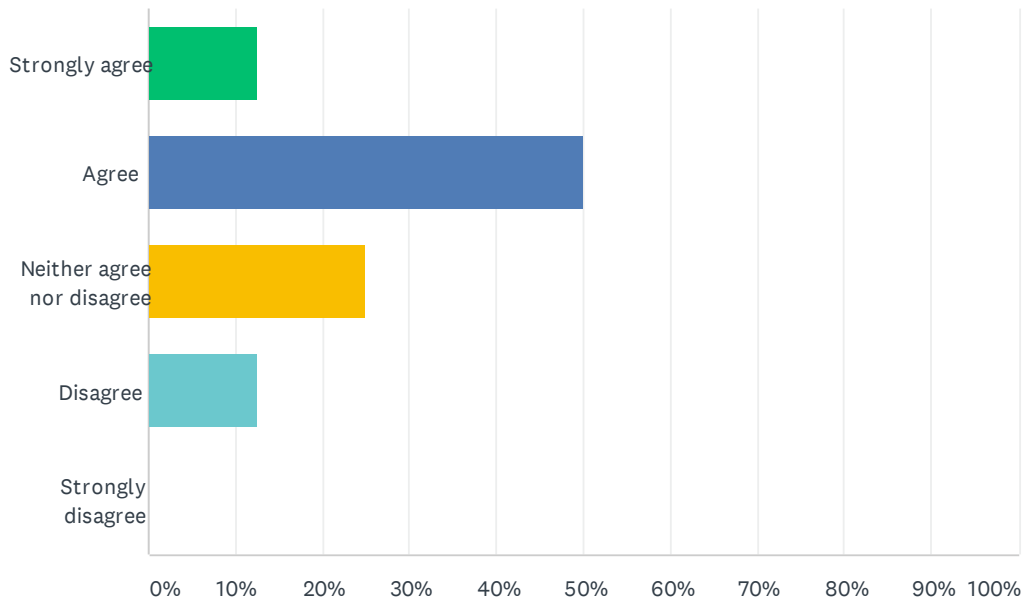
Answered: 8 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|----------------------------|-----------|----------|
| Strongly agree | 25.00% | 2 |
| Agree | 50.00% | 4 |
| Neither agree nor disagree | 25.00% | 2 |
| Disagree | 0.00% | 0 |
| Strongly disagree | 0.00% | 0 |
| TOTAL | | 8 |

Q26 Board members actively participate in strategic planning and ongoing strategic thinking.

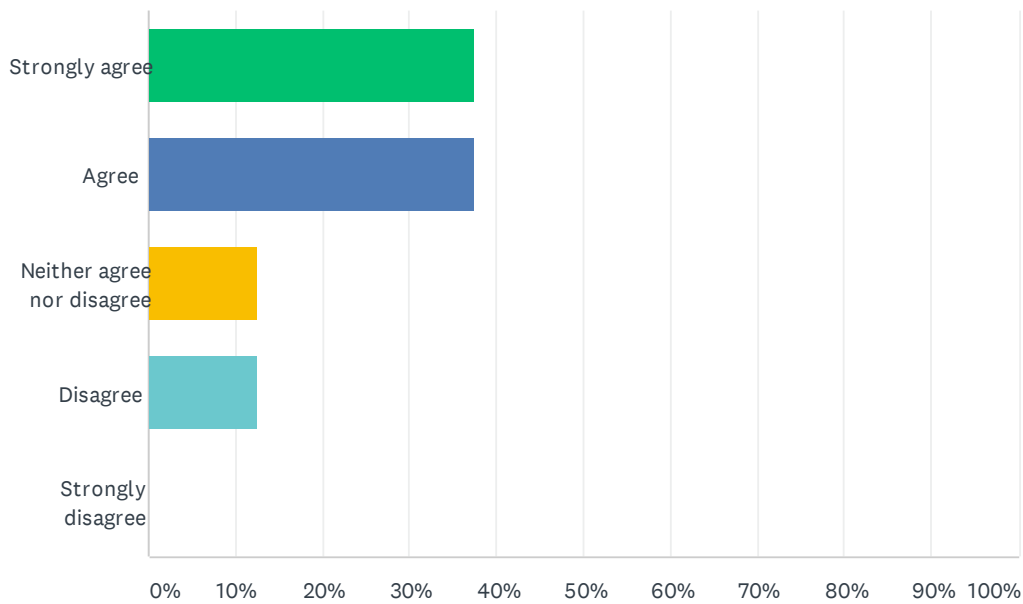
Answered: 8 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|----------------------------|-----------|---|
| Strongly agree | 12.50% | 1 |
| Agree | 50.00% | 4 |
| Neither agree nor disagree | 25.00% | 2 |
| Disagree | 12.50% | 1 |
| Strongly disagree | 0.00% | 0 |
| TOTAL | | 8 |

Q27 Board members are sufficiently knowledgeable to ask meaningful questions about finances and financial management.

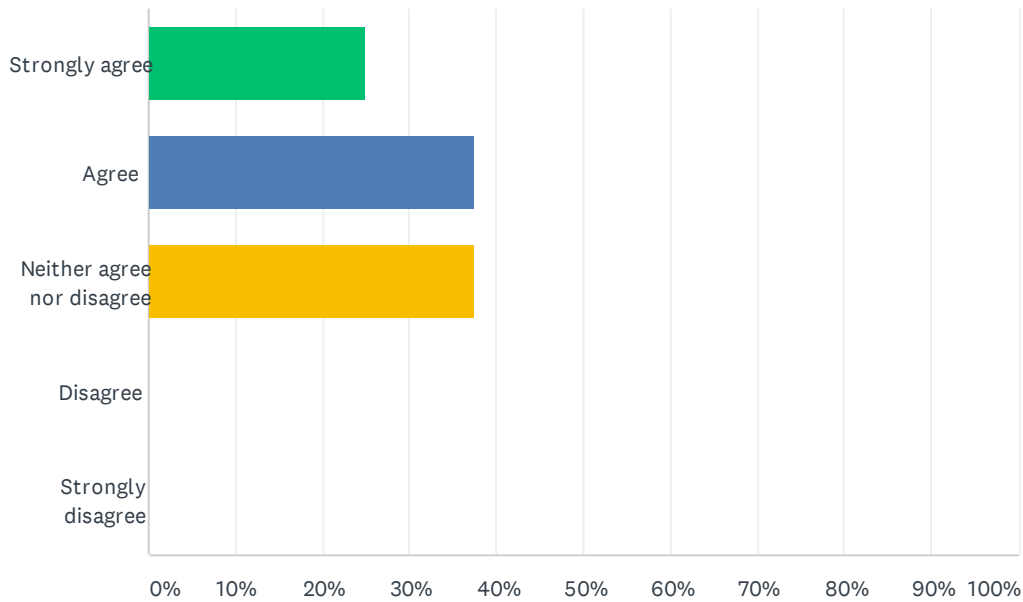
Answered: 8 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|----------------------------|-----------|---|
| Strongly agree | 37.50% | 3 |
| Agree | 37.50% | 3 |
| Neither agree nor disagree | 12.50% | 1 |
| Disagree | 12.50% | 1 |
| Strongly disagree | 0.00% | 0 |
| TOTAL | | 8 |

Q28 Each member of the board feels involved and interested in the board's work.

Answered: 8 Skipped: 0



| ANSWER CHOICES | RESPONSES | |
|----------------------------|-----------|---|
| Strongly agree | 25.00% | 2 |
| Agree | 37.50% | 3 |
| Neither agree nor disagree | 37.50% | 3 |
| Disagree | 0.00% | 0 |
| Strongly disagree | 0.00% | 0 |
| TOTAL | | 8 |

Q29 Provide any comments about Individual Contribution.

Answered: 2 Skipped: 6

| # | RESPONSES | DATE |
|---|--|---------------------|
| 1 | Some board members are "Bench-Warmer Bobs" | 12/16/2020 5:15 PM |
| 2 | The board is engaged and diverse - the LMCD is doing its best work in years. | 12/15/2020 11:19 AM |

Q30 In which committees, workgroups, and activities did you participate in 2020?

Answered: 7 Skipped: 1

| # | RESPONSES | DATE |
|---|---|---------------------|
| 1 | Save the Lake, Operations Committee, Technical Advisory Group, Starry Trek, Officers Group, Board Chair | 1/7/2021 4:18 PM |
| 2 | AIS | 1/6/2021 2:10 PM |
| 3 | Nominating Committee. I wanted to participate in Save the Lake but the timing of the meetings did not work for me. Volunteered for Finance Committee next year. | 12/26/2020 7:08 PM |
| 4 | de-icing.... help with funding of the Save the Lake/Water Patrol | 12/21/2020 12:39 PM |
| 5 | Finance, AIS and High Water | 12/16/2020 5:16 PM |
| 6 | Strategic planning - communications - lawsuits | 12/15/2020 11:28 AM |
| 7 | Vice Chair Communications | 12/15/2020 9:38 AM |

Q31 What specifically would help to make you a more engaged board member?

Answered: 5 Skipped: 3

| # | RESPONSES | DATE |
|---|---|---------------------|
| 1 | I can't think of anything. | 1/7/2021 4:18 PM |
| 2 | Improved relations with the LMA and other stakeholders, so it doesn't seem like we are all working separately on the same mission. Engagement becomes challenging when the meetings get long and seemingly little actual progress is achieved. Yes, we vote on and move through applications, permits, etc that we are required to, but momentum towards larger, more positive lake wide impacts is not felt or recognizable. Maybe I'm not looking in the right places, but it would be good measurable progress on initiatives and be able to promote them to the public. | 1/6/2021 2:10 PM |
| 3 | It is my responsibility to become a more engaged board member... It is my responsibility to add to solutions that the board faces.... | 12/21/2020 12:39 PM |
| 4 | follow-through | 12/16/2020 5:16 PM |
| 5 | I am engaged. | 12/15/2020 11:28 AM |

Q32 Please list the three to five issues on which you believe the board should focus its attention in the next year. Be as specific as possible in identifying these points.

Answered: 8 Skipped: 0

| ANSWER CHOICES | RESPONSES |
|----------------|-----------|
| 1. | 100.00% 8 |
| 2. | 87.50% 7 |
| 3. | 87.50% 7 |
| 4. | 75.00% 6 |
| 5. | 62.50% 5 |

| # | 1. | DATE |
|---|---|---------------------|
| 1 | Followup on the AIS Master Plan | 1/7/2021 4:18 PM |
| 2 | Sharing the lake and the Own Your Wake campaign to educate the public on wake boats | 1/6/2021 2:10 PM |
| 3 | Rules for water usage | 12/27/2020 9:03 PM |
| 4 | Collaboration with other organizations on AIS | 12/26/2020 7:08 PM |
| 5 | Selling of the Harvestors | 12/21/2020 12:39 PM |
| 6 | Sell the harvesters / repurpose the funds / use our levy to prevent AIS | 12/16/2020 5:16 PM |
| 7 | Wake boat ordinance update. | 12/15/2020 11:28 AM |
| 8 | Define LMCD role regarding AIS | 12/15/2020 9:38 AM |

| # | 2. | DATE |
|---|--|---------------------|
| 1 | Addressing the issue of wakes on Lake Minnetonka | 1/7/2021 4:18 PM |
| 2 | AIS Master Plan | 1/6/2021 2:10 PM |
| 3 | Defining our role in AIS including budget and what to do with harvesting equipment | 12/26/2020 7:08 PM |
| 4 | Be a supporting to other organizations in matching grants/AIS | 12/21/2020 12:39 PM |
| 5 | help the formation of LIDS to allow bays to treat AIS | 12/16/2020 5:16 PM |
| 6 | Tag meeting followed by Lake Management plan. | 12/15/2020 11:28 AM |
| 7 | communication | 12/15/2020 9:38 AM |

| # | 3. | DATE |
|---|--|---------------------|
| 1 | Monitoring State legislation | 1/7/2021 4:18 PM |
| 2 | Financial contributions to improve the lake | 1/6/2021 2:10 PM |
| 3 | Focusing on obtaining state/federal/county grants where this makes sense | 12/26/2020 7:08 PM |
| 4 | Fully funding of the water patrol requests | 12/21/2020 12:39 PM |
| 5 | leave AIS "management" to the LMA...they have more experience | 12/16/2020 5:16 PM |
| 6 | Sharing the lake - small groups cannot dominate. | 12/15/2020 11:28 AM |
| 7 | education | 12/15/2020 9:38 AM |

LMCD Board Director Self-Evaluation 2020

| # | 4. | DATE |
|---|--|---------------------|
| 1 | Continuing to improve relationships with other stakeholders | 1/7/2021 4:18 PM |
| 2 | Relationships with other stakeholders | 1/6/2021 2:10 PM |
| 3 | Defining our role in Wake Boat "Initiative". Do we want to be involved until there is more research? | 12/26/2020 7:08 PM |
| 4 | Getting control of the reserve funds to 35-50% levels of expenses | 12/21/2020 12:39 PM |
| 5 | support the Water Patrol | 12/16/2020 5:16 PM |
| 6 | Hire lake expert. | 12/15/2020 11:28 AM |
| # | 5. | DATE |
| 1 | Lake safety/education | 1/7/2021 4:18 PM |
| 2 | Public perception of the purpose of the LMCD | 1/6/2021 2:10 PM |
| 3 | Reformulating the budget now that we are not harvesting and Save the Lake donations were down. | 12/26/2020 7:08 PM |
| 4 | Moving forward with the strategic plan in major aspects | 12/21/2020 12:39 PM |
| 5 | be prepared to deal with large boat waves and adjust stand-off from shore. | 12/16/2020 5:16 PM |

Q33 Considering the next ten years, what do you believe will be the single most important impact that the LMCD should have on the communities it serves? The lake? Other stakeholders?

Answered: 8 Skipped: 0

| ANSWER CHOICES | RESPONSES |
|--------------------|-----------|
| Community | 87.50% 7 |
| The Lake | 100.00% 8 |
| Other Stakeholders | 75.00% 6 |

| # | COMMUNITY | DATE |
|---|---|---------------------|
| 1 | Preserve and enhance the Lake Minnetonka experience | 1/7/2021 4:18 PM |
| 2 | Addressing the issue with wakes and loud music | 1/6/2021 2:10 PM |
| 3 | Safety and accessibility | 12/26/2020 7:08 PM |
| 4 | Support the biggest contributors/community to the budget | 12/21/2020 12:39 PM |
| 5 | help the formation of LIDS by our Cities and bays | 12/16/2020 5:16 PM |
| 6 | Equalizing sharing of lake. | 12/15/2020 11:28 AM |
| 7 | Balancing of interests to encourage multiple uses | 12/15/2020 9:38 AM |
| # | THE LAKE | DATE |
| 1 | Balancing the various uses of the Lake | 1/7/2021 4:18 PM |
| 2 | Advancing the AIS Master Plan | 1/6/2021 2:10 PM |
| 3 | Regulate rules tsp. ALL water activities can be safe | 12/27/2020 9:03 PM |
| 4 | Effectively partnering with organizations - unite vs. divide | 12/26/2020 7:08 PM |
| 5 | Proactive AIS rather than reactive/grants to boots on the ground | 12/21/2020 12:39 PM |
| 6 | prevent (as best as possible) new species of AIS from entering our Lake | 12/16/2020 5:16 PM |
| 7 | AIS | 12/15/2020 11:28 AM |
| 8 | Balancing of interests to encourage multiple uses | 12/15/2020 9:38 AM |
| # | OTHER STAKEHOLDERS | DATE |
| 1 | Becoming a valued partner | 1/7/2021 4:18 PM |
| 2 | Healthy and collaborative relationships between stakeholders and the LMCD | 1/6/2021 2:10 PM |
| 3 | Not sure | 12/21/2020 12:39 PM |
| 4 | listen.....the comments we receive from "stakeholders" are not positive. | 12/16/2020 5:16 PM |
| 5 | Harmony with other agencies - eliminate overlap. | 12/15/2020 11:28 AM |
| 6 | Balancing of interests to encourage multiple uses | 12/15/2020 9:38 AM |

Q31. What specifically would help to make you a more engaged board member?

| |
|--|
| Improved relations with the LMA and other stakeholders, so it doesn't seem like we are all working separately on the same mission. |
| Engagement becomes challenging when the meetings get long and seemingly little actual progress is achieved. Yes, we vote on and move through applications, permits, etc that we are required to, but momentum towards larger, more positive lake wide impacts is not felt or recognizable. Maybe I'm not looking in the right places, but it would be good measurable progress on initiatives and be able to promote them to the public. |
| It is my responsibility to become a more engaged board member... It is my responsibility to add to solutions that the board faces.... |
| Follow-through |
| I am engaged |

Q33. Considering the next ten years, what do you believe will be the single most important impact that the LMCD should have on the communities it serves? The lake? Other stakeholders?

| Community | Lake | Stakeholders |
|--|---|---|
| Preserve and enhance the Lake Minnetonka experience | Balancing the various uses of the Lake | Becoming a valued partner |
| Addressing the issue with wakes and loud music | Advancing the AIS Master Plan | Healthy and collaborative relationships between stakeholders and the LMCD |
| Safety and accessibility | Regulate rules tsp. ALL water activities can be safe | Listen. The comments we receive from "stakeholders" are not positive. |
| Support the biggest contributors/community to the budget | Effectively partnering with organizations - unite vs. divide | Harmony with other agencies - eliminate overlap. |
| Help the formation of LIDS by our Cities and bays | Proactive AIS rather than reactive/grants to boots on the ground | Balancing of interests to encourage multiple uses |
| Equalizing sharing of lake. | Prevent (as best as possible) new species of AIS from entering our Lake | |
| Balancing of interests to encourage multiple uses | AIS | |
| | Balancing of interests to encourage multiple uses | |

Q32. Please list the three to five issues on which you believe the board should focus its attention in the next year. Be as specific as possible in identifying these points.

| Responses (Grouped by Topic) | AIS / Harvesting | Lake Safety | Finances / Fundraising | Relationship with Stakeholders | State Legislation | |
|--|--|--|--|---|------------------------------|--|
| Group Point Total | 100 Points | 62 Points | 24 Points | 20 Points | 6 Points | |
| Individual Responses (weighted score of 10, 8, 6, 4, or 2 points each) | Followup on the AIS Master Plan | Sharing the lake and the Own Your Wake campaign to educate the public on wake boats | Financial contributions to improve the lake | Communication | Monitoring State legislation | |
| | Collaboration with other organizations on AIS | Rules for water usage | Focusing on obtaining state/federal/county grants where this makes sense | Continuing to improve relationships with other stakeholders | | |
| | Selling of the Harvestors | Wake boat ordinance update. | Fully funding of the water patrol requests | Relationships with other stakeholders | | |
| | Sell the harvesters / repurpose the funds / use our levy to prevent AIS | Addressing the issue of wakes on Lake Minnetonka | Getting control of the reserve funds to 35-50% levels of expenses | Public perception of the purpose of the LMCD | | |
| | Define LMCD role regarding AIS | Sharing the lake - small groups cannot dominate. | Reformulating the budget now that we are not harvesting and Save the Lake donations were down. | Moving forward with the strategic plan in major aspects | | |
| | AIS Master Plan | Education | | | | |
| | Defining our role in AIS including budget and what to do with harvesting equipment | Defining our role in Wake Boat "Initiative". Do we want to be involved until there is more research? | | | | |
| | Be a supporting to other organizations in matching grants/AIS | Support the Water Patrol | | | | |
| | Help the formation of LIDS to allow bays to treat AIS | Lake safety/eduction | | | | |
| | Tag meeting followed by Lake Management plan. | Be prepared to deal with large boat waves and adjust stand-off from shore. | | | | |
| | Leave AIS "management" to the LMA...they have more experience | | | | | |
| | Hire lake expert. | | | | | |

ITEM 7

LAKE MINNETONKA CONSERVATION DISTRICT
BOARD OF DIRECTORS
7:00 P.M. March 10, 2021
Virtual

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 6:30 p.m.

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; 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: Dennis Klohs, Minnetonka Beach

Persons in Audience: John Bendt, John Breyer, Bill Bushnell, Dr. Kristine DeVinck, Eric Evenson, Erik Forsberg, Rep. Jerome Hertaus, Elizabeth Hustad, Mike Jones, Bryan Ophaug, Kristen Ophaug, Jim Ronning, Joe Shneider, Jill Sims, Jeff Sisk, Jay Soule, Andy Weigman, John Wooden, and Jake Youngren.

The following usernames were also present, but the person(s) did not identify themselves: Ben iPhone, DL, Galaxy S10, Jim, and The Rose Law Firm LLC.

1. Discussion of Proposed Minnesota State Legislation Regarding Wake Surfing

Hoelscher provided a summary of proposed legislation at the Minnesota State Legislature regarding wake surfing.

Hoelscher provided the draft letter the Communications Committee composed in response to the proposed legislation for the group to review. She commented that it is not the job of the LMCD to solve this issue but simply to respond to the proposed legislation.

Walesch commented that the LMCD should continue to have discretion and the ability to make policy. He stated that he believed the proposed bill would allow a wakeboarder to only use a mirror and the LMCD would not have the ability to further regulate that. He stated that the LMCD should keep as much local control as possible. He stated that referencing 200 feet, that may be adequate, or it may be not. He stated that it is broadly known that the study used for reference was perhaps not based on up-to-date data. He recognized that the University of Minnesota is currently completing a study that will provide more up-to-date data to review. He stated that the Communications Committee attempted to articulate those points in the draft letter.

Kirkwood agreed with the comments of Walesch. He noted that the most contentious issue would be related to wave height and energy and hoped that the ongoing study will provide more data on the impact to lakes and shoreline.

Hughes agreed with the comment made thus far. He expressed concern with the Summer Rules brochure and wanted to ensure there is consistency between the law and the document.

Baasen agreed with the comments thus far as well. He stated that the drafted Bill would preempt the ability of the LMCD to enact local rules. He stated that the Committee was concerned with some rules that are specific to Lake Minnetonka. He noted that in order to have a water skier, a boater must have a spotter and not rely simply on a mirror for safety reasons. He stated that the Committee would like to see an expansion of those local rights. He applauded someone for drafting this bill as this appears to come right out of the wake boat manufacturer handbook. He did not believe this would solve the problems on Lake Minnetonka but could make an effort towards them statewide.

Kroll commended the group for their draft. He agreed with Baasen that this is giving up nothing as wake boats typically stay 200 feet from shore because the water is not deep enough. He stated he believed that the Bill would not provide benefit to the citizens of any lake. He stated that noise is not addressed nor water depth.

Newell thanked the group for the work it has done. He stated that the more he reads, the more he agrees with Kroll that depth should be considered. He was excited to learn more from the ongoing study.

Stone agreed with the comments of the Communications Committee. She did not agree with Kroll related to noise pollution as that would not be specific to wake boats.

Cook commented that he supports opposition to the legislation and suggested redrafting so harder hitting and more focused. He opposed the legislation based on the lack of science and taking authority from local lakes that are unique.

Brandt agreed that this is the right direction and looks forward to a broader discussion on the topic involving the cities and residents.

Zorn echoed the comments made thus far and supported the draft, thanking the Committee for their work.

Anderson clarified that the language is 200 feet from objects rather than shore. He believed there should be additional reference to wake from big boats. He expressed concern that the group uses the language that it is gathering additional information from stakeholders. He believed that wake boats are being singled out, noting that big boats continue to be a presence on the lake and cause damage.

Chair Thomas thanked the Communications Committee for their work on the draft letter. He asked if the Board would need to formally approve the position, should the Committee further wordsmith the document or whether the Committee can submit the letter once amended.

Gilchrist commented that by consensus the Board can direct the Committee to amend and submit the letter. He noted that if the Board waits until the next meeting it could be too late.

Chair Thomas confirmed the consensus of the Board to direct the Committee to amend the letter as discussed and submit the letter on behalf of the LMCD.

Gilchrist commented that the Board should provide a motion of support at the regular meeting tonight.

Chair Thomas suggested that occur under Chair Comments.

Walesch commented that he did not believe that this issue will receive a hearing during this session but agreed that the letter should still be sent into the legislature.

Baasen agreed that the letter should be sent out with simple and direct comments from the LMCD.

The work session was adjourned at 6:55 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; 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: Dennis Klohs, Minnetonka Beach

Persons in Audience: Chuck Becker, John Bendt, John Breyer, Bill Bushnell, Dr. Kristine DeVinck, Eric Evenson, Erik Forsberg, Michael Harter, Rep. Jerome Hertaus, Elizabeth Hustad, Gabriel Jabbour, Sen. Ann Johnson Stewart, Mike Jones, Brian Martell, Katie Martell, Bryan Ophaug, Kristen Ophaug, Jim Ronning, Joe Schneider, Jill Sims, Jeff Sisk, Jay Soule, Dave Spatafore, John Wall, Andy Weigman, John Wooden, Tim Connelly, and Jake Youngren.

The following usernames and phone numbers were also present, but the person(s) did not identify themselves: 6123943059, 6127160251, Ben iPhone, DL, Galaxy S10, Good Neighbor, iPad, Jim, PC, The Rose Law Firm LLC, Tom's iPad, and User.

4. APPROVAL OF AGENDA

Chair Thomas noted that the applicant has requested to remove Item 10B from the agenda.

MOTION: Baasen moved, Stone seconded to approve the agenda as amended, making the change noted by Chair Thomas above.

VOTE: A roll call vote was performed:

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

Motion carried unanimously.

5. CHAIR ANNOUNCEMENTS

Chair Thomas commented that the Board held a workshop prior to this meeting and had discussion related to House file 1606 and Senate file 1639 regarding wake boats. He stated that it was the recommendation of the Communications Committee that the LMCD oppose the legislation for a number of reasons and it was the consensus of the Board to support that recommendation.

MOTION: Kroll moved, Baasen seconded to direct the Communications Committee to amend the draft response letter opposing the proposed legislation in House file 1606 and Senate file 1639 and authorize the Committee to submit the letter.

VOTE: A roll call vote was performed:

| | |
|-----------|---------|
| Anderson | abstain |
| Baasen | aye |
| Brandt | aye |
| Cook | aye |
| Hoelscher | aye |
| Hughes | aye |
| Kirkwood | aye |
| Klohs | absent |
| Kroll | aye |
| Newell | aye |

| | |
|---------|-----|
| Stone | aye |
| Thomas | aye |
| Walesch | aye |
| Zorn | aye |

Motion carried unanimously.

Chair Thomas extended thanks to Hoelscher and the Communications Committee for their work.

6. PUBLIC PRESENTATIONS

A) Senator Ann Johnson Stewart

Stone introduced Senator Johnson Stewart who was elected to the Senate in 2020 and represents District 44. She provided background information on Senator Johnson Stewart professional experience and her committee appointments.

Senator Johnson Stewart stated that she and her husband have lived in the community for the past 25 years. She provided background information on herself, her education and career experiences, professional experiences, her committee appointments, and her interest in water quality. She stated that she would be interested in meeting with the Board on a more ongoing basis in order to develop a working relationship related to issues pertaining to water.

Kroll stated that more mining is needed in order to support electric vehicles. He stated that if mining is not being done here, it is being outsourced to other countries that do not have environmental and child labor laws.

Senator Johnson Stewart agreed that it is a complicated issue. She commented that daily people in Minnesota throw away 7,500 cell phones. She agreed that minerals are needed but there is also a huge opportunity to challenge people to repair and recycle cellular phones.

Kroll noted that his comment was related to electronic vehicles and solar panels which are huge consumers of the minerals.

Senator Johnson Stewart understood that those things take larger amounts of resources than a cell phone but believed that there are multiple solutions to the problem. She believed that better ways can be found without going into the Boundary Waters or using child labor. She recognized that there are no simple answers and possibly multiple solutions and that there are values she would like to protect.

Baasen commented that there are 14 communities on Lake Minnetonka and the LMCD was created to govern the activity of that lake. He commented that Lake Minnetonka is unique, busy, and it is important to keep the lake safe. He asked that the Senator be proactive with the LMCD and allow them an opportunity to provide input when issues come up that could impact the safety and well-being of the lake and its residents.

Senator Johnson Stewart encouraged continuous communication, noting that her Senate email should be used to ensure response. She commented that she is a periodic user of the lake but acknowledged that she does not have the same knowledge as those that live on the lake or use the lake more frequently. She recognized that the lake has many user groups that bring different points of view.

Chair Thomas commented that the LMCD was originally created in part to deal with pollution on Lake Minnetonka. He stated that focus has evolved from just water quality to safety and wellbeing of the lake and its users as well.

Senator Johnson Stewart commented that she does have experience related to water quality and again encouraged input from anyone in the future.

B) Representative Jerry Hertaus

Kirkwood introduced Representative Jerry Hertaus who was elected to the House in 2021 and represents District 33A. He provided background information Representative Hertaus and reviewed his current committee assignments.

Representative Hertaus introduced himself and provided background information on himself, his educational and career experience, his experience with lakes and Lake Minnetonka, and his experience at the legislature and through his committee assignments.

Representative Hertaus commented that the Bill mentioned during the Board workshop regarding wake surfing has not had a hearing in the House and it appears will most likely not go too far during this session. He commented that relationships are important in government and hoped that they would soon be able to put the challenges of COVID behind them and return to in person interaction. He provided background information on a bill he authored in his freshman year to allow dentists to provide influenza vaccinations as most rural communities do not have a Walgreens or CVS. He stated that bill has been amended to allow dentists to administer the COVID vaccination. He expressed frustration with the lack of response from the Governor and his office during this past year, noting that he has attempted communication using multiple methods of delivery related to the COVID response that continue to be unanswered. He did not believe the Governor is likely to relinquish his powers until the vaccination rate is above 70 percent.

Chair Thomas asked if committees are meeting in person or virtually.

Representative Hertaus stated that House staff members are operating virtually while some assistants are allowed to come in once per week. He stated that a limited number of members can attend on the floor, therefore sessions are being conducted virtually through a secure network system. He commented that approximately 95 percent of the legislature is operating virtually.

Senator Johnson Stewart provided input on the in person, remote and hybrid formats that the Senate is using.

Chair Thomas thanked both Senator Johnson Stewart and Representative Hertaus for participating tonight.

He stated that the intent is simply to begin a relationship and keep open lines of communication in the future.

7. APPROVAL OF MINUTES- 02/10/2021 LMCD Regular Board Meeting

MOTION: Baasen moved, Kirkwood seconded to approve the 02/10/2021 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 | absent |
| Kroll | aye |
| Newell | aye |
| Stone | aye |
| Thomas | aye |
| Walesch | aye |
| Zorn | aye |

Motion carried unanimously.

8. APPROVAL OF CONSENT AGENDA

MOTION: Kroll moved, Zorn seconded to approve the consent agenda as presented. Items so approved included: 7A) Audit of Vouchers (02/10/2021 – 02/28/2021) and (03/01/2021 – 03/15/2021).

VOTE: A roll call vote was performed:

| | |
|-----------|--------|
| Anderson | aye |
| Baasen | aye |
| Brandt | aye |
| Cook | aye |
| Hoelscher | aye |
| Hughes | aye |
| Kirkwood | aye |
| Klohs | absent |
| 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)

Jim Ronning referenced the observer rule on Lake Minnetonka. He commented that Minnesota law allows for a wide-angle mirror to be used when pulling someone on a boat. He stated that there are a few other lakes in the metro area that differ from State law related to the observer rule but none as strict as Lake Minnetonka. He stated that he submitted proposed changes to the LMCD related to the observer rule and reviewed his proposed changes. He stated that he would like to work with the Board to review these proposed changes.

Anderson stated that this has been listed as a tentative future business item for some time. He asked if this could be included on the workshop agenda for the next meeting as he would be open to considering some of those ideas.

Chair Thomas noted that he will discuss that with staff following tonight's meeting.

Jill Sims, National Marine Manufacturers Association, thanked the Board for considering their education efforts at the last meeting. She welcomed any additional comments from the Communications Committee and the Board. She recognized that the Board is undertaking a difficult task to obtain stakeholder information related to wakes. She stated that NMMA could bring someone to explain the data they use. She stated that the observer/mirror requirement is within the existing statute and recommended that the Board check with legal counsel or Senate counsel, but did not believe the proposed bill would impact the LMCD ordinance.

10. PUBLIC HEARING

A) Public Hearing for Variance Request for 5310 Eastview Avenue for Adjusted Dock Use Area; Length, Minnetrista

M. Cook presented a variance request related to adjusted dock use area for length for the property at 5310 Eastview Lane in Minnetrista. He provided background information on the request noting that the proposed dock is within conformance for side setbacks and the variance would be for the length. He displayed an aerial image of the property and the proposed site plan. He reviewed the variance criteria the Board must consider for this request. He stated that no comments were received from the DNR, the MCWD stated that their approval was not necessary, and the City of Minnetrista commented that the proposed dock would require a variance from the City. He noted that several comments were received in opposition of the request and have been distributed to the Board. He stated that staff inspected the site on February 26, 2021 and it seems that there is deeper water within the site that would provide navigable depths. The need for the variance may be reduced or avoided by relocating the dock to the west. He stated that staff recommends denial of the

variance request as proposed since it appears the proposed length may not be necessary. Other navigable areas appear present in the dock use area that would reduce or eliminate the need for the variance. He commented that the platform size of 8 feet by 46 feet also seems unnecessary for a reasonable use of the lake, given the requested length variance.

Kirkwood asked if staff had a reaction to the videos provided and whether those measurements have relevance to this application.

M. Cook confirmed that he reviewed the information submitted via video. He stated that the measurements staff took demonstrated the same point that there are greater depths available at shorter distances from shore if the dock were located to the west.

Chair Thomas stated that he also watched the videos. He noted that staff took measurements which were comparable and therefore the Board can rely on staff measurements rather than the measurements provided by the neighbor.

Kirkwood commented that he was impressed with the effort of the neighbor. He also agreed that the staff measurements should be used. He stated that from the video it appears the current dock terminates at a pathway that goes up the hill, whereas the area to the west would have more of a vertical cliff where the dock would terminate. He asked if that was a variable in the dock location considered by the property owner. He agreed that at minimum the dock should be moved.

M. Cook commented that may well be the case as to why the existing dock location was chosen. He stated that LMCD Code would not prohibit a property owner from being creative in their dock alignment, noting that the applicant could start the dock in the existing location and create a dock that wraps around towards the deeper water.

Schleuning commented that it will be important for the Applicant to gather different water depths within the dock use area to determine what could or could not be possible to achieve reasonable navigation and use.

Chair Thomas commented that the Board is not present to design the dock system but to consider whether to approve or deny the variance request.

Thomas invited the applicant to address the Board.

Jake Youngren, Tonka Built, spoke in representation of the applicant noting that they helped to design the **dock which reaches the proper water depth for the applicant's boats. He stated that** the most glaring thing the Board should keep in mind was not the accuracy of the measurements taken in the video submitted by the neighbor, but the area in which the videos were taken. He stated that if the dock were moved 100 feet to the west, the relative use space into the bay would be equivalent to 120 feet out in the existing location as the property goes further into the bay as you move west on the property.

Thomas opened the public hearing at 8:10 p.m.

Bryan Ophaug, 5360 Eastview Avenue, stated that he submitted the videos being discussed. He stated that he used an auger to drill through the ice and take measurements. He commented that he believes the dock could be dramatically shortened. He commented that the 157-foot dock cuts off the creek and abuts a large association dock. He stated that the dock also blocks the views of the bay for the other residents on **Eastview. He stated that perhaps the dock location was chosen as it does not obstruct the property owner's** line of sight, but it obstructs the views of the neighbors. He commented that there is topography on properties, and it is not uncommon for property owners to deal with that. He believed there is a much simpler **way to provide depths for the owner's boats without cutting off the creek.** He stated that if the property owner did not want to change their access to the dock, the existing access could be kept, and the dock could wrap around to the west. He stated that the dock is large, and they have been staring at it all winter in the method it is stored.

Schleuning stated that there are other layout options that could be considered, such as flipping the dock arrangement, but again, it is important to gather water depths throughout the dock use area.

Mr. Youngren commented that he did not mean to convey that the actual OHW is further out into the bay relative to where they are starting the dock.

No additional comments were offered, and the public hearing was closed at 8:15 p.m.

Anderson commented that this property has 435 feet of lakeshore frontage. He stated that the size of the platform is legal under LMCD standards. He stated that staff stated that their measurements were consistent with the measurements taken by the applicant. He commented that the bluff would be an issue. He recognized that others may need to build into a bluff but that is because they do not have additional lakeshore whereas this property owner does have additional lakeshore. He stated that storage of the dock was brought up but that does not apply to the LMCD jurisdiction and perhaps that storage should be referred to the City. He referenced other dock length variances the LMCD has issued noting that the LMCD did not provide input as to whether those docks could be located or how they could be designed.

Kirkwood commented that he is not interested in telling someone where to put a dock, but the current location does not justify the length requested as it poses a safety risk. He commented that if the property owner is attempting to find more depth, there is evidence that additional depth is available to the west. He commented that the design and stairway would not be the decision of the LMCD. He stated that he would not support additional length.

Schleuning noted that a member of the public has raised their hand to speak.

Chair Thomas noted that the public hearing was closed. He asked if the dock were to remain in its current location would it need to be 157 feet to reach navigable water.

M. Cook replied that may be the case.

Schleuning noted that it would also depend on the type and size of the watercraft.

MOTION: Anderson moved to direct LMCD legal counsel to prepare Findings of Fact and Order approving the variance application from Shayne Ernzer of 5310 Eastview LLC for the property located at 5310 Eastview Avenue for final action at the March 24, 2021 LMCD Board meeting.

The motion died for lack of second.

Walesch asked what would be allowed for a platform.

M. Cook replied that LMCD Code includes maximum dimensions for dock structures and does not include dimensions for platforms.

Walesch asked and received confirmation that the platform size itself would be legal as proposed.

Walesch asked if this should be continued to receive additional information. He stated that he feels that someone should have reasonable use of their property and reasonable selection of dock location but noted that there appears to be a lot of open questions related to the options that would be available. He stated that he did not get the sense that the Board would provide the votes needed to pass this request. He stated that perhaps it would be better to continue this and gather additional information related to depths, locations, and options.

Chair Thomas stated that the applicant has asked the Board to make a decision on this variance request and has not asked the Board to review other options or designs. He stated that the only way he would feel comfortable continuing this would be if the applicant stated they would be open to considering other options.

MOTION: Walesch moved, Newell seconded to continue the review of this application to a future date.

Further discussion: Chair Thomas asked if this would cause a problem with the 60-day review window.

Schleuning commented that there would be an issue with that review period but the LMCD could extend that review window and/or work with the applicant related to the timeframe.

VOTE: A roll call vote was performed:

| | |
|-----------|--------|
| Anderson | nay |
| Baasen | aye |
| Brandt | nay |
| Cook | aye |
| Hoelscher | aye |
| Hughes | aye |
| Kirkwood | nay |
| Klohs | absent |

| | |
|---------|-----|
| Kroll | aye |
| Newell | aye |
| Stone | aye |
| Thomas | nay |
| Walesch | aye |
| Zorn | aye |

Motion carried.

Chair Thomas asked the information the Board would like from staff.

Walesch commented that he would like to see the list of things staff mentioned as things that should be checked.

Schleunig stated that staff will work with the applicant on the direction they would like to take and the information that will be provided.

Stone asked why the applicant was not present tonight.

Chair Thomas commented that an applicant does not have to attend.

Stone commented that she feels she does not have enough information related to the motive behind this request that she feels the applicant might have been able to provide answers.

~~B) Public Hearing for Variance Request for Parcel ID# 1711722210090, Trustees of 17009 Grays Bay Boulevard, for Adjusted Dock Use Area, Side Setbacks and Length, Minnetonka~~

11. OTHER BUSINESS

There was no other business.

12. OLD BUSINESS

None.

13. NEW BUSINESS

A) Board Member Expectations

Chair Thomas stated that this information was included in the Board packet. He stated that he would like to include these expectations within the Board Member Guide. He asked for input on the document.

Baasen commented that it is an interesting document. He stated that it is a good document but only if embraced by

the Board. He suggested that members not adopt the document without reading it as the items are behavioral items. He recognized that the Board is effective because of the different opinions of the Board. He stated that it seems the intent of the document is that even though there are differing opinions, once a decision is made, it should be supported by the Board.

Chair Thomas stated that the Board could choose to adopt the document tonight or delay consideration to the next meeting to allow additional review time.

MOTION: Hoelscher moved, Baasen seconded to adopt the Board Member Expectations and place that in the Board Manual.

VOTE: A roll call vote was performed:

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

Motion carried unanimously.

14. TREASURER REPORT

Anderson provided an update on the most recent Finance Committee meeting. He noted that while there are some fixed costs for the organization there seems to be some costs which could be reduced. He highlighted some of the budget topics which were considered as well as potential marketing strategies for Save the Lake solicitations being geared more towards safety and a potential budget amendment. He stated that they continue to focus on sale of the harvesters. He stated that the Committee agrees that 35 percent would be a healthy level of reserve fund balances. He requested that the Board consider that be the healthy level for reserves. He noted that there would be plenty of time in the future to discuss how those funds be used.

Hoelscher stated that she may be in favor of that but was having trouble following the presentation by Anderson. She stated that she would prefer to have documents with those figures in front of her before making a motion or supporting a motion of that nature.

Anderson stated that he would like to set the healthy reserve balance at 35 percent and additional work could be done to delve into the details.

Kirkwood agreed with Hoelscher that he was having trouble following that presentation. He asked that the **Treasurer's Report be provided** in writing and include any potential Board action for consideration. He asked if there are minutes available from the Finance Committee meeting.

Anderson confirmed that he could provide those to the Board. He stated that the numbers are not related to whether the Board would support a policy that the reserve balance should be set at 35 percent, which was unanimously recommended by the Finance Committee. He was unsure why more than 35 percent would be needed in reserves.

Schleunig stated that the LMCD does have a policy that outlines the reserve balances and that should be reviewed as part of the review.

Chair Thomas agreed with the comments of Kirkwood that proposed action should be included in the Board packet along with supporting documentation for the Board to review prior to the meeting.

Newell commented that during the January Finance Committee meeting staff provided a bar graph showing month to month expenses and revenue. He noted that shows the LMCD is a stable organization. He stated that the need for reserves is related to unexpected expenses that may arise or cashflow issues, which the LMCD does not have. He recognized that reserves are needed but 50 percent or more seems excessive. He stated that perhaps staff could provide that bar graph which supports how well run the organization is and could help to make the Board comfortable with adjusting that reserve cap to 35 percent.

Walesch commented that this is a discussion that many members of the Board have wanted to have for a long time. He stated that could perhaps be a good number but finds it difficult to vote on something when there are no supporting materials, and nothing has been presented as far as the reserve balances and what would be done with the funds. He stated that if a policy is going to be changed or created there should be information supporting that for the Board to review.

Anderson provided estimates on different fund balances. He stated that the Strategic Plan outlines a goal to have 30 to 50 percent within the reserve funds.

MOTION: Anderson moved to set the reserve fund balance goal at 35 percent of annual expenditures.

The motion died for lack of second.

Anderson commented that it is interesting that the Committee supported this recommendation but did not express support for his motion.

Hoelscher commented that the Board may support the request as well but simply wants the information to review

before making that decision.

Schleuning suggested that she work with Anderson to put together information for the Board to review and present on an upcoming agenda.

Chair Thomas agreed that the recommendation may be appropriate, but the Board would simply like information to review in order to make a knowledgeable decision.

15. EXECUTIVE DIRECTOR UPDATE

Schleuning provided the following information:

- MAISRC is planning to hold an online event on Tuesday April 6th to provide an update on the copper research related to zebra mussel AIS management
- The website developer remains on schedule to launch the new website in early April
- The aquatic plant harvesting equipment is listed for sale on the LMCD website with a deadline of March 31st for bids
- There are several potential legislative bills related to watercraft equipment. Information will be placed on the website with links to the bill.
- The University of Minnesota is offering a non-native invasive earthworms webinar that will be held on March 17th. The live presentation is free for those who register.

16. STANDING LMCD COMMITTEE/WORKGROUP

Aquatic Invasive Species: No report.

Communications: Hoelscher thanked the Committee members for the work they have contributed over the past few weeks.

Finance: No additional report.

Operations: Zorn reported that the Committee met on February 16th and discussed potential changes to Board meeting frequency. The Chair will work with staff during the spring and summer to determine if two meetings per month are needed, or whether one would be sufficient in order to save staff time. She stated that there was a request to change the time of the meeting to daytime, but the decision was made not to change the time as that would restrict the amount of public input that could be made. She stated that feedback is needed related to the Strategic Plan items that relate to each of the Committees. The group will meet again the following week, but that meeting could be delayed in order to gather additional input related to the Strategic Plan items.

Save the Lake: Baasen reported that the Committee met the previous day noting that six Board members have chosen to participate on the Committee to help make the lake a better place. He stated that the lake is going to continue to see increased usage and there will be pressure to provide safety and supervision. He stated that the Committee proposed increasing the budget from \$45,000 to \$60,000 for this year in order to provide additional funds to Water Patrol to provide additional supervision on the lake. He stated that the concept of fund a need has

been successful in fundraising for other organizations and Save the Lake could use that concept in its solicitation to focus on safety and supervision. He stated that there were nominations to add several non-Board members to the Committee who are well known stakeholders on the lake who are passionate about the lake. He asked the Board to approve the three nominees as 2021 members of the Save the Lake Committee.

Chair Thomas stated that Schleuning is preparing a slate with the membership of each Committee and can bring that back for the Board to adopt at the next meeting.

Anderson stated that he would like the vote to occur for Save the Lake tonight. He stated that all three individuals are interested in serving.

MOTION: Baasen moved, Anderson seconded to approve the appointment of Gabriel Jabbour, Jay Soule, and David Gross to the Save the Lake Committee.

VOTE: A roll call vote was performed:

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

Motion carried unanimously.

Baasen thanked the Board for taking that action, noting that Save the Lake has a big job ahead this year and did not want to delay that action.

17. ADJOURNMENT

MOTION: Walesch moved, Hughes seconded to adjourn the meeting at 9:11 p.m.

VOTE: A roll call vote was performed:

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

Motion carried unanimously.

Gregg Thomas, Chair

Dan Baasen, Secretary

4:19 PM
03/18/21

Lake Minnetonka Conservation District
Check Detail
March 16 - 31, 2021

ITEM 8A

| Date | Num | Name | Memo | Account | Class | Paid Amount |
|------------|-----------|---------------------------------|--|--|--------|-------------|
| 03/25/2021 | EFT-21-35 | ADP | | Alerus Checking | | |
| | | | Salaries - Admin | 4020M10 · Salaries-002 - Admin | Admin. | -8,610.97 |
| | | | P.E.R.A. | 2020 · Payroll Liabilities - | Admin. | 1,199.28 |
| | | | ER PERA | 4022M10 · ER PERA - Admin | Admin. | -642.47 |
| | | | ER/FICA Medicare - Admin | 4021M10 · ER Share of Admin FICA/Me... | Admin. | -655.34 |
| | | | Long Term Disability | 2020-LT · Payroll Liabilities - UNUM | Admin. | 80.35 |
| | | | MN SUI-ER | 4023M10 · SUI MN | Admin. | -8.57 |
| TOTAL | | | | | | -8,637.72 |
| 03/25/2021 | EFT-21-36 | ADP Service Fee | | Alerus Checking | | |
| | | | Payroll 3/16/21 - 3/31/21 | 4180M10 · Professional Services - Admin. | Admin. | -80.53 |
| TOTAL | | | | | | -80.53 |
| 03/25/2021 | EFT-21-37 | Frontier Communications | | Alerus Checking | | |
| | | | Phone and Internet 3/4/21 - 4/3/21 | 4060M10 · Telephone - Admin. | Admin. | -214.47 |
| TOTAL | | | | | | -214.47 |
| 03/25/2021 | EFT-21-38 | SelectAccount Group Service Fee | | Alerus Checking | | |
| | | | HSA Administrative fee for March 2021 | 4380M10 · Employee Benefits - Admin. | Admin. | -3.20 |
| TOTAL | | | | | | -3.20 |
| 03/25/2021 | EFT-21-39 | Health Partners | | Alerus Checking | | |
| | | | Dental Insurance, April 2021 (Cook, Duncan, Schle... | 4380M10 · Employee Benefits - Admin. | Admin. | -256.25 |
| | | | Retro for New Member November - March (Sarah Co... | 4380M10 · Employee Benefits - Admin. | Admin. | -427.00 |
| TOTAL | | | | | | -683.25 |
| 03/25/2021 | EFT-21-40 | P.E.R.A | | Alerus Checking | | |
| | | | Payroll 3/16/21 - 3/31/21 | 2020 · Payroll Liabilities - | Admin. | -1,199.28 |
| TOTAL | | | | | | -1,199.28 |

| Date | Num | Name | Memo | Account | Class | Paid Amount |
|------------|------------------|----------------------------|---|--|--------|-------------|
| 03/25/2021 | EFT-21-41 | SW/WC Service Cooperatives | | Alerus Checking | | |
| | | | Health Insurance, April 2021 (Vickie Schleunig) | 4380M10 · Employee Benefits - Admin. | Admin. | -721.50 |
| | | | Health Insurance, April 2021 (Tammy Duncan) | 4380M10 · Employee Benefits - Admin. | Admin. | -721.50 |
| | | | Health Insurance, April 2021 (Matt Cook) | 4380M10 · Employee Benefits - Admin. | Admin. | -721.50 |
| | | | Health Insurance, April 2021 (Sarah Cook) | 4380M10 · Employee Benefits - Admin. | Admin. | -1,047.50 |
| TOTAL | | | | | | -3,212.00 |
| 03/25/2021 | EFT-21-42 | US Bank | | Alerus Checking | | |
| | | | GoDaddy 1-Year Renewal | 4530M10 · Comp. Sftwr & Hdwr - Admin. | Admin. | -2,131.36 |
| | | | Consumer Cellular 1/25/21 - 2/24/21 | 4060M10 · Telephone - Admin. | Admin. | -29.93 |
| TOTAL | | | | | | -2,161.29 |
| 03/16/2021 | EFT-21-43 | P.E.R.A | | Alerus Checking | | |
| | | | Payroll 3/1/21 - 3/15/21 Adjustment to Pera Payment | 2020 · Payroll Liabilities - | Admin. | -5.43 |
| TOTAL | | | | | | -5.43 |
| 03/25/2021 | EFT-21-44 | ADP Service Fee | | Alerus Checking | | |
| | | | Balance Due W-2's | 4180M10 · Professional Services - Admin. | Admin. | -0.73 |
| TOTAL | | | | | | -0.73 |
| 03/25/2021 | 21928 | City of Mound | | Alerus Checking | | |
| 03/25/2021 | April 2021 | | Rent, April 2021 | 4320M10 · Office Rent - Admin. | Admin. | -1,649.96 |
| TOTAL | | | | | | -1,649.96 |
| 03/25/2021 | 21929 | ECM Publishers, Inc. | | Alerus Checking | | |
| 03/25/2021 | Inv.#822184,8... | | March 10 Public Hearing Kiley Variance | 4110M10 · Public Info./Legal - Admin. | Admin. | -46.26 |
| | | | March 10 Public Hearing Ernzer Variance | 4110M10 · Public Info./Legal - Admin. | Admin. | -46.26 |
| | | | Harvesting Equipment for bid | 4110M30 · Public Info./Legal - EWM | AIS | -226.10 |
| TOTAL | | | | | | -318.62 |

| Date | Num | Name | Memo | Account | Class | Paid Amount |
|------------|------------------|--------------------------------------|---|---|--------|-------------|
| 03/25/2021 | 21930 | Innovative Office Solutions LLC | | Alerus Checking | | |
| 03/25/2021 | Inv.#IN3280395 | | Office Supplies | 4220M10 · Office Supplies -Admin. | Admin. | -129.07 |
| TOTAL | | | | | | -129.07 |
| 03/25/2021 | 21931 | LMCC | | Alerus Checking | | |
| 03/25/2021 | Inv.#1406 | | VOD Services for Meeting 3/10/21 | 4182M10 · Media (Cable/Internet) - Admin. | Admin. | -100.00 |
| TOTAL | | | | | | -100.00 |
| 03/25/2021 | 21932 | Tallen & Baertschi | | Alerus Checking | | |
| 03/25/2021 | February 2021 | | February Prosecution Cost | 4640M10 · Prosecution Fees - Admin. | Admin. | -1,095.98 |
| TOTAL | | | | | | -1,095.98 |
| 03/25/2021 | 21933 | Wayzata Marine | | Alerus Checking | | |
| 03/25/2021 | Refund of Ove... | | Refund of Overpayment 2020-2021 Deicing License | 3130M10 · Deicing License - Admin. | Admin. | -50.00 |
| TOTAL | | | | | | -50.00 |
| 03/25/2021 | 21934 | TimeSaver Off Site Secretarial, Inc. | | Alerus Checking | | |
| 03/25/2021 | Inv.#M26313 | | Board Minutes 3/10/21 | 4230M10 · Meeting Exp. - Admin. | Admin. | -302.75 |
| TOTAL | | | | | | -302.75 |
| 03/25/2021 | 21935 | Rolyan Buoys | | Alerus Checking | | |
| 03/25/2021 | Inv.#3682232 | | No Anchoring Bouys for Big Island | 4160M20 · Public Safety - S/L | STL | -4,925.00 |
| TOTAL | | | | | | -4,925.00 |
| 03/25/2021 | 21936 | Giant Voices | | Alerus Checking | | |
| 03/25/2021 | Inv.#INV-0477... | | Website design and development - in process | 4070M10 · Web Page / Internet - Admin. | Admin. | -4,000.00 |
| TOTAL | | | | | | -4,000.00 |



RESOLUTION NO. 215

A RESOLUTION ACCEPTING CONTRIBUTION(S) TO THE LAKE MINNETONKA CONSERVATION DISTRICT (LMCD)

WHEREAS, the LMCD is a regional government agency established by Minnesota Statutes Section 103B.605, Subd. 1;

WHEREAS, contributions to the LMCD "Save the Lake" fund are generally tax deductible to individuals under the IRS Code 26 USC Section 170 (b)(1)(a) because contributions to any political subdivision of any state for exclusively public purposes are deductible;

WHEREAS, municipalities are generally authorized to accept donations of real and personal property pursuant to Minnesota Statutes Section 465.03 for the benefit of its stakeholders, and is specifically authorized to accept gifts;

WHEREAS, LMCD wishes to follow similar requirements as established for municipalities for accepting donations;

WHEREAS, the attached listed person(s) and entity(ies) have offered to contribute the cash amount(s) set forth with any terms or conditions as outlined in Attachment I to the LMCD;

WHEREAS, such contribution(s) have been contributed to the LMCD for the benefit of the public, as allowed by law; and

WHEREAS, the LMCD Board of Directors finds that it is appropriate to accept the contribution(s) offered.

NOW THEREFORE, BE IT RESOLVED BY THE LMCD BOARD, STATE OF MINNESOTA AS FOLLOWS:

1. The contribution(s) described with Attachment I is/are accepted and shall be used to establish and/or operate services either alone or in cooperation with others, as allowed by law.

RESOLUTION #215

Page 2

2. The executive director is hereby directed to issue receipt(s) acknowledging the LMCD's receipt of the contributor's contribution(s).

Adopted by the Board this 24th day of March, 2021.

ATTEST:

Gregg Thomas, Chair

Dan Baasen, Secretary

Lake Minnetonka Conservation District
Transaction Detail By Account
February 1 through March 15, 2021

Resolution #215 Attachment 1 - Save the Lake Contributions

| <u>Date</u> | <u>Num</u> | <u>Name</u> | <u>Memo</u> | <u>Amount</u> |
|-------------|------------|---------------------|------------------------|-----------------|
| 03/10/2021 | 11527 | Tom & Mari Lowe | STL Donation (General) | 500.00 |
| 03/10/2021 | 297620 | Jerry & Julia Young | STL Donation (General) | 500.00 |
| | | | | <u>1,000.00</u> |



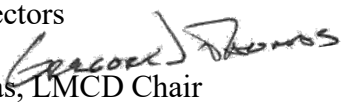
ITEM 8C

LAKE MINNETONKA CONSERVATION DISTRICT

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

DATE: March 18, 2021

TO: Board of Directors

FROM: Gregg Thomas, LMCD Chair 

SUBJECT: Summary of Executive Director Performance Evaluation

SUMMARY OF EXECUTIVE DIRECTOR PERFORMANCE EVALUATION

The following is a summary of the conclusions from the performance evaluation of the LMCD Executive Director the LMCD Board of Directors (“Board”) conducted in closed session on February 10, 2021 pursuant to Minnesota Statutes, section 13D.05, subdivision 3(a).

The Board utilized the “Year End Review of Executive Director Competencies” previously prepared for the LMCD by a consultant to review the performance of the Executive Director based upon the following ten competencies: Strategic Agility; Communicating Vision and Purpose; Analytical Thinking and Planning; Decision Making; Listening – Communication Skills; Handling Conflict and Difficult Situations; Organizational Expertise; Working with the LMCD Board; Honesty and Integrity; and Impact on Results.

The Board reviewed its ratings on these competencies, including the Executive Director’s self-evaluation based on the same competencies, and discussed the overall performance of the Executive Director. The Board concluded the Executive Director meets or exceeds expectations on each of the identified competencies. The Board recognized: the importance of the Executive Director maintaining open and effective communications with the Board, partners, stakeholders, and the public; the range of demands placed on the position; limited staff resources; and the challenges of presenting applications in a concise manner while conveying sufficient information to allow the Board to make an informed decision. The Board Chair indicated he would communicate the Board’s review to the Executive Director.

Presented at the March 24, 2021 Board meeting.



RESOLUTION 217

A RESOLUTION AUTHORIZING THE APPOINTMENT OF COMMITTEE MEMBERS FOR THE YEAR 2021

BE IT RESOLVED, BY THE LMCD BOARD, STATE OF MINNESOTA, THAT THE FOLLOWING APPOINTMENTS ARE MADE TO THE COMMITTEES FOR THE YEAR 2021 THROUGH JANUARY 31, 2022, WHICH MAY CHANGE FROM TIME TO TIME, AS FOLLOWS:

Save the Lake Committee

(Approved 03/10/2021)

Dan Baasen, Chair (LMCD)

Bill Cook (LMCD)

Denny Newell (LMCD)

Gregg Thomas (LMCD)

Mark Kroll (LMCD)

Rich Anderson (LMCD)

Dave Gross (Stakeholder)

Gabriel Jabbour (Stakeholder)

Jay Soule (Stakeholder)

AIS Committee

Bill Cook, Chair (LMCD)

Rich Anderson (LMCD)

Ben Brandt (LMCD)

Denny Newell (LMCD)

Deborah Zorn (LMCD)

Jake Walesch (LMCD)

Tom Frahm (LMA)

Agencies TBD

Communications Committee

Ann Hoelscher, Chair (LMCD)

Mike Kirkwood (LMCD)

Dan Baasen (LMCD)

Gary Hughes (LMCD)

Dennis Klohs (LMCD)

Jake Walesch (LMCD)

Operations Committee

Deborah Zorn, Chair (LMCD)

Ann Hoelscher (LMCD)

Rich Anderson (LMCD)

Gary Hughes (LMCD)

Gregg Thomas (LMCD)

Finance Committee

Rich Anderson, Chair (LMCD)

Denny Newell (LMCD)

Nicole Stone (LMCD)

Bill Cook (LMCD)

Nominating Committee (20/21)

Nicole Stone (LMCD)

Jake Walesch (LMCD)

Deborah Zorn, Chair (LMCD)

Mark Kroll (LMCD)

Adopted this 24th day of March 2021. upon a majority vote of all members.

Gregg Thomas, Chair

ATTEST:

Dan Baasen, Secretary

DRAFT



LAKE MINNETONKA CONSERVATION DISTRICT

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

ITEM 8E

DATE: March 24, 2021

TO: LMCD Board of Directors

FROM: Tammy Duncan, Administrative Assistant

THROUGH: Vickie Schleuning, Executive Director

SUBJECT: Resolution Approving 2021 Liquor Licenses for Watercraft for Hire

ACTION

Board consideration of a resolution approving 2021 Liquor licenses for Watercraft for Hire with Intoxicating Liquor (with Sunday sale) and Non-Intoxicating Malt Liquor, with respective Ports of Call on condition of receipt of signed Zoning Certificates for municipalities with Ports of Call, attendance at the annual training meeting, inspections, insurance certificates, and all other pertinent regulatory requirements.

BACKGROUND

A list is attached that includes the Watercraft for Hire applicants that have submitted renewal on-sale intoxicating liquor license with Sunday sale, non-intoxicating malt liquor, and/or wine license applications to the Lake Minnetonka Conservation District (LMCD) for the 2021 boating season.

By code, the LMCD Executive Director may issue Watercraft for Hire licenses administratively. However, alcoholic beverage licenses such as liquor (with Sunday sale), non-intoxicating malt liquor, and wine license applications must be approved by the Board. This approval includes the respective authorized ports of call.

According to Article 6, Chapter 1, Section 6-5.17, and Article 7, Chapter 3 pertaining to alcoholic beverages, a violation of the code or of a license condition is ground for revocation, suspension, or denial of a license. As of March 17, 2021, the LMCD staff is not aware of any violations. If a violation is discovered during the investigative process, the application will be brought back to the Board for further consideration.

The LMCD sent the applications to the Hennepin County Sheriff's Office (HCSO) for completion of background investigations for 19 vessels on February 17, 2021. LMCD received the applications back from the HCSO for all 19 vessels on March 15, 2021. The investigations did not find any information that would invalidate any of the applicants from receiving a liquor license at this time.

CONSIDERATIONS

The following items are pending and conditions of the license:

- The application fees have been paid in full;
- According to LMCD Code Section 7-3.25, Subd. 2, ports of call must comply with municipal zoning laws. Municipal Certification for Watercraft for Hire and/or Alcoholic Beverage License Authorized Port of Call approval forms have been submitted to the respective municipalities for their review;
- License applicants must attend the annual *Watercraft for Hire with Alcoholic Beverage License* training scheduled for March 30, 2021 via Zoom.
- All required inspections have been completed and passed;
- All required insurance certificates have been provided with satisfactory coverages; and,
- All other regulatory requirements are met.

BUDGET

N/A

STRATEGIC PRIORITIES

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

ATTACHMENT

1. List of Watercraft for Hire Liquor License Applications
2. Resolution 216

2021 Alcoholic Beverage License Renewal Applications for Watercraft for Hire

Item 8E Attachment 1

March 24, 2021 LMCD Board Meeting

| Company | Name | Vessel Name | Type | Port of Call 1 | City 1 | Port of Call 2 | City 2 | Port of Call 3 | City 3 | Port of Call 4 | City 4 | Port of Call 5 | City 5 |
|-------------------------------|------------------|----------------------|--|---------------------|-------------|-------------------|-------------|------------------------|------------------|-------------------|------------------|---------------------|-----------|
| Al & Alma's Supper Club, Corp | Jay Soule | Allante | On-Sale Intoxicating Liquor w/ Sunday Sales | Al & Alma's | Mound | Wayzata City Dock | Wayzata | Excelsior City Dock | Excelsior | Lafayette Club | Minnetonka Beach | | |
| | | Arabella | On-Sale Intoxicating Liquor w/ Sunday Sales | Excelsior City Dock | Excelsior | Wayzata City Dock | Wayzata | Al & Almas Supper Club | Mound | | | | |
| | | Avanti | On-Sale Intoxicating Liquor w/ Sunday Sales | Al & Alma's | Mound | Wayzata City Dock | Wayzata | Excelsior City Dock | Excelsior | Lafayette Club | Minnetonka Beach | | |
| | | Avenir | On-Sale Intoxicating Liquor w/ Sunday Sales | Al & Alma's | Mound | Wayzata City Dock | Wayzata | Excelsior City Dock | Excelsior | Lafayette Club | Minnetonka Beach | | |
| | | Aventure | On-Sale Intoxicating Liquor w/ Sunday Sales | Al & Alma's | Mound | Wayzata City Dock | Wayzata | Excelsior City Dock | Excelsior | Lafayette Club | Minnetonka Beach | | |
| | | Bella Vista | On-Sale Intoxicating Liquor w/ Sunday Sales | Al & Alma's | Mound | Wayzata City Dock | Wayzata | Excelsior City Dock | Excelsior | | | | |
| | | Isabella | On-Sale Intoxicating Liquor w/ Sunday Sales | Excelsior City Dock | Excelsior | Wayzata City Dock | Wayzata | Al & Almas Supper Club | Mound | | | | |
| Lady of the Lake, Inc. | Terrence Jungers | Lady of the Lake | On-Sale Intoxicating Liquor w/ Sunday Sales | Excelsior City Dock | Excelsior | | | | | | | | |
| Linda Lee Charters, LLC | Anne Davis | Linda Lee | On-Sale Intoxicating Liquor w/ Sunday Sales | Excelsior City Dock | Excelsior | Wayzata City Dock | Wayzata | | | | | | |
| PaddleTap, LLC | Ryan Jaeger | Miracle | Non-intoxicating Liquor w/ Consumption/Display | 5th Street Ventures | Spring Park | Lord Fletchers | Spring Park | Metro Lakes Marina | Mound | Wayzata City Dock | Wayzata | Excelsior City Dock | Excelsior |
| | | Rossi | Non-intoxicating Liquor w/ Consumption/Display | 5th Street Ventures | Spring Park | Lord Fletchers | Spring Park | Metro Lakes Marina | Mound | Wayzata City Dock | Wayzata | Excelsior City Dock | Excelsior |
| | | Serenity | Non-intoxicating Liquor w/ Consumption/Display | 5th Street Ventures | Spring Park | Lord Fletchers | Spring Park | Metro Lakes Marina | Mound | Wayzata City Dock | Wayzata | Excelsior City Dock | Excelsior |
| Paradise Charter Cruises | David Lawrance | Paradise Destiny II | On-Sale Intoxicating Liquor w/ Sunday Sales | Excelsior City Dock | Excelsior | Wayzata City Dock | Wayzata | | | | | | |
| | | Paradise Princess II | On-Sale Intoxicating Liquor w/ Sunday Sales | Excelsior City Dock | Excelsior | Wayzata City Dock | Wayzata | | | | | | |
| | | Paradise Grand | On-Sale Intoxicating Liquor w/ Sunday Sales | Excelsior City Dock | Excelsior | Wayzata City Dock | Wayzata | | | | | | |
| Tonka Yacht Rental, LLC. | Steve Bedell | Fait Accompli | Non-intoxicating Liquor w/ Consumption/Display | Lord Fletchers | Spring Park | Wayzata City Dock | Wayzata | Lafayette Club | Minnetonka Beach | | | | |
| Wayzata Bay Charters, Inc | Mark Peet | Elixir | On-Sale Intoxicating Liquor w/ Sunday Sales | Excelsior City Dock | Excelsior | Wayzata City Dock | Wayzata | 500 NNL, LLC. | Excelsior | | | | |
| | | Her Excellency | On-Sale Intoxicating Liquor w/ Sunday Sales | Excelsior City Dock | Excelsior | Wayzata City Dock | Wayzata | 500 NNL, LLC. | Excelsior | | | | |
| | | Voyager | On-Sale Intoxicating Liquor w/ Sunday Sales | Excelsior City Dock | Excelsior | Wayzata City Dock | Wayzata | 500 NNL, LLC. | Excelsior | | | | |

UPDATED 03-17-2021



RESOLUTION NO. 216

A RESOLUTION APPROVING 2021 LIQUOR AND ALCOHOLIC BEVERAGE LICENSES FOR WATERCRAFT FOR HIRE LICENSEES

WHEREAS, the Lake Minnetonka Conservation District (LMCD) is authorized pursuant to Minnesota Laws 1986, Chapter 437, Section 6 to regulate liquor and issue liquor licenses for the Lake in the same manner as a municipality;

WHEREAS, the LMCD has adopted regulations regarding intoxicating liquor, including license requirements, as part of Article 7, Chapter 3 of the LMCD Code of Ordinances, which incorporates by reference the provisions of Minnesota Statutes, chapter 340A;

WHEREAS, the LMCD Code of Ordinances indicates that no person shall directly or indirectly deal in, sell, or keep for sale on the Lake any alcoholic beverage without a license and indicates only certified watercraft for hire may obtain a liquor license; and

WHEREAS, LMCD staff have received and processed applications for liquor and alcoholic beverage licenses for nineteen (19) vessels.

NOW, THEREFORE, BE IT RESOLVED, by the LMCD Board of Directors as follows:

1. The 2021 Liquor and Alcoholic Beverage Licenses, as listed on the attached table, which is incorporated herein, are hereby approved on condition of receipt of signed Zoning Certificates for municipalities with Ports of Call, attendance at the annual training meeting, inspections, insurance certificates, and compliance with the other applicable requirements of the Code of Ordinances.

Adopted by the Board this 24th day of March, 2021.

Gregg Thomas, Chair

ATTEST:

Dan Baasen, Secretary



ITEM 13A

LAKE MINNETONKA CONSERVATION DISTRICT

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

DATE: March 24, 2021 (Prepared March 19, 2021)

TO: LMCD Board of Directors

FROM: Vickie Schleuning, Executive Director 

SUBJECT: 2020 Financial Audit: Annual Presentation

ACTION

Board review and acceptance of the 2020 Financial Audit Report, provided by Abdo, Eick & Meyers, LLP.

BACKGROUND

Abdo, Eick, & Meyers, LLP has provided a report detailing the process and results of the LMCD's 2020 financial audit. A highlight of the audit will be presented. The findings indicate the LMCD financial position for 2020 was in accordance with accounting principles generally accepted in the United States.

BUDGET

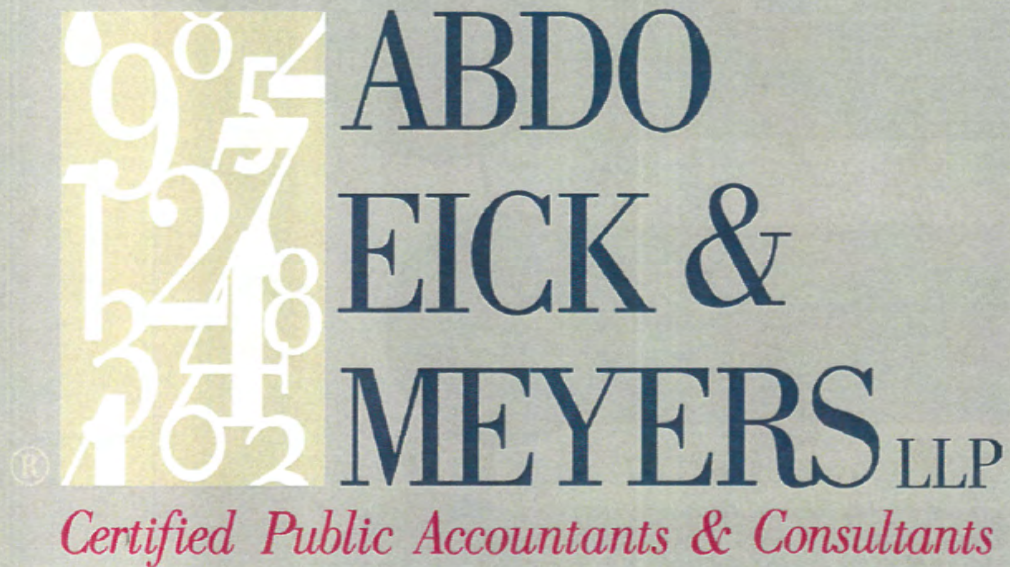
This is a review of the 2020 financial status.

STRATEGIC PRIORITIES

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

ATTACHMENT

- Presentation
- Financial Audit Report
- Financial Management Communication



**Lake Minnetonka
Conservation
District**

**2020 Financial
Statement Audit**

Introduction

904
127
548
762
ABDO
EICK &
MEYERS_{LLP}
Certified Public Accountants & Consultants

Audit Opinion and
Responsibility

General Fund Results

Other Governmental Funds

Audit Results



Auditor's Opinion



Minnesota Legal Compliance



Audit Results

2020 Audit Findings

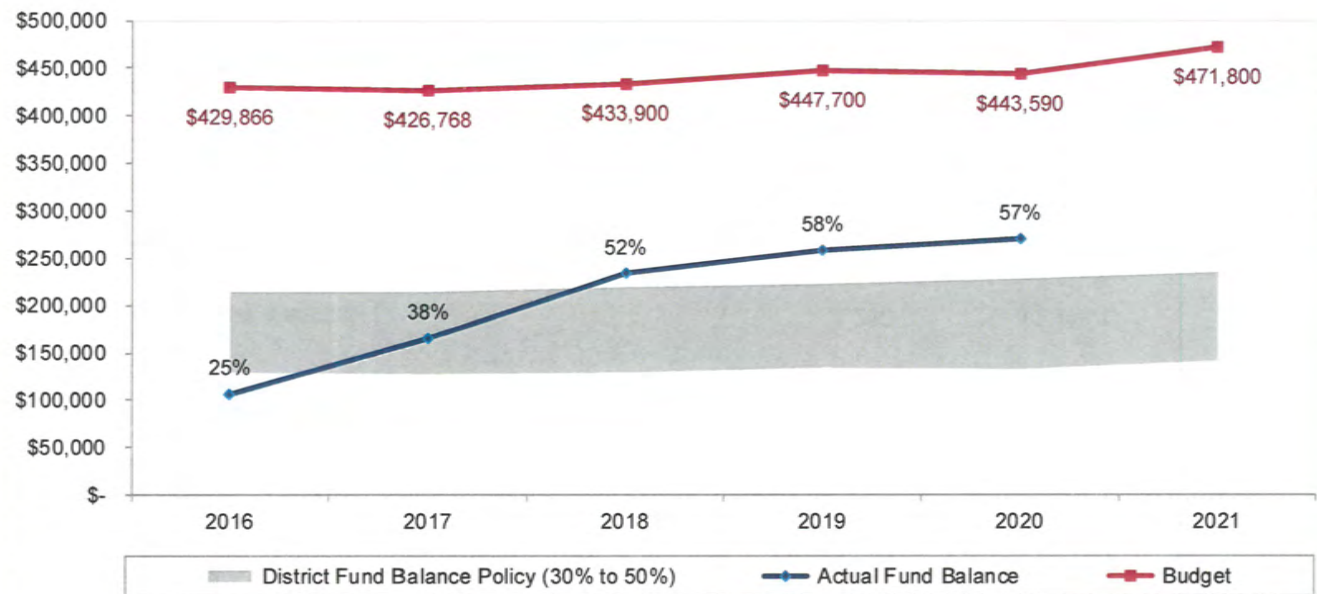
 **ABDO
EICK &
MEYERS** LLP
Certified Public Accountants & Consultants

Preparation of Financial Statements

- Internal Control Finding

General Fund - Fund Balances

**ABDO
EICK &
MEYERS LLP**
Certified Public Accountants & Consultants



The LMCD fund balance policy references a 30-50% unrestricted general fund balance compared to next years budgeted expenditures. 30-50% is considered an industry standard.

General Fund Budget to Actual



Revenues
Expenditures

Net Change in Fund Balance

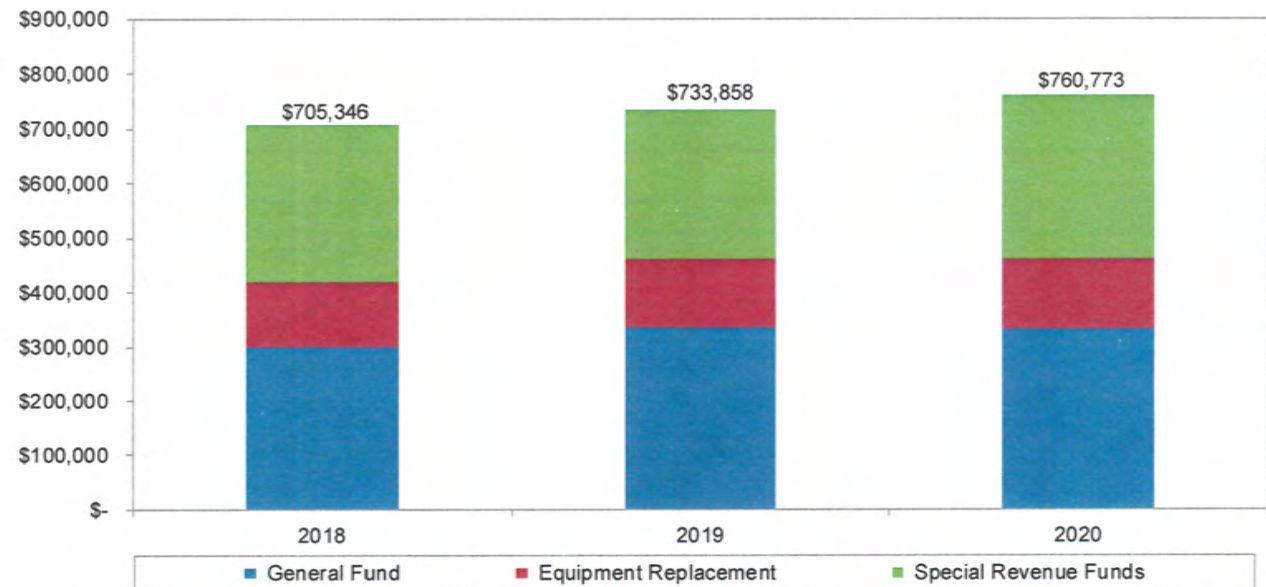
Fund Balances, January 1

Fund Balances, December 31

| Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|------------------------------|-------------------|-------------------------------|
| \$ 445,800 | \$ 453,889 | \$ 8,089 |
| 443,590 | 441,698 | 1,892 |
| 2,210 | 12,191 | 9,981 |
| 258,429 | 258,429 | - |
| <u>\$ 260,639</u> | <u>\$ 270,620</u> | <u>\$ 9,981</u> |

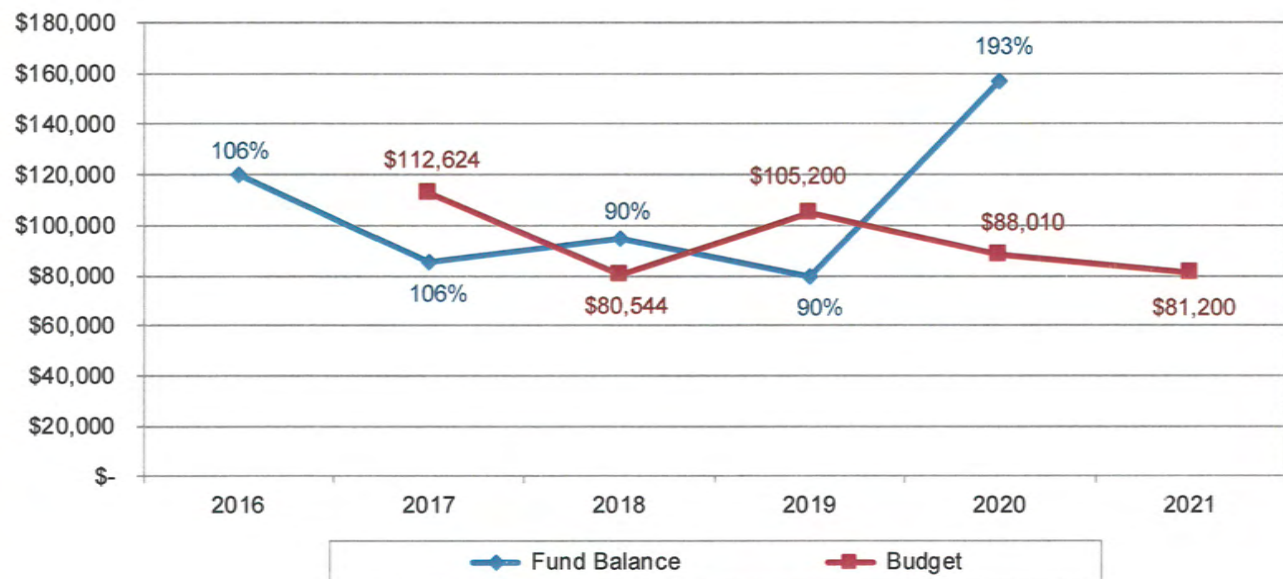
Cash Balances by Fund Type

904
127
528
348
162
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MEYERS LLP
Certified Public Accountants & Consultants



Invasive Species Fund Balances

90%
127%
548%
362%
ABDO
EICK &
MEYERS_{LLP}
Certified Public Accountants & Consultants



Invasive Species Budget to Actual



Revenues
Expenditures

Net Change in Fund Balances

Fund Balances, January 1

Fund Balances, December 31

| Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|------------------------------|-------------------|-------------------------------|
| \$ 82,200 | \$ 81,784 | \$ (416) |
| 88,010 | 4,396 | 83,614 |
| (5,810) | 77,388 | 83,198 |
| 79,590 | 79,590 | - |
| <u>\$ 73,780</u> | <u>\$ 156,978</u> | <u>\$ 83,198</u> |

Save the Lake Budget to Actual



Revenues
Expenditures

Net Change in Fund Balances

Fund Balances, January 1

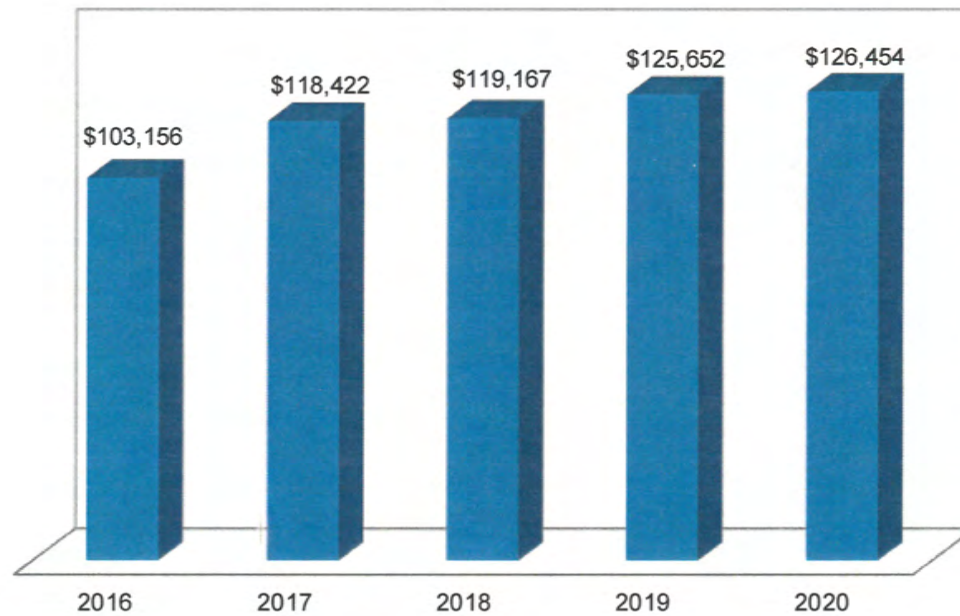
Fund Balances, December 31

| Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|------------------------------|-------------------|-------------------------------|
| \$ 45,500 | \$ 33,305 | \$ (12,195) |
| 41,900 | 47,437 | (5,537) |
| 3,600 | (14,132) | (17,732) |
| 157,788 | 157,788 | - |
| <u>\$ 161,388</u> | <u>\$ 143,656</u> | <u>\$ (17,732)</u> |

Equipment Replacement Fund Balance

**ABDO
EICK &
MEYERS LLP**
Certified Public Accountants & Consultants

Fund Balance - Equipment Replacement



Audit Team Contacts



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Senior Associate

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Intern

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Annual Financial Report

Lake Minnetonka Conservation District

Mound, Minnesota

For the Year Ended
December 31, 2020

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Lake Minnetonka Conservation District
Mound, Minnesota
Annual Financial Report
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For the Year Ended December 31, 2020

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INTRODUCTORY SECTION
LAKE MINNETONKA CONSERVATION DISTRICT
MOUND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

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Lake Minnetonka Conservation District
Mound, Minnesota
Board of Directors and Appointed Officials
For the Year Ended December 31, 2020

BOARD OF DIRECTORS

| <u>Name</u> | <u>Member City</u> | <u>Position on Board</u> |
|------------------|--------------------|--------------------------|
| Gregg Thomas | Tonka Bay | Chair |
| Ann Hoelscher | Victoria | Vice Chair |
| Bill Cook | Greenwood | Treasurer |
| Dan Baasen | Wayzata | Secretary |
| Rich Anderson | Orono | Director |
| Ben Brandt | Mound | Director |
| Gary Hughes | Spring Park | Director |
| Michael Kirkwood | Minnetrista | Director |
| Dennis Klohs | Minnetonka Beach | Director |
| Mark Kroll | Excelsior | Director |
| Denny Newell | Woodland | Director |
| Nicole Stone | Minnetonka | Director |
| Jake Walesch | Deephaven | Director |
| Deborah Zorn | Shorewood | Director |

APPOINTED OFFICIALS

| <u>Name</u> | <u>Title</u> |
|-------------------|---|
| Vickie Schleuning | Executive Director |
| Tammy Duncan | Administrative Assistant |
| Matthew Cook | Environmental Administrative Technician |
| Andrea Rehm | Administrative Clerk |

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FINANCIAL SECTION
LAKE MINNETONKA CONSERVATION DISTRICT
MOUND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Lake Minnetonka Conservation District
Mound, Minnesota

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Lake Minnetonka Conservation District (the District) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, of the District as of December 31, 2020, and the respective changes in financial position and the respective budgetary comparison for the General, Invasive Species Management, and Save the Lakes fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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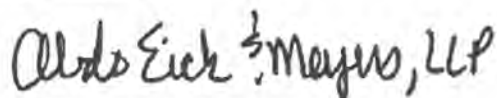
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 15, and the Schedules of Employer's Share of the Net Pension Liability and the Schedules of Employer's Contributions, starting on page 50, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
March 17, 2021

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Management's Discussion and Analysis

As management of Lake Minnetonka Conservation District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2020.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$603,663 (*net position*). Of this amount, \$524,540 (*unrestricted net position*) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position increased by \$59,680 due to an overall decrease in expenses. In particular the Invasive Species Management fund has over \$100,000 less in expenditures compared to 2019 due to harvesting program inactivity.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$697,708, an increase of \$76,249 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General fund was \$266,635, or 60.4 percent of total General fund expenditures. An additional portion of the fund balance for the General fund, \$3,985, is nonspendable for prepaid items. Further discussion of this fund is detailed on page 18 under "2020 General Fund Budgetary Highlights".
- At the end of the current fiscal year, committed fund balance for the Invasive Species Management fund was \$156,978. Further discussion of this fund is detailed on page 19 under "2020 Invasive Species Management Budgetary Highlights".
- At the end of the current fiscal year, the fund balance for the Save the Lake fund was \$143,656. This is a decrease of \$14,132 in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal period (e.g., earned but unused vacation leave).

The government-wide financial statements can be found starting on page 22 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures and changes in fund balance for the General fund, Save the Lake, Invasive Species Management and Equipment Replacement fund.

The District adopts an annual appropriated budget for its General fund, Invasive Species Management and Save the Lake fund. A budgetary comparison statement has been provided for the General fund to demonstrate compliance with their budget. The fund financial statements can be found starting on page 26 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 33 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$603,663 at the close of the most recent fiscal year.

Lake Minnetonka Conservation District Summary of Net Position

| | December 31, | | Increase (Decrease) |
|--|-------------------|-------------------|------------------------|
| | 2020 | 2019 | |
| Assets | | | |
| Current | \$ 774,665 | \$ 767,012 | \$ 7,653 |
| Capital, net of accumulated depreciation | 79,123 | 100,953 | (21,830) |
| Total Assets | <u>853,788</u> | <u>867,965</u> | <u>(14,177)</u> |
| Deferred Outflows of Resources | <u>34,521</u> | <u>19,730</u> | <u>14,791</u> |
| Liabilities | | | |
| Current | 85,053 | 152,522 | (67,469) |
| Noncurrent | 185,984 | 148,549 | 37,435 |
| Total Liabilities | <u>271,037</u> | <u>301,071</u> | <u>(30,034)</u> |
| Deferred Inflows of Resources | <u>13,609</u> | <u>42,641</u> | <u>(29,032)</u> |
| Net Position | | | |
| Investment in capital assets | 79,123 | 100,953 | (21,830) |
| Unrestricted | <u>524,540</u> | <u>443,030</u> | <u>81,510</u> |
| Total Net Position | <u>\$ 603,663</u> | <u>\$ 543,983</u> | <u>\$ 59,680</u> |

A portion of the District's net position (13.1 percent) reflects its net investment in capital assets (e.g., machinery and equipment). The District uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

The remaining balance of unrestricted net position (\$524,540) may be used to meet the District's ongoing obligations to citizens and creditors.

Governmental Activities. Governmental activities increased the District's net position by \$59,680. Key elements of this increase are as follows:

Lake Minnetonka Conservation Districts Changes in Net Position

| | December 31, | | Increase (Decrease) |
|------------------------------------|--------------------------|--------------------------|-------------------------|
| | 2020 | 2019 | |
| Revenues | | | |
| Program | | | |
| Charges for services | \$ 111,494 | \$ 123,095 | \$ (11,601) |
| Operating grants and contributions | 453,534 | 461,978 | (8,444) |
| General | | | |
| Unrestricted investment earnings | 4,752 | 8,783 | (4,031) |
| Miscellaneous | 468 | 325 | 143 |
| Total Revenues | <u>570,248</u> | <u>594,181</u> | <u>(23,933)</u> |
| Expenses | | | |
| Conservation of natural resources | 436,905 | 411,646 | 25,259 |
| Save the lake | 47,437 | 39,849 | 7,588 |
| Aquatic invasive species | 26,226 | 146,689 | (120,463) |
| Total Expenses | <u>510,568</u> | <u>598,184</u> | <u>(87,616)</u> |
| Change in Net Position | 59,680 | (4,003) | 63,683 |
| Net Position, January 1 | <u>543,983</u> | <u>547,986</u> | <u>(4,003)</u> |
| Net Position, December 31, | <u><u>\$ 603,663</u></u> | <u><u>\$ 543,983</u></u> | <u><u>\$ 59,680</u></u> |

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$697,708, an increase of \$76,249 in comparison with the prior year.

2020 General Fund Budgetary Highlights

- Overall revenue was over budget by \$8,089. This excess is mainly due to more fines and forfeiture revenue than originally budgeted for.
- Overall expenditures incurred were under the budgeted amount by \$1,892. This is mainly related to less personal services expenses than originally budgeted for.

2020 Save the Lake Fund Budgetary Highlight

- Overall revenue was under budget by \$12,195. This was due to less than budgeted contributions and donations. The fund also received an interest allocation amount of \$1,054, which was over budget by \$554.
- Overall expenditures incurred were over budget by \$5,537. This was due to the public safety services category being over budget by \$6,232.

2020 Invasive Species Management Fund Budgetary Highlight

- Overall revenue was under budget by \$416. This was due to the timing of payment of one membership due.
- Overall expenditures incurred were less than budget by \$83,614. This was due to harvesting program inactivity.

Capital Assets

The District's investment in capital assets for its governmental activities as of December 31, 2020, amounts to \$79,123 (net of accumulated depreciation).

Economic Factors and Next Year's Budgets

- The overall budget will increase by 3.75% (\$595,000 compared to \$573,500 in 2020) from the original budget.
- The overall levy to the District member cities for 2020 will increase by 1.76% (\$375,000 compared to \$368,500 in 2020) from the original budget.
- The organization will continue initiatives to strategically address aquatic invasive species lake-wide, evolving its role and funding.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Vickie Schleuning, Lake Minnetonka Conservation District, 5341 Maywood Road, Suite 200, Mound, Minnesota, 55364.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS
LAKE MINNETONKA CONSERVATION DISTRICT
MOUND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

Lake Minnetonka Conservation District
Mound, Minnesota
Statement of Net Position
December 31, 2020

| | Governmental Activities |
|--|----------------------------|
| Assets | |
| Cash and temporary investments | \$ 760,773 |
| Accounts receivable | 8,357 |
| Due from other governments | 1,550 |
| Prepaid items | 3,985 |
| Capital assets (net of accumulated depreciation) | |
| Machinery and equipment | 79,123 |
| Total Assets | <u>853,788</u> |
| Deferred Outflows of Resources | |
| Deferred pension resources | <u>34,521</u> |
| Liabilities | |
| Accounts payable | 7,249 |
| Salaries and wages payable | 7,177 |
| Unearned revenue | 62,531 |
| Noncurrent liabilities | |
| Due within one year | 8,096 |
| Net pension liability | 173,868 |
| Due in more than one year | 12,116 |
| Total Liabilities | <u>271,037</u> |
| Deferred Inflows of Resources | |
| Deferred pension resources | <u>13,609</u> |
| Net Position | |
| Investment in capital assets | 79,123 |
| Unrestricted | <u>524,540</u> |
| Total Net Position | <u><u>\$ 603,663</u></u> |

The notes to the financial statements are an integral part of this statement.

Lake Minnetonka Conservation District
Mound, Minnesota
Statement of Activities
For the Year Ended December 31, 2020

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenues and Changes in Net Position |
|-----------------------------------|-------------------|----------------------------|--|---|
| | | Charges for Services | Operating Grants and Contributions | Governmental Activities |
| Governmental Activities | | | | |
| Conservation of natural resources | \$ 436,905 | \$ 111,494 | \$ 340,270 | \$ 14,859 |
| Save the lake | 47,437 | - | 32,251 | (15,186) |
| Aquatic invasive species | 26,226 | - | 81,013 | 54,787 |
| Total | <u>\$ 510,568</u> | <u>\$ 111,494</u> | <u>\$ 453,534</u> | <u>54,460</u> |
| General Revenues | | | | |
| Unrestricted investment earnings | | | | 4,752 |
| Miscellaneous revenue | | | | <u>468</u> |
| Total General Revenues | | | | <u>5,220</u> |
| Change in Net Position | | | | 59,680 |
| Net Position, January 1 | | | | <u>543,983</u> |
| Net Position, December 31 | | | | <u>\$ 603,663</u> |

The notes to the financial statements are an integral part of this statement.

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FUND FINANCIAL STATEMENTS
LAKE MINNETONKA CONSERVATION DISTRICT
MOUND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

Lake Minnetonka Conservation District
Mound, Minnesota
Balance Sheet
Governmental Funds
December 31, 2020

| | | Special Revenue | | Capital Project | |
|--|-------------------|-------------------|-----------------------------------|--------------------------|-------------------|
| | General | Save the Lake | Invasive Species Management | Equipment Replacement | Total |
| Assets | | | | | |
| Cash and temporary investments | \$ 333,685 | \$ 143,656 | \$ 156,978 | \$ 126,454 | \$ 760,773 |
| Accounts receivable | 8,357 | - | - | - | 8,357 |
| Due from other governments | 1,550 | - | - | - | 1,550 |
| Prepaid items | 3,985 | - | - | - | 3,985 |
| Total Assets | \$ 347,577 | \$ 143,656 | \$ 156,978 | \$ 126,454 | \$ 774,665 |
| Liabilities | | | | | |
| Accounts payable | \$ 7,249 | \$ - | \$ - | \$ - | \$ 7,249 |
| Salaries and wages payable | 7,177 | - | - | - | 7,177 |
| Unearned revenue | 62,531 | - | - | - | 62,531 |
| Total Liabilities | 76,957 | - | - | - | 76,957 |
| Fund Balances | | | | | |
| Nonspendable | | | | | |
| Prepays items | 3,985 | - | - | - | 3,985 |
| Committed | | | | | |
| Purchases from donated funds | - | 143,656 | - | - | 143,656 |
| Invasive species management | - | - | 156,978 | - | 156,978 |
| Assigned | | | | | |
| Equipment replacement | - | - | - | 126,454 | 126,454 |
| Unassigned | 266,635 | - | - | - | 266,635 |
| Total Fund Balances | 270,620 | 143,656 | 156,978 | 126,454 | 697,708 |
| Total Liabilities and Fund Balances | \$ 347,577 | \$ 143,656 | \$ 156,978 | \$ 126,454 | \$ 774,665 |

The notes to the financial statements are an integral part of this statement.

Lake Minnetonka Conservation District
Mound, Minnesota
Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December 31, 2020

Amounts reported for governmental activities in the statement of net position are different because

| | |
|---|-------------------|
| Total Fund Balances - Governmental Funds | \$ 697,708 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental fund. | |
| Cost of capital assets | 470,574 |
| Less: accumulated depreciation | (391,451) |
| Noncurrent liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. | |
| Noncurrent liabilities at year-end consist of | |
| Compensated absences payable | (20,212) |
| Net pension liability | (173,868) |
| Governmental funds do not report long-term amounts related to pensions | |
| Deferred outflows of pension resources | 34,521 |
| Deferred inflows of pension resources | (13,609) |
| Total Net Position - Governmental Activities | <u>\$ 603,663</u> |

The notes to the financial statements are an integral part of this statement.

Lake Minnetonka Conservation District
Mound, Minnesota
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

| | | Revenues Provided by Donations | Revenues Provided by Dues | | |
|-----------------------------|-------------------|--------------------------------------|-----------------------------------|--------------------------|-------------------|
| | | Special Revenue | | Capital Project | |
| | General | Save the Lake | Invasive Species Management | Equipment Replacement | Total |
| Revenues | | | | | |
| Intergovernmental | | | | | |
| Membership dues | \$ 280,063 | \$ - | \$ 80,156 | \$ - | \$ 360,219 |
| Public agencies | - | - | 857 | - | 857 |
| License and permits | 111,494 | - | - | - | 111,494 |
| Fine and forfeitures | 57,731 | - | - | - | 57,731 |
| Contributions and donations | - | 32,251 | - | - | 32,251 |
| Interest on investments | 2,125 | 1,054 | 771 | 802 | 4,752 |
| Miscellaneous | 2,476 | - | - | - | 2,476 |
| Total Revenues | <u>453,889</u> | <u>33,305</u> | <u>81,784</u> | <u>802</u> | <u>569,780</u> |
| Expenditures | | | | | |
| Current | | | | | |
| Personal services | 269,676 | 382 | - | - | 270,058 |
| Operating supplies | 4,169 | 823 | 3,741 | - | 8,733 |
| Public services | - | 46,232 | - | - | 46,232 |
| Repair and maintenance | 6,884 | - | 566 | - | 7,450 |
| Contract fees | - | - | 39 | - | 39 |
| Legal fees | 81,732 | - | - | - | 81,732 |
| Other services | 27,163 | - | - | - | 27,163 |
| Other charges | 49,913 | - | 50 | - | 49,963 |
| Capital outlay | 2,161 | - | - | - | 2,161 |
| Total Expenditures | <u>441,698</u> | <u>47,437</u> | <u>4,396</u> | <u>-</u> | <u>493,531</u> |
| Net Change in Fund Balances | 12,191 | (14,132) | 77,388 | 802 | 76,249 |
| Fund Balances, January 1 | <u>258,429</u> | <u>157,788</u> | <u>79,590</u> | <u>125,652</u> | <u>621,459</u> |
| Fund Balances, December 31 | <u>\$ 270,620</u> | <u>\$ 143,656</u> | <u>\$ 156,978</u> | <u>\$ 126,454</u> | <u>\$ 697,708</u> |

The notes to the financial statements are an integral part of this statement.

Lake Minnetonka Conservation District
Mound, Minnesota
Reconciliation of the Statement of
Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2020

Amounts reported for governmental activities in the statement of activities are different because

| | |
|---|------------------|
| Total Net Change in Fund Balances - Governmental Funds | \$ 76,249 |
| Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. | |
| Depreciation expense | (21,830) |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | |
| Compensated absences | (2,913) |
| Long-term pension activity is not reported in governmental funds | |
| Pension revenue | 468 |
| Negative pension expense | <u>7,706</u> |
| Change in Net Position - Governmental Activities | <u>\$ 59,680</u> |

The notes to the financial statements are an integral part of this statement.

Lake Minnetonka Conservation District
Mound, Minnesota
Statement of Revenue, Expenditures and Changes in Fund Balances
Budget and Actual
General, Invasive Species Management and Save the Lake Funds
For the Year Ended December 31, 2020

| | General | | | |
|-----------------------------|-------------------|-------------------|-------------------|-------------------------------|
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | | | | |
| Membership dues | \$ 286,500 | \$ 286,500 | \$ 280,063 | \$ (6,437) |
| Public agencies | 1,500 | 1,500 | - | (1,500) |
| Licenses and permits | 110,000 | 110,000 | 111,494 | 1,494 |
| Fines and forfeits | 45,000 | 45,000 | 57,731 | 12,731 |
| Contributions and donations | - | - | - | - |
| Interest on investments | 2,300 | 2,300 | 2,125 | (175) |
| Miscellaneous | 500 | 500 | 2,476 | 1,976 |
| Total Revenues | <u>445,800</u> | <u>445,800</u> | <u>453,889</u> | <u>8,089</u> |
| Expenditures | | | | |
| Current | | | | |
| Personal services | 288,100 | 288,100 | 269,676 | 18,424 |
| Operating supplies | 10,950 | 10,950 | 4,169 | 6,781 |
| Public services | - | - | - | - |
| Repair and maintenance | 6,500 | 6,500 | 6,884 | (384) |
| Contract fees | - | - | - | - |
| Legal fees | 73,500 | 73,500 | 81,732 | (8,232) |
| Truck service | - | - | - | - |
| Other services | 9,240 | 9,240 | 27,163 | (17,923) |
| Other charges | 51,800 | 51,800 | 49,913 | 1,887 |
| Capital outlay | 3,500 | 3,500 | 2,161 | 1,339 |
| Total Expenditures | <u>443,590</u> | <u>443,590</u> | <u>441,698</u> | <u>1,892</u> |
| Net Change in Fund Balances | 2,210 | 2,210 | 12,191 | 9,981 |
| Fund Balances, January 1 | <u>258,429</u> | <u>258,429</u> | <u>258,429</u> | <u>-</u> |
| Fund Balances, December 31 | <u>\$ 260,639</u> | <u>\$ 260,639</u> | <u>\$ 270,620</u> | <u>\$ 9,981</u> |

The notes to the financial statements are an integral part of this statement.

| Invasive Species Management | | | | Save the Lake | | | |
|-----------------------------|-----------|-------------------|-------------------------------|------------------|------------|-------------------|-------------------------------|
| Budgeted Amounts | | Actual Amounts | Variance with Final Budget | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
| Original | Final | | | Original | Final | | |
| \$ 82,000 | \$ 82,000 | \$ 80,156 | \$ (1,844) | \$ - | \$ - | \$ - | \$ - |
| - | - | 857 | 857 | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | 45,000 | 45,000 | 32,251 | (12,749) |
| 200 | 200 | 771 | 571 | 500 | 500 | 1,054 | 554 |
| - | - | - | - | - | - | - | - |
| 82,200 | 82,200 | 81,784 | (416) | 45,500 | 45,500 | 33,305 | (12,195) |
| 33,600 | 33,600 | - | 33,600 | - | - | 382 | (382) |
| 25,710 | 25,710 | 3,741 | 21,969 | 1,900 | 1,900 | 823 | 1,077 |
| - | - | - | - | 40,000 | 40,000 | 46,232 | (6,232) |
| 700 | 700 | 566 | 134 | - | - | - | - |
| 8,000 | 8,000 | 39 | 7,961 | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 20,000 | 20,000 | - | 20,000 | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | 50 | (50) | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 88,010 | 88,010 | 4,396 | 83,614 | 41,900 | 41,900 | 47,437 | (5,537) |
| (5,810) | (5,810) | 77,388 | 83,198 | 3,600 | 3,600 | (14,132) | (17,732) |
| 79,590 | 79,590 | 79,590 | - | 157,788 | 157,788 | 157,788 | - |
| \$ 73,780 | \$ 73,780 | \$ 156,978 | \$ 83,198 | \$ 161,388 | \$ 161,388 | \$ 143,656 | \$ (17,732) |

The notes to the financial statements are an integral part of this statement.

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Lake Minnetonka Conservation District
Mound, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The Lake Minnetonka Conservation District (the District) was established under laws 1967, chapter 907 and laws 1969, chapter 272 of the Minnesota statutes and consists of a 14 member Board of Directors (the Board) composed of representatives from each member. The purpose of the District is to regulate and monitor the use of Lake Minnetonka. The Board exercises legislative authority and determines all matters of policy. The Board appoints personnel responsible for the proper administration of all affairs relating to the District's activities. The District has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. The District has no component units that meet the GASB criteria.

B. Basis of Presentation - Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Fines, dues, licenses and interest become measurable and available when cash is received by the District and are recognized as revenue at that time.

Lake Minnetonka Conservation District
Mound, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

The District reports the following major governmental funds:

The *General fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *Save the Lake fund* accounts for lake improvement projects on Lake Minnetonka. The fund is funded only through donations and interest income.

The *Invasive Species Management fund* accounts for revenue sources that are used to fund expenditures for milfoil control and aquatic invasive species prevention on Lake Minnetonka. The fund is funded only through dues and interest income. The fund has received public agency grants and contributions in prior years.

The *Equipment Replacement fund* accounts for revenue sources that are used to fund expenditures related to future equipment purchases.

As a general rule, the effect of interfund activity has been eliminated from government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include grants, entitlement and donations. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Lake Minnetonka Conservation District
Mound, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Earnings from such investments are allocated on the basis of applicable participation by each of the funds.

The District may invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
6. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
7. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
8. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

Lake Minnetonka Conservation District
Mound, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,500 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

| Assets | Useful Lives in Years |
|-------------------------|--------------------------|
| Machinery and Equipment | 5 - 15 |

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has only one item that qualifies for reporting in this category. Accordingly, the item, deferred pension resources, is reported only in the statements of net position. This item results from actuarial calculations and current year pension contributions made subsequent to the measurement date.

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General fund is typically used to liquidate the governmental net pension liability.

The total negative pension expense for the GERP was \$7,238 in 2019.

Compensated Absences

It is the District's policy to permit employees to accumulate a limited amount of earned but unused vacation, which will be paid to the employee upon separation without the considerations of number of years of service.

The District also has a policy that allows an employee to accumulate sick leave after three years of service at 25 percent up to 720 hours. Vacation time has a maximum accumulation of 160 hours. These are both payable upon termination.

A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General fund is typically used to liquidate governmental compensated absences payable.

Lake Minnetonka Conservation District
Mound, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies as needing to be reported in this category. The unavailable amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The item, deferred pension resources, is reported only in the statements of net position and results from actuarial calculations.

Fund Balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

Nonspendable - Amounts that cannot be spent because they are not in spendable form, such as prepaid items.

Restricted - Amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the Board, which is the District's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Board modifies or rescinds the commitment by resolution.

Assigned - Amounts constrained for specific purposes that are internally imposed. In governmental funds other than the General fund, assigned fund balance represents all remaining amounts that are not classified as nonspendable and are neither restricted nor committed. In the General fund, assigned amounts represent intended uses established by the Board itself or by an official to which the governing body delegates the authority. The Board has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the Executive Director.

Unassigned - The residual classification for the General fund and also negative residual amounts in other funds. The District considers restricted amounts to be spent first when both restricted and unassigned fund balance is available. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of fund balance when expenditures are made.

The District considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The District has formally adopted a fund balance policy for the General fund. The District's policy is to maintain a minimum unassigned fund balance of 30 - 50 percent of budgeted expenditures for cash-flow timing needs.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is displayed in three components

- a. Investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- b. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "investment in capital assets."

Lake Minnetonka Conservation District
Mound, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 2: Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America for the General fund, Invasive Species Management and the Save the Lake fund. All annual appropriations lapse at year end. The District does not use encumbrance accounting.

The Board must, on or before July 1 each year, prepare and submit a detailed budget of the District's needs for the next calendar year to the governing body of each city in the District with a statement of the proportion of the budget to be provided by each city. The governing body of each city in the District shall review the budget and the Board, upon notice from a city, must hear objections to the budget. After the hearing, the Board may modify or amend the budget. Notice must be given to the city of modifications or amendments. The legal level of budgetary control is the fund level. There were budget amendments made during the year. All budget amendments were approved by the Board.

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2020, expenditures exceeded appropriations in the following funds:

| <u>Fund</u> | <u>Budget</u> | <u>Actual</u> | <u>Deficiency of Expenditures Under Appropriations</u> |
|---------------|------------------|------------------|--|
| Save the Lake | <u>\$ 41,900</u> | <u>\$ 47,437</u> | <u>\$ 5,537</u> |

These excess expenditures were funded by excess fund balance.

Lake Minnetonka Conservation District
Mound, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on Accounts

A. Deposits and Investments

Deposits

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the District's deposits and investments may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the Board, the District maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

Minnesota statutes require that all District deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds, with the exception of irrevocable standby letters of credit issued by Federal Home Loan Banks as this type of collateral only requires collateral pledged equal to 100 percent of the deposits not covered by insurance or bonds.

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any federal agency.

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the District.

Lake Minnetonka Conservation District
Mound, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on Accounts (Continued)

At year end, the District's carrying amount of deposits was \$760,473 and the bank balance was \$790,364. Of the bank balance, \$250,000 was covered by federal depository insurance. The remaining balance was covered by collateral held by the pledging financial institution's trust department in the District's name.

Investments

A reconciliation of cash and temporary investments as shown on the Statement of Net Position for the District follows:

| | <u>Total</u> |
|--------------------------------------|--------------------------|
| Carrying Amount of Deposits | \$ 760,473 |
| Cash on Hand | <u>300</u> |
| Total Cash and Temporary Investments | <u><u>\$ 760,773</u></u> |

B. Capital Assets

Capital asset activity for the year ended December 31, 2020 was as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|---------------------------|--------------------|---------------------------|
| Governmental Activities | | | | |
| Capital Assets, being Depreciated Machinery and equipment | \$ 470,574 | \$ - | \$ - | \$ 470,574 |
| Less Accumulated Depreciation for Machinery and equipment | <u>(369,621)</u> | <u>(21,830)</u> | <u>-</u> | <u>(391,451)</u> |
| Capital Assets, Net | <u><u>\$ 100,953</u></u> | <u><u>\$ (21,830)</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 79,123</u></u> |

Depreciation expense was charged to functions/programs of the District as follows:

| | |
|--------------------------------|-------------------------|
| Governmental Activities | |
| Aquatic invasive species | <u><u>\$ 21,830</u></u> |

Lake Minnetonka Conservation District
Mound, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 3: Detailed Notes on Accounts (Continued)

C. Leases

On June 23, 2018, the District entered into a five-year office lease agreement. Terms of the lease agreement require the District to make initial monthly base rental payments of \$1,570.45 through September 2019, increasing by 2.5 percent annually thereafter. The agreement can be renewed for an additional five years in 2023. Lease expense for 2020 was \$19,437. Future obligations of base rent are as follows:

| Year Ending December 31, | Amount |
|-----------------------------|------------------|
| 2021 | \$ 19,923 |
| 2022 | 20,421 |
| 2023 | 15,601 |
| Total | <u>\$ 55,945</u> |

D. Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2020, was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance | Due Within One Year |
|--------------------------------|----------------------|------------------|-------------------|-------------------|------------------------|
| Governmental Activities | | | | | |
| Compensated | | | | | |
| Absences Payable | <u>\$ 17,299</u> | <u>\$ 11,008</u> | <u>\$ (8,095)</u> | <u>\$ 20,212</u> | <u>\$ 8,096</u> |

Lake Minnetonka Conservation District
Mound, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 4: Defined Benefit Pension Plans - Statewide

A. Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with *Minnesota statutes*, chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan

All full-time and certain part-time employees of the District are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

B. Benefits Provided

PERA provides retirement, disability and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

General Employee Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for average salary for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989 normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. Beginning in 2019, the postretirement increase will be equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

C. Contributions

Minnesota statutes chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2020 and the District was required to contribute 7.50 percent for Coordinated Plan members. The District's contributions to the General Employees Fund for the years ending December 31, 2020, 2019 and 2018 were \$15,910, \$14,862 and \$13,036 respectively. The District's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

Lake Minnetonka Conservation District
Mound, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2020, the District reported a liability of \$173,868 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the District totaled \$5,380. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019 through June 30, 2020 relative to the total employer contributions received from all of PERA's participating employers. The District's proportion was 0.0029 percent, which was an increase of 0.0004 percent from its proportion measured as of June 30, 2019.

| | |
|--|--------------------------|
| District's Proportionate Share of the Net Pension Liability | \$ 173,868 |
| State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the District | <u>5,380</u> |
| Total | <u><u>\$ 179,248</u></u> |

For the year ended December 31, 2020, the District recognized negative pension expense of a \$7,706 for its proportionate share of the General Employees Plan's pension expense. In addition, the District recognized an additional \$468 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2020, the District reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources, related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between Expected and Actual Experience | \$ 1,414 | \$ 1,083 |
| Changes in Actuarial Assumptions | 177 | 6,085 |
| Net Difference between Projected and Actual Earnings on Plan Investments | 3,885 | - |
| Changes in Proportion | 21,722 | 6,441 |
| Contributions to PERA Subsequent to the Measurement Date | <u>7,323</u> | <u>-</u> |
| Total | <u><u>\$ 34,521</u></u> | <u><u>\$ 13,609</u></u> |

Lake Minnetonka Conservation District
Mound, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

The \$7,323 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| | |
|------|------------|
| 2021 | \$ (8,378) |
| 2022 | 8,292 |
| 2023 | 9,474 |
| 2024 | 4,201 |

E. Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using an individual entry-age normal actuarial cost method the following actuarial assumptions:

| | |
|------------------------------|----------------|
| Inflation | 2.50% per year |
| Active Member Payroll Growth | 3.25% per year |
| Investment Rate of Return | 7.50% |

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for General Employees Plan.

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation. The most recent four-year experience study for the Police and Fire Plan was completed in 2020. The recommended assumptions for that plan were adopted by the Board and will be effective with the July 1, 2021 actuarial valuations if approved by the Legislature.

Lake Minnetonka Conservation District
Mound, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

The following changes in actuarial assumptions and plan provisions occurred in 2020:

General Employees Fund

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

Lake Minnetonka Conservation District
Mound, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 4: Defined Benefit Pension Plans - Statewide (Continued)

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | Long-term Expected Real Rate of Return |
|--------------------------------------|----------------------|--|
| Domestic Stocks | 35.50 % | 5.10 % |
| Alternative Assets (Private Markets) | 25.00 | 5.90 |
| Bonds (Fixed Income) | 20.00 | 0.75 |
| International Stocks | 17.50 | 5.30 |
| Cash | 2.00 | - |
| Total | <u>100.00 %</u> | |

F. Discount Rate

The discount rate used to measure the total pension liability in 2020 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund and the Police and Fire Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

| | District Proportionate Share of NPL | | |
|------------------------|-------------------------------------|-----------------|-------------------------------|
| | 1 Percent Decrease (6.50%) | Current (7.50%) | 1 Percent Increase (8.50%) |
| General Employees Fund | \$ 278,651 | \$ 173,868 | \$ 87,431 |

H. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

Lake Minnetonka Conservation District
Mound, Minnesota
Notes to the Financial Statements
December 31, 2020

Note 5: Other Information

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries insurance. The District obtains insurance through participation in the League of Minnesota Cities Insurance Trust (LMCIT) which is a risk sharing pool with approximately 800 other governmental units. The District pays an annual premium to LMCIT for its workers compensation and property and casualty insurance. The LMCIT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. Settled claims have not exceeded the District's coverage in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The District's management is not aware of any incurred but not reported claims.

Note 6: COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus ("COVID-19") and the risks to the international community as virus spreads globally. On March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. In response to the pandemic, the State of Minnesota has issued stay-at-home orders and other measures aimed at slowing the spread of the coronavirus.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. Due to the rapid development and fluidity of this situation, the District cannot determine the ultimate impact that the COVID-19 pandemic will have on its financial condition, liquidity, and future revenue collection, and therefore any prediction as to the ultimate impact on the City's financial condition, liquidity, and future results of its revenue collections is uncertain.

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REQUIRED SUPPLEMENTARY INFORMATION
LAKE MINNETONKA CONSERVATION DISTRICT
MOUND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

Lake Minnetonka Conservation District
Mound, Minnesota
Required Supplementary Information
December 31, 2020

Schedule of Employer's Share of PERA Net Pension Liability - General Employees Retirement Fund

| Fiscal Year Ending | District's Proportion of the Net Pension Liability | District's Proportionate Share of the Net Pension Liability (a) | State's Proportionate Share of the Net Pension Liability Associated with the District (b) | Total (a+b) | District's Covered Payroll (c) | District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c) | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|--------------------|--|---|---|-------------|--------------------------------|--|--|
| 06/30/20 | 0.0029 % | \$ 173,868 | \$ 5,380 | \$ 179,248 | \$ 219,211 | 79.3 % | 79.0 % |
| 06/30/19 | 0.0025 | 138,219 | 4,333 | 142,552 | 180,366 | 76.6 | 80.2 |
| 06/30/18 | 0.0024 | 133,142 | 4,229 | 137,371 | 158,391 | 84.1 | 79.5 |
| 06/30/17 | 0.0028 | 178,750 | 2,242 | 180,992 | 172,712 | 103.5 | 75.9 |
| 06/30/16 | 0.0028 | 227,346 | 2,931 | 230,277 | 180,868 | 125.7 | 68.9 |
| 06/30/15 | 0.0035 | 181,388 | - | 181,388 | 204,585 | 88.7 | 78.2 |

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Schedule of Employer's PERA Contributions - General Employees Retirement Fund

| Year Ending | Statutorily Required Contribution (a) | Contributions in Relation to the Statutorily Required Contribution (b) | Contribution Deficiency (Excess) (a-b) | District's Covered Payroll (c) | Contributions as a Percentage of Covered Payroll (b/c) |
|-------------|---------------------------------------|--|--|--------------------------------|--|
| 12/31/20 | \$ 15,910 | \$ 15,910 | \$ - | \$ 212,133 | 7.5 % |
| 12/31/19 | 14,862 | 14,862 | - | 198,160 | 7.5 |
| 12/31/18 | 13,036 | 13,036 | - | 173,817 | 7.5 |
| 12/31/17 | 11,838 | 11,838 | - | 157,840 | 7.5 |
| 12/31/16 | 13,036 | 13,036 | - | 173,813 | 7.5 |
| 12/31/15 | 14,733 | 14,733 | - | 196,440 | 7.5 |

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Lake Minnetonka Conservation District
Mound, Minnesota
Required Supplementary Information (Continued)
December 31, 2020

Notes to the Required Supplementary Information - General Employees Retirement Fund

Changes in Actuarial Assumptions

2020 - The price inflation assumption was decreased from 2.50% to 2.25%. The payroll growth assumption was decreased from 3.25% to 3.00%. Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates. Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter. Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments. The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019. The assumed spouse age difference was changed from two years older for females to one year older. The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2035 and 2.5 percent per year thereafter.

Lake Minnetonka Conservation District
Mound, Minnesota
Required Supplementary Information (Continued)
December 31, 2020

Notes to the Required Supplementary Information - General Employees Retirement Fund (Continued)

Changes in Plan Provisions

2020 - Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 - The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 - The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Contribution stabilizer provisions were repealed. Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter. The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2015 - On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

OTHER REQUIRED REPORT
LAKE MINNETONKA CONSERVATION DISTRICT
MOUND, MINNESOTA

FOR THE YEAR ENDED
DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE

Board of Directors
Lake Minnetonka Conservation District
Mound, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities and each major fund of the Lake Minnetonka Conservation District (the District) as of and for the year ended December 31, 2020, and the related notes to the financial statements which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 17, 2021.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of public indebtedness, contracting and bidding, deposits and investments, conflicts of interest, claims and disbursements, miscellaneous provisions and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use those charged with governance and management of the District and the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Abdo Eick & Meyers, LLP

ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
March 17, 2021

Management Communication

Lake Minnetonka
Conservation District
Mound, Minnesota

For the Year Ended
December 31, 2020

March 17, 2021

Board of Directors
Lake Minnetonka Conservation District
Mound, Minnesota

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Lake Minnetonka Conservation District (the District), for the year ended December 31, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 28, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America and Government Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal control over financial reporting (internal control) of the District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Significant Audit Findings

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described below as item 2020-001 that we consider to be a significant deficiency.

| | |
|-----------------------------|--|
| <i>Condition:</i> | We were requested to draft the audited financial statements and related footnote disclosures as part of our regular audit services. Ultimately, it is management's responsibility to provide for the preparation of your statements and footnotes, and the responsibility of the auditor to determine the fairness of presentation of those statements. It is our responsibility to inform you that this deficiency could result in a material misstatement to the financial statements that could have been prevented or detected by your management. Essentially, the auditors cannot be part of your internal control process. |
| <i>Criteria:</i> | Internal controls should be in place to provide reasonable assurance over financial reporting. |
| <i>Cause:</i> | From a practical standpoint, we both prepare the statements and determine the fairness of the presentation at the same time in connection with our audit. This is not unusual for us to do with organizations of your size. |
| <i>Effect:</i> | The effectiveness of the internal control system relies on enforcement by management. The effect of deficiencies in internal controls can result in undetected errors. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost and other considerations. We have instructed management to review a draft of the auditor prepared financials in detail for accuracy; we have answered any questions that management might have, and have encouraged research of any accounting guidance in connection with the adequacy and appropriateness of classification of disclosures in your statements. We are satisfied that the appropriate steps have been taken provide you with the completed financial statements. |
| <i>Recommendation:</i> | Under these circumstances, the most effective controls lie in management's knowledge of the District's financial operations. Regarding the specific situations listed above, we would offer the following specific recommendation: 1) Utilize a disclosure checklist to ensure all required disclosures are present and agree to work papers, and 2) Agree your QuickBooks receipt and disbursement information to the amounts reported in the financial statements plus any applicable accruals. |
| <i>Management Response:</i> | For now, the District's management accepts the degree of risk associated with this condition and thoroughly reviews a draft of the financial statements. |

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters noncompliance with which could have a direct and material effect on financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported in accordance with *Government Auditing Standards* or Minnesota statutes.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies were not changed during the year ended December 31, 2020. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates made relate to estimated historical cost of the capital assets, depreciation on capital assets and the liability for the District's pensions.

- Management's estimate of its pension liability is based on several factors including, but not limited to, anticipated investment return rate, retirement age for active employees, life expectancy, salary increases and form of annuity payment upon retirement.
- Management's estimate of depreciation is based on estimated useful lives of the assets. Depreciation is calculated using the straight-line method.

We evaluated the key factors and assumptions used to develop these accounting estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

We also assisted in preparing a number of year end accounting entries. These were necessary to adjust the District's records at year end to correct ending balances. The District has increased the amount of year end journal entries made, such as accruals, the past two years and should continue to do so going forward.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) (Management's Discussion and Analysis, the Schedules of Employer's Shares of the Net Pension Liability and the Schedules of Employer's Contributions), which is information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the introductory or statistical sections which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Future Accounting Standard Changes

The following Governmental Accounting Standards Board (GASB) Statements have been issued and may have an impact on future District financial statements: ⁽¹⁾

GASB Statement No. 87 - Leases

Summary

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Effective Date and Transition

The requirements of this Statement are effective for fiscal years beginning after June 15, 2021, and all reporting periods thereafter.

Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or, if applied to earlier periods, the beginning of the earliest period restated). However, lessors should not restate the assets underlying their existing sales-type or direct financing leases. Any residual assets for those leases become the carrying values of the underlying assets.

How the Changes in This Statement Will Improve Accounting and Financial Reporting

This Statement will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements.

GASB Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period

Summary

The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

Future Accounting Standard Changes (Continued)

Effective Date and Transition

The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.

How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.

GASB Statement No. 91 - Conduit Debt Obligations

Summary

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements - often characterized as leases - that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

Effective Date and Transition

The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

Future Accounting Standard Changes (Continued)

How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations.

GASB Statement No. 92 - Omnibus 2020

Summary

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments.

Future Accounting Standard Changes (Continued)

Effective Date and Transition

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020.

Earlier application is encouraged and is permitted by topic.

How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. More comparable reporting will improve the usefulness of information for users of state and local government financial statements.

GASB Statement No. 93 - Replacement of Interbank Offered Rates

Summary

The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of reference rate, as it is used in Statement 53, as amended
- Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend

Future Accounting Standard Changes (Continued)

Effective Date and Transition

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Earlier application is encouraged. The exceptions to the existing provisions for hedge accounting termination and lease modifications in this Statement will reduce the cost of the accounting and financial reporting ramifications of replacing IBORs with other reference rates. The reliability and relevance of reported information will be maintained by requiring that agreements that effectively maintain an existing hedging arrangement continue to be accounted for in the same manner as before the replacement of a reference rate. As a result, this Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR.

How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. More comparable reporting will improve the usefulness of information for users of state and local government financial statements.

GASB Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements

Summary

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

Effective Date and Transition

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

PPPs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or if applicable to earlier periods, the beginning of the earliest period restated).

How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.

Future Accounting Standard Changes (Continued)

GASB Statement No. 95 - *Postponement of the Effective Dates of Certain Authoritative Guidance*

Summary

The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, Certain Asset Retirement Obligations
- Statement No. 84, Fiduciary Activities
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)
- Implementation Guide No. 2018-1, Implementation Guidance Update - 2018
- Implementation Guide No. 2019-1, Implementation Guidance Update - 2019
- Implementation Guide No. 2019-2, Fiduciary Activities.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, Leases
- Implementation Guide No. 2019-3, Leases.

Effective Date and Transition

The requirements of this Statement are effective immediately.

How the Changes in This Statement Will Improve Accounting and Financial Reporting

Providing governments with sufficient time to apply the authoritative guidance addressed in this Statement will help to safeguard the reliability of their financial statements, which in turn will benefit the users of those financial statements.

Future Accounting Standard Changes (Continued)

GASB Statement No. 96 - *Subscription-Based Information Technology Arrangements*

Summary

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

Under this Statement, a government generally should recognize a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, - which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

This Statement provides an exception for short-term SBITAs. Short-term SBITAs have a maximum possible term under the SBITA contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources.

This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

Effective Date and Transition

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

Future Accounting Standard Changes (Continued)

GASB Statement No. 97 - *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

Summary

The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

This Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities*, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, respectively.

This Statement (1) requires that a Section 457 plan be classified as either a pension plan or another employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities.

This Statement supersedes the remaining provisions of Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, as amended, regarding investment valuation requirements for Section 457 plans. As a result, investments of all Section 457 plans should be measured as of the end of the plan's reporting period in all circumstances.

Effective Date and Transition

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

Future Accounting Standard Changes (Continued)

How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

⁽¹⁾ *Note.* From GASB Pronouncements Summaries. Copyright 2020 by the Financial Accounting Foundation, 401 Merritt 7, Norwalk, CT 06856, USA, and is reproduced with permission.

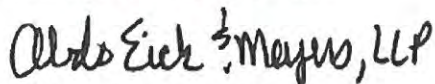
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Restriction on Use

This purpose of this communication is solely for the information and use of the Board of Directors, management and the Minnesota Office of the State Auditor, and is not intended to be, and should not be used by anyone other than those specified parties.

Our audit would not necessarily disclose all weaknesses in the system because it was based on selected tests of the accounting records and related data. The comments and recommendations in the report are purely constructive in nature, and should be read in this context.

If you have any questions or wish to discuss any of the items contained in this letter, please feel free to contact us at your convenience. We wish to thank you for the continued opportunity to be of service and for the courtesy and cooperation extended to us by your staff.



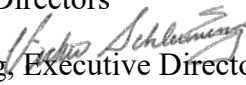
ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
March 17, 2021



ITEM 15

LAKE MINNETONKA CONSERVATION DISTRICT

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

TO: LMCD Board of Directors
FROM: Vickie Schleuning,  Executive Director
DATE: March 25, 2021 (Prepared March 19, 2021)
SUBJECT: Executive Director Update

The following items are a few highlights of current LMCD activities and other Lake-related topics.

- **Aquatic Plant Harvesting Equipment Sale**
Information about the LMCD harvesting equipment for sale and instructions for the bid submittal process are available on the LMCD website at <https://lmcd.org/aquatic-plant-harvesting-equipment-sale/>. The deadline to submit bids is **2:00 p.m. CT on March 31, 2021**.

- **Inquiries Regarding New USCG ECOS Regulation**
The US Coast Guard announced a new law that goes into effect April 1, 2021 on federally navigable waters. Operators of recreational vessels less than 26 feet in length will be required to use an engine cut-off switch (ECOS) and associated ECOS link (ECOSL). The new law will require watercraft operators to wear ECOSL such as lanyards or approved wireless proximity ECOSL electric “fobs”. There are some exceptions for watercraft that were not manufactured with an engine cut off switch.

The purpose of this device is to prevent a boat-strike injury if an operator is accidentally ejected overboard while underway and to also protect other boaters from runaway watercraft. Some states already have this requirement. Minnesota has a similar requirement for personal watercraft such as jet skis. A link to the U.S. Coast Guard News Release is <https://content.govdelivery.com/accounts/USDHSCG/bulletins/2c7a930>. A link to their FAQ Sheet is <https://uscgboating.org/recreational-boaters/engine-cut-off-switch-faq.php>.

- **Gray’s Bay Dam Update**
On March 19, 2021, according to the [USGS Lake Minnetonka](#) gauge, the Lake Minnetonka water level was measured at 928.8 feet above sea level. Given this measurement and the about normal amount of snowfall and minimal snowpack that remains, MCWD is not planning to proactively deice the Gray’s Bay dam structure. If the forecasted weather holds, the ice will be left to melt naturally and the dam likely will not be operable until ice-out on Lake Minnetonka. This is a departure from recent years,

during which MWCD needed to aerate around the dam prior to ice-out to minimize spring flooding.

- **Alcoholic Beverage Training**

The LMCD will be virtually hosting its annual alcoholic beverage regulations training session for charter boat operators via Zoom. The meeting will be held **Tuesday, March 30 at 2:00 PM.**

- **Ice Melting Rapidly**

The ice is rapidly melting and extreme caution should be used when near the lake. Last year ice out was declared on April 2, 2020. The average ice out is April 13th. The earliest ice out was March 11, 1878 and the latest was May 5, 2018. When do you think ice out will be declared on Lake Minnetonka?

Please let me know if you have questions. Enjoy spring!

1. CALL TO ORDER

Meeting called to order at 12:00pm.

2. ROLL CALL

Present: Rich Anderson, Nicole Stone, Denny Newell, Bill Cook, and Executive Director Vickie Schleuning via phone

Members Absent: None

3. APPROVAL OF MINUTES

- No previous standing committee meetings nor minutes

4. TOPICS

- **Review of Preliminary End of Year (EOY) pre audit Income and Expenses.** Identified confusion in the presentation of reserve balances. Discussed hiring additional support staff to help with quarterly reports. Decided that more staff would not add value. Left with an understanding that monthly and quarterly reports were preliminary and subject to revision after publication. Discussed reserve balances were much greater than needed and strategies to reduce balances.
- **Donation Increase strategies.** Discussed ways to increase the donation amounts.
 - Newell suggested “Funding the Need”
- **Discussed Reserve Balances.** AIS reserve balance is increasing as 2020 and 2021 dues are being collected with very few expenses being incurred (\$80,000 per year).
 - Newell suggested bifurcating AIS into Prevention and Treatment
 - Discussed funding and not funding AIS treatment and providing seed money to Lake Improvement Districts (LID) formations.
 - Discussed using equipment replacement funds for purchase of a boat(s) to replace boats that were sold or removed from service. No POS’s.
 - Discussed moving reserve funds from equipment replacement to AIS or General Fund. Reserve fund transfers should not be used for administrative purposes.
- 2021 Priorities
 - Reduce the reserve balances
 - Sell the Harvesting Equipment
 - Increase the number of safety classes
 - Provide seed money for the LIDs.

5. The next meeting is scheduled for March 5, 2021. Location to be determined

6. The meeting was adjourned at approximately 3:00 pm.

Respectfully Submitted,

William Cook

LMCD Treasurer

Finance Committee – Meeting Minutes

LAKE MINNETONKA CONSERVATION DISTRICT (LMCD)

March 5, 2021

Virtual

1. CALL TO ORDER

Meeting called to order at 2:00 pm.

2. ROLL CALL

Present: Richie Anderson, Chairman and Treasurer, Nicole Stone, Denny Newell, Bill Cook, and Executive Director Vickie Schleuning via phone: Members Absent: None

3. APPROVAL OF MINUTES – 01/12/2021 Finance Committee Meeting Minutes approved.

4. TOPICS

▪ 2022 Budget Discussion

- No surprises for 2021- Cash flow (Income and expenses) are historically predictable.
 - Possible money needed for Internet / website upgrades?
- Questions on Legal Expenses. Legal Fees ADMIN are up \$16,000 over last year.
- Questions about enabling "Director Approval" for docks.
- Discussions about reducing the number of Board Meetings
- Reserve Fund Balances
 - Agreed that target balance for reserve accounts should be 35%
 - Distribute excess over 5 years?

▪ AIS Fund

- Since we are not harvesting, the account should be shut down and made into general fund line item to include LID support and Education. LID support suggested at the \$15,000 level and Education at the \$15,000 level.

▪ STL

- Focus on SAFETY (WATER PATROL) for fundraising and expenditures
- Target \$84,000 for 2- Water Lake Minnetonka Dedicated Patrol Officers in 2021. \$42,000 from 2021 budget including a \$42,000 spend down of reserves
- Move buoy costs to general fund

▪ Equipment

- Consider using up reserves over a 5-year period
 - Sale of Harvester Equipment

5. The next meeting date, time and location to be determined

6. The meeting was adjourned at approximately 4:00 pm.

Respectfully Submitted,

Richie Anderson

LMCD Treasurer

OPERATIONS COMMITTEE MINUTES

LAKE MINNETONKA CONSERVATION DISTRICT (LMCD)

10:00 A.M., Wednesday, January 20, 2021

Virtual

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.

1. CALL TO ORDER

Thomas called the meeting to order at 10:07 am.

2. ROLL CALL

Members Present: Gregg Thomas, Ann Hoelscher, Deborah Zorn, Rich Anderson, and Gary Hughes. Also Present: N/A

Members Absent: None

3. CHAIR ANNOUNCEMENTS

None

4. APPROVAL OF MINUTES (12/21/2020 LMCD Operations Committee Meeting)

Motion to approve minutes was made and seconded. Motion passed.

5. TOPICS

A) Committee Chair and Secretary Appointments

Motion to nominate Deborah Zorn as Chair was made and seconded. Motion passed.

Motion to nominate Ann Hoelscher as Secretary was made and seconded. Motion passed.

B) Operations Committee Meeting Schedule

Motion to meet once per month on the third Tuesday of each month at 10am was made and seconded. Motion passed.

C) Potential Changes to LMCD Board Meeting Schedule

Committee discussed changing board meeting schedule to 1 meeting per month. Discussion regarding Standing Committees meet second week of each month and Board meets fourth week of each month. Committee will seek Vickie's input and discuss at next Operations meeting.

D) Time and Motion Study

Zorn updated status. Vickie and staff continue to work on providing feedback. Committee requests that the study be finalized. Committee will also review operations calendar at next meeting.

E) 2021-2022 Strategic Plan

Committee discussed plan for strategic plan review in 2021. Committee will review current plan and discuss changes at next meeting. Will review with new officers and Board at future meeting.

F) 2020 Strategic Plan Dashboard

Zorn will connect with Vickie to provide year end update to Board.

G) Other

Anderson raised idea of a work group to help staff review dock applications.

6. ADJOURNMENT

The meeting was adjourned at 11:12 a.m.

Respectfully Submitted,

Ann Hoelscher,
LMCD Operations Committee Secretary

OPERATIONS COMMITTEE MINUTES
LAKE MINNETONKA CONSERVATION DISTRICT
10:00 a.m., February 16, 2021
Virtual

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.

1. CALL TO ORDER

Zorn called the meeting to order at 10:06 am.

2. ROLL CALL

Members Present: Gregg Thomas, Ann Hoelscher, Deborah Zorn, Richie Anderson. Gary Hughes joined at 10:45 am. Also Present: NA

Members Absent: None

3. CHAIR ANNOUNCEMENTS

None

4. APPROVAL OF MINUTES (1/20/2021 LMCD Operations Committee Meeting)

Motion to approve minutes was made and seconded. Motion passed.

5. TOPICS

A) Potential Changes to LMCD Board Meeting Schedule (Frequency & Time of Day)

Committee discussed changing board meeting schedule to alleviate staff workload in preparing for meetings. Board Chair will seek Vickie's input and will try to cancel some upcoming meetings. Future potential changes could also include:

- 1 meeting per month with Standing Committees meeting second week of each month and Board meets fourth week of each month.
- change of time of meeting - committee listed factors in favor of current time including allowing public input
- subcommittee to review dock applications and provide recommendations to Board.

B) 2021-2022 Strategic Plan Updates & Discussion

Committee discussed strategic plan review. Request that Standing Committees and Officers will review current strategic plan and provide input to Deborah. Ops Committee will discuss at next meeting and provide recommendations for a Board workshop.

C) 2020 Strategic Plan Dashboard

Zorn will connect with Vickie to provide year end update to Board. Discussed best use of dashboard - move to twice per year updates from Committees.

D) Other

None

6. ADJOURNMENT

The meeting was adjourned at 10:59 a.m.

Respectfully Submitted,

Ann Hoelscher,
LMCD Operations Committee Secretary