



LAKE MINNETONKA CONSERVATION DISTRICT

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

AGENDA
LAKE MINNETONKA CONSERVATION DISTRICT
Wednesday, May 10, 2023
Wayzata City Hall
600 Rice Street, Wayzata, MN 55391

PUBLIC PARTICIPATION

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

WORK SESSION AGENDA

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. No Work Session- Meeting Begins at Formal Meeting

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 Hoelscher**
- 6) APPROVAL OF MINUTES (04/26/2023 LMCD Regular Board Meeting)**
- 7) APPROVAL OF CONSENT AGENDA**
 - A) Audit of Vouchers (05/01/2023 – 05/15/2023)**

- B) Resolution Accepting Save the Lake Contributions (03/30/23 – 05/03/2023)
- C) Approval of Findings of Fact and Order for Caribbean Marina
- D) Approval to Change Bank Depository to Bridgewater Bank

8) 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.*

9) PRESENTATIONS

10) PUBLIC HEARING

11) OTHER BUSINESS

12) OLD BUSINESS

- A) Approval of Findings of Fact and Order for Panoway Project

13) NEW BUSINESS

2022 Financial Audit Presentation

14) TREASURER REPORT

- A) Balance Sheet – April 2023
- B) Update on 2024 Budget
- C) Proposed Levies for Cities

15) EXECUTIVE DIRECTOR UPDATE

- A) Administrative Fines
- B) Intern Announcement
- C) May 24th Board Retreat
- D) Authorize Staff to Amend Tonka Bay MDL License to Add BSU
- E) Authorize Interim Director to Negotiate Office Lease

16) STANDING LMCD COMMITTEE/WORKGROUP UPDATE

- Aquatic Invasive Species
- Communications
- Executive Director Selection
- Finance
- Operations
- Save the Lake
 - Save the Lake Contribution Recognitions

17) ADJOURNMENT

LAKE MINNETONKA CONSERVATION DISTRICT BOARD OF DIRECTORS

7:00 P.M., April 26, 2023
Wayzata City Hall

1. CALL TO ORDER

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

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Members present: Ann Hoelscher, Victoria; Jake Walesch, Deephaven; Rich Anderson, Orono; Mike Kirkwood, Minnetrista; Ben Brandt, Mound; Bill Cook, Greenwood; Dan Baasen, Wayzata; Gabriel Jabbour, Spring Park; Mark Kroll, Excelsior; Denny Newell, Woodland; Nicole Stone, Minnetonka; and Deborah Zorn, Shorewood. Also present: Joe Langel, LMCD Legal Counsel; Thomas Tully, Environmental Administrative Technician; Maisyn Reardon, Administrative Coordinator; and Interim Executive Director Jim Brimeyer.

Members absent: Dennis Klohs, Minnetonka Beach; and Ryan Nellis, Tonka Bay.

Persons in Attendance: Dan Gustafson, Shawn Wischmeier, Jeffrey Dahl, Mike Kelly, and Scott Jordan

4. APPROVAL OF AGENDA

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

VOTE: Motion carried unanimously.

5. CHAIR ANNOUNCEMENTS

There were no Chair announcements.

6. APPROVAL OF MINUTES- 04/12/2023 LMCD Regular Board Meeting

Baasen stated that under Save the Lake Committee report, the elected Officers should be listed with himself as Chair and Newell as Vice Chair rather than Co-Chair.

MOTION: Walesch moved; Kirkwood seconded to approve the 04/12/2023 LMCD Regular Board Meeting minutes as submitted.

VOTE: Ayes (10), Abstained (2), (Anderson and Stone). Motion carried.

7. APPROVAL OF CONSENT AGENDA

MOTION: Baasen moved, Cook seconded to approve the consent agenda as presented. Items so approved included: **7A)** Audit of Vouchers (04/16/2023 – 04/30/2023); **7B)** Resolution Approving 2023 Alcoholic Beverage License Renewals; and **7C)** Approval of Findings of Fact and Order for

an Adjusted Dock Use Area and Length, 5310 Elmridge Circle, Shorewood, MN 55331, East Upper Lake.

VOTE: Motion carried unanimously.

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

There were no public comments.

9. PRESENTATIONS

10. PUBLIC HEARING

A) Groveland Homeowners Association, New Multiple Dock (moved to May 10th Board Meeting)

B) Caribbean, New Multiple Dock

Tully presented a request from the Caribbean for a new multiple dock license for the property located at 135 Lakeview Avenue, 100 and 110 Sunrise Avenue. He provided background information on the property and aerial photograph with the current configuration of the marina. He reviewed the current approved site plan and compared that to the proposed site plan. He provided additional explanation of the request to convert four Boat Storage Units (BSU) from "rent" to "transient" to allow for more public access to the restaurant and to utilize one preserve BSU for transient use in 2023 and beyond noting that no additional dock structure is proposed for the additional BSU. He stated that the applicant's proposal would continue to be less than the total number of BSUs and total linear length of BSUs in the original approval of the nonconforming structure on the site. The existing variances on the site would be maintained. He stated that no comments were received from the general public or other agencies. Staff recommends approval subject to the conditions noted in the staff report.

Walesch asked for details on the variance request.

Tully explained that the variance has existed on the site and is not a new request and explained that it has been an LMCD practice to reaffirm the variances that exist under a new request.

Kirkwood referenced slip 128 and asked if there would be adequate space to the south.

Tully replied that it would be a tight squeeze but staff did not interpret that as a notable change.

Anderson referenced an email from staff related to square feet versus linear feet and asked if the attorney was consulted on the code requirement.

Tully commented that the Board memorandum used square footage for the BSUs, and after review of the code he made the change to linear feet based on the historical interpretation of legacy status.

Anderson replied that he was never made aware of that when he reconfigured his marinas and asked for more explanation on legacy status.

Tully noted the section of code that discusses reconfiguration of nonconforming marinas. He noted that this site was allotted a large number of BSUs and when changes were made in 1978, the marina was allowed to continue with those previous allowances. He noted that when the reconfiguration was made, the marina was allowed to bank the BSUs and linear footage not being used.

Jabbour stated that he does not have a problem with the application but believed that they are on the wrong track. He referenced the envelope concept that is used for reconfiguration and believed that the Caribbean came in under that type of request. He provided additional context on square footage versus linear footage. He stated that State law prohibits expansion of nonconforming use. He asked whether there is additional time for review under the 60-day rule.

Tully confirmed that there would be additional time for review.

Jabbour commented that he does not believe that converting the slips from rental to transient would be expansion of a nonconforming use.

Kroll commented that he believes that it is time to approve this as additional boat parking is needed for the restaurant.

Hoelscher opened the public hearing at 7:22 p.m.

Shawn Wischmeier, applicant, commented that he agrees with the comments of Kroll as this will continue to allow more public access to the marina. He stated that they have a new restaurant operator that they have been working with to support this request.

No additional comments were offered and the public hearing was closed at 7:23 p.m.

MOTION: Anderson, moved, Kroll seconded to direct LMCD legal counsel to prepare Findings of Fact and Order approving the multiple dock license from Caribbean Marina & Restaurant for the property located at 135 Lakeview Avenue, 100 Sunrise Avenue, and 110 Sunrise Avenue in Tonka Bay for final action at the April 26, 2023 LMCD Board meeting.

Further discussion: Walesch asked if State law would prohibit this action because of the nonconforming use status.

Langel explained that if the use were discontinued for a one-year period that statute would come into play and therefore would not apply in this instance.

Jabbour asked if the extra slip would be an expansion of the use.

Langel read the statute and exception that is provided within that language. He explained how the LMCD code allows BSUs to be banked.

VOTE: Motion carried unanimously.

C) Wayzata Panoway

Tully presented a request from the City of Wayzata for a multiple dock license related to its Panoway Project for the property located at 402 Lake Street East. He provided an overview of the municipal multiple dock license request noting the special requests related to setback, length and density. He reviewed the current approved site plan and compared that to the proposed site plan. He provided details on the proposed dock structure which did trigger an Environmental Assessment Worksheet (EAW). He stated that the EAW was completed in 2018 and nothing has significantly changed since the approval of the EAW and City Council declaration that an EIS was not necessary. All partnering agencies have approved relative licenses or permits for the proposed projects. He stated that there have not been any comments from related agencies or the general public. Staff recommends approval subject to the conditions noted in the staff report.

Brimeyer referenced the statement that the railroad has given permission to cross the tracks in two locations, noting that is not necessary as the City already has that right-of-way. He did believe it was still the right thing to do in terms of working cooperatively but was not technically needed.

Kirkwood asked for information on the portion of the dock that would exceed past 200 feet.

Tully commented that the dock length would vary and identified areas that would protrude. He commented that if the length were restricted, the applicant would need to decide how to adjust within that area.

Walesch commented that marinas are allowed to a length of 200 feet and asked if similar approval could be given to this municipality rather than restricting to 150 feet.

Tully replied that the code specifies that municipalities can asked for widths over eight feet and are restricted to a length of 150 feet. He noted that a length of 200 feet would require a variance.

Jabbour commented that this request mixes a variety of things. He believed that the LMCD has changed the rule to allow a municipality to go to 200 feet, noting that Excelsior received that approval. He stated that a variance would be needed if a width of ten feet were to exceed past 150 feet. He stated that he was incorrect when he previously suggested that Wayzata did not ask the LMCD to participate in its planning process as he has since found out that the LMCD was involved. He commented that the LMCD is the Responsible Government Unit (RGU) and did not think the organization could give up that role to the city, although he believed that the LMCD could come to the same conclusion on the EAW that was completed. He asked if the city is still proposing to have the boardwalk extend to the caretaker home.

Hoelscher stated that it was her understanding that because no substantial changes were made to the plan

since approval of the EAW, that could be approved.

Langel stated that there is language within the rules relating to issues that arise over who would be the RGU. He explained that the LMCD can agree to have the city act as the RGU and accept that ruling.

Jabbour asked if the LMCD is obligated to review the findings and conclude the same.

Hoelscher stated that staff and legal counsel have reviewed those findings and agree with the ruling.

Jabbour commented that the Watershed District and DNR have approved the request and if those agencies support ten feet, he believes that the LMCD should as well.

Walesch stated that after his conversation with legal counsel and a representative from the Environmental Quality Board (EQB) there is no need for an EAW without substantial change and the LMCD can allow the city to be the RGU in this instance. He noted that staff and legal counsel have reviewed the findings and the city has responded to all of the agency comments that were raised. He believed that there was sound reasoning for not requiring an EIS. He believed that a finding of fact should be added that the LMCD agrees with the findings of the negative declaration, and accepting the EAW. He believed that would resolve the role of the LMCD in regard to the EAW.

Hoelscher opened the public hearing at 7:48 p.m. No comments were offered and the public hearing was closed at 7:48 p.m.

Anderson asked and received confirmation that the dock would be designed to American Disabilities Act (ADA) specifications. He asked if any of the regulations for an EAW have been changed since the acceptance of the EAW. He also asked when the project would begin.

Mike Kelly, Wayzata Public Works Director, commented that the project is proposed to begin at the end of June per the permit issued by the DNR as that permit states June 30th as the date work could begin.

Anderson stated that he did not see language related to when poles could be pounded within the EAW, but believed that typically is restricted during spawning season and therefore should not be an issue.

Mr. Kelly stated that the responses to the EAW comments state that the city would follow all applicable regulations at time of application, which would be as of 2023 and therefore they would any new regulations.

Anderson asked if the Excelsior docks are out to 200 feet.

Jabbour confirmed that is correct and believed that was allowed under the LMCD code.

Tully stated that staff interpreted the language differently, providing additional explanation and apologized if that was incorrect or out of date.

Anderson commented that municipalities often get permissions that the general public cannot.

Hoelscher stated that when there is a variance or change from typical procedure there is consideration of public benefit and priorities versus the flexibility requested which is something the Board can consider.

MOTION: Walesch moved, Baasen seconded to direct LMCD staff and legal counsel to prepare Findings of Fact and Order approving the City of Wayzata, New Multiple Dock License application for the property located at 402 Lake Street East in Wayzata as the draft conditions are presented for final approval at the May 10, 2023 Board meeting, with the amendment for condition two to allow a length of 200 feet (by code or variance).

Further discussion: Anderson commented that he likes everything about this with the exception that this would create an arbitrary circumstance that could be used as example by qualified marinas requesting additional depth and therefore will vote against this.

VOTE: Ayes (11), Nays (1), (Anderson). Motion carried.

11. OTHER BUSINESS

There was no other business.

12. OLD BUSINESS

There was no old business.

13. NEW BUSINESS

A) AIS Management Funding Request – Antenna's on Harrison and Painter's Creek

Brandt stated that the Aquatic Invasive Species (AIS) Committee met on April 14th and the President of the Harrison Bay Association presented a request for the carp project. He provided a brief update on the progress of the project noting that this would be the second phase of the study. He reviewed what would be included in the second phase along with details of the funding request. He stated that the Committee recommends \$5,000 of funding towards this project which would come from the equipment project in order to install the two antennas.

Anderson clarified that this would come from the equipment side of the AIS budget.

Kirkwood asked if the LMCD would then own the antennas.

Brandt replied that the antennas would be rented through Carp Solutions.

MOTION: Anderson, moved, Newell seconded to approve funding of \$5,000 for the rental of two antennas through Carp Solutions as requested for the Harrison and Painter's Creek project.

VOTE: Motion carried unanimously.

Hoelscher commented that she likes the way this is moving forward with providing funding for AIS projects to get started around the lake. She commented that perhaps there could be a plan to utilize the communications consultant to better promote the AIS program.

14. TREASURER REPORT

A) Balance Sheet – March 2023

Anderson reviewed the balance sheet and provided a brief summary.

B) Update on 2024 Budget

Anderson reported that the audit presentation will be provided at an upcoming Board meeting and work has begun to prepare for the 2024 budget. He stated that an amendment has been requested for the 2023 budget, as the communications line item exceeded its allocation of \$20,000 and requested that be adjusted to \$30,000 and in turn reduce the AIS budget from \$80,000 to \$70,000.

MOTION: Baasen, moved, Cook seconded to approve an amendment to the 2023 budget to reduce the AIS line item from \$80,000 to \$70,000 and increase the communications line item from \$20,000 to \$30,000.

VOTE: Motion carried unanimously.

Hoelscher asked that the table showing the levy to each city be provided in the future 2024 budget discussions.

15. EXECUTIVE DIRECTOR UPDATE

Brimeyer provided the following information:

- Summer rules have been mailed. Packets are available at the LMCD office for Board members to share with their respective city.
- An outline was provided for the upcoming planning session to be held May 24th.
- Staff is collecting data to present an update to the variance fee.
- A shredding company will be completing work to clean out the garage next week.

Cook commented that the finance and operations committees will be bringing a recommendation forward to the Board at an upcoming meeting to gain direction from the Board in terms of updating those fees.

16. STANDING LMCD COMMITTEE/WORKGROUP

Aquatic Invasive Species: Brandt reported that the committee met on April 14th and will meet next on June 9th.

Applications have been received for herbicide treatments that will be considered in June. He thanked the Board for its support on these funding applications.

Jabbour commented that there is a gap in the system as the LMCD previously received a minimum of \$60,000 from the DNR. He stated that funding was reallocated to counties, but the LMCD does not have control over any of those funds and is not getting those funds from Hennepin County.

Hoelscher stated that the LMCD has a communications consultant that also lobbies and suggested that the committee develop a proposal for the Board to consider. She stated that the consultant could then be engaged to lobby for the organization.

Jabbour commented that he is not on the committee.

Hoelscher stated that Jabbour could attend a committee meeting or share his comments with Brandt.

Jabbour commented that he believes that the LMCD should reclaim what should be allocated to the lake.

Walesch asked if the percentage is known that should be allocated to Lake Minnetonka based on the formula.

Jabbour commented that he is not aware of the exact number but could look into that.

Hoelscher suggested that Jabbour bring that data forward for discussion on a future agenda.

Communications: Hoelscher commented that the summer rules should be arriving in mailboxes and was pleased in the timing. She asked that the Board provide any feedback to herself, Kirkwood or Brimeyer, as those could be incorporated into future versions.

Zorn asked and received confirmation that the mailing went to all lakeshore property owners and asked if a drop was also made to marinas to distribute.

Tully commented that they have provided flyers with the rules to Water Patrol and marinas and would also be providing those to the Board to share with their member city.

Executive Director Selection: No report.

Finance: Anderson commented that the committee has been working on the license fee updates, specific to variances. He met with representatives from a local bank and brought forward those options to the committee to discuss.

Operations: No report.

Save the Lake: Baasen reported that the spring solicitation was included with the summer rules mailing

which provided a cost savings in the mailing. He thanked the committee and communications consultant as the solicitation was mailed much earlier than in previous years.

- Save the Lake Contribution Recognitions: Noted.

Anderson referenced the action related to the Caribbean and asked for clarification as to whether the allowance under code was up to 200 feet or whether that would be done through a variance.

Walesch stated that if a variance is needed, that would be granted. He stated that Anderson would not need to change his vote as that could be done when the matter comes back for final consideration.

Hoelscher stated that the answer can be provided prior to the next meeting.

17. ADJOURNMENT

MOTION: Kroll moved; Newell seconded to adjourn the meeting at 8:28 p.m.

VOTE: Motion carried unanimously.

Ann Hoelscher, Chair

Michael Kirkwood, Secretary

3:29 PM
05/03/23

Lake Minnetonka Conservation District
Check Detail
May 1 - 15, 2023

ITEM 7A

Date	Num	Name	Memo	Account	Class	Paid Amount
05/15/2023	EFT-23-43	ADP Service Fee		Alerus Checking		
			Payroll 5/1/23 - 5/15/23	4180M10 · Professional Service...	Admin.	-89.62
TOTAL						-89.62
05/15/2023	EFT-23-44	ADP		Alerus Checking		
			Salaries - Admin	4020M10 · Salaries-002 - Admin	Admin.	-6,807.40
			P.E.R.A	2020 · Payroll Liabilities -	Admin.	949.20
			ER PERA	4022M10 · ER PERA - Admin	Admin.	-508.50
			ER/FICA Medicare - Admin	4021M10 · ER Share of Admin F...	Admin.	-518.70
			Long Term Disability	2020-LT · Payroll Liabilities - UN...	Admin.	27.12
			Brimeyer 4/17/23 - 4/27/23	4024 · Contract Labor	Admin.	-2,920.00
TOTAL						-9,778.28
05/03/2023	EFT-23-45	P.E.R.A		Alerus Checking		
			Payroll 5/1/23 - 5/15/23	2020 · Payroll Liabilities -	Admin.	-949.20
TOTAL						-949.20
05/03/2023	EFT-23-46	Medica		Alerus Checking		
			Health Insurance, May 2023 (Cobra - Vickie Schleuni...	4380M10 · Employee Benefits - ...	Admin.	-757.58
			Health Insurance, May 2023 (Tammy Duncan)	4380M10 · Employee Benefits - ...	Admin.	-757.58
			Health Insurance, May 2023 (Thomas Tully)	4380M10 · Employee Benefits - ...	Admin.	-757.58
TOTAL						-2,272.74
05/03/2023	EFT-23-47	Unum Life Insurance		Alerus Checking		
			Long Term Disability - May 2023	2020-LT · Payroll Liabilities - UN...	Admin.	-54.23
TOTAL						-54.23
05/11/2023	EFT-23-48	WEX Health, Inc.		Alerus Checking		
			HSA Contribution May 2023 (Tully)	4380M10 · Employee Benefits - ...	Admin.	-125.00
			HSA Contribution May 2023 (Duncan)	4380M10 · Employee Benefits - ...	Admin.	-125.00
TOTAL						-250.00

3:29 PM
05/03/23

Lake Minnetonka Conservation District
Check Detail
May 1 - 15, 2023

Date	Num	Name	Memo	Account	Class	Paid Amount
05/11/2023	22340	Abdo		Alerus Checking		
04/30/2023	Inv.#471014		2022 Audit - Balance Due	4040M10 · Auditing - Admin.	Admin.	-9,500.00
TOTAL						-9,500.00
05/11/2023	22341	AIS Advanced Imaging Solutions		Alerus Checking		
04/26/2023	Inv.#500223...		Copier Contract 4/20/23 - 5/20/23	4140M10 · Office Equipment R&...	Admin.	-447.95
TOTAL						-447.95
05/11/2023	22342	Carp Solutions, LLC		Alerus Checking		
05/03/2023	Inv.#LMCD_...		Two (2) PIT Systems for tracking carp migration in Sp...	4181M30 · Prof. Services	AIS	-5,000.00
TOTAL						-5,000.00
05/11/2023	22343	Chuck Struck		Alerus Checking		
04/27/2023	Inv.#INV0041		Board Meeting 4/26/23	4182M10 · Media (Cable/Internet...	Admin.	-90.00
TOTAL						-90.00
05/11/2023	22344	Gleason Printing		Alerus Checking		
04/27/2023	Inv.#90942		Printing 5242 Summer Rules and 4542 Save the Lake...	4100M10 · Printing - Admin.	Admin.	-4,827.33
TOTAL						-4,827.33
05/11/2023	22345	Innovative Office Solutions LLC		Alerus Checking		
04/13/2023	Inv.#IN4160...		Copy Paper and Supplies	4220M10 · Office Supplies -Adm...	Admin.	-89.48
TOTAL						-89.48
05/11/2023	22346	Iowa League of Cities		Alerus Checking		
04/27/2023	Inv.#097793		Ad for Summer Intern	4220M10 · Office Supplies -Adm...	Admin.	-140.00
TOTAL						-140.00

3:29 PM
05/03/23

Lake Minnetonka Conservation District
Check Detail
May 1 - 15, 2023

Date	Num	Name	Memo	Account	Class	Paid Amount
05/11/2023	22347	League of Wisconsin Municipalities		Alerus Checking		
04/26/2023	Inv.#85785		Ad for Summer Intern	4220M10 · Office Supplies -Adm...	Admin.	-150.00
TOTAL						-150.00
05/11/2023	22348	LMCC		Alerus Checking		
04/27/2023	Inv.#1541		VOD Services for Meeting 4/26/23	4182M10 · Media (Cable/Internet...	Admin.	-200.00
TOTAL						-200.00
05/11/2023	22349	Lynette M. Rohde Bookkeeping		Alerus Checking		
05/02/2023	Inv.#2023-042		Bookkeeping Services 5/2/23	4180M10 · Professional Service...	Admin.	-101.20
TOTAL						-101.20
05/11/2023	22350	Ratwik, Roszak & Maloney, P.A.		Alerus Checking		
04/01/2023	March 2023		Civil Legal Fees, March 2023	4620M10 · Civil Legal Fees - Ad...	Admin.	-2,783.48
TOTAL						-2,783.48
05/11/2023	22351	Steven M. Tallen Attorney At Law		Alerus Checking		
04/27/2023	April 2023		Prosecution Cost April 2023	4640M10 · Prosecution Legal Fe...	Admin.	-3,507.26
TOTAL						-3,507.26
05/11/2023	22352	TimeSaver Off Site Secretarial, Inc.		Alerus Checking		
04/28/2023	Inv.#M28183		Board Minutes 4/12/23	4230M10 · Meeting Exp. - Admin.	Admin.	-244.75
			Board Minutes 4/26/23	4230M10 · Meeting Exp. - Admin.	Admin.	-198.75
TOTAL						-443.50
05/11/2023	22353	Your Computer Hero		Alerus Checking		
04/29/2023	iNV.#7761		Computer Maintenance 4/6/23 - 4/27/23	4181M10 · Professional Comp. ...	Admin.	-510.00
TOTAL						-510.00

ITEM 7B



RESOLUTION 253

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; and

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; and

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; and

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

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; and

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 #253

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 10th day of May 2023.

ATTEST:

Ann Hoelscher, Chair

Michael Kirkwood, Secretary

DRAFT

Lake Minnetonka Conservation District
Transaction Detail By Account
 March 30 through May 2, 2023

Resolution #253 - Save the Lake Contribution

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Amount</u>
Contributions				
3001M20 - Donations (General) - S/L				
		Richard & Catherine Bailey	STL Donation (General) (In memory of Bill Weeks)	25.00
03/30/2023	13464			
04/11/2023	PayPal	Mark Summers	Transfer from PayPal (500.00)	485.06
04/11/2023	PayPal	Irene Tremblay	Transfer from PayPal (300.00)	290.84
04/19/2023	10983	John Packard	STL Donation (General)	50.00
04/27/2023	PayPal	Mark Kozikowski	Transfer from PayPal (250.00)	242.28
04/27/2023	PayPal	Teri Haugland	Transfer from PayPal (100.00)	96.62
05/02/2023	7019	Dean Spatz	STL Donation (General)	100.00
05/02/2023	PayPal	Kerry Skelton	Transfer from PayPal (1000.00)	970.61
05/02/2023	PayPal	Katherine Paulson	Transfer from PayPal (100.00)	96.62
05/02/2023	PayPal	Ellen Peterson	Transfer from PayPal (200.00)	193.73
05/02/2023	PayPal	Thomas Whisler	Transfer from PayPal (50.00)	48.06
05/02/2023	2635	Stephen Rivard	STL Donation (General)	50.00
05/02/2023	3700	Christine A. Schultz Tom & Gai	STL Donation (General)	100.00
05/02/2023	36995	Skramstad	STL Donation (General)	100.00
05/02/2023	17618	Donald Bierbaum	STL Donation (General)	250.00
05/02/2023	148940	Ann and Robert Jackson Fund	STL Donation (General)	100.00
Total 3001M20 - Donations (General) - S/L				3,198.82



LAKE MINNETONKA CONSERVATION DISTRICT

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

DATE: May 10, 2023 (Prepared May 4, 2023)
TO: LMCD Board of Directors
FROM: Thomas Tully, Environmental Administrative Technician
CC: Jim Brimeyer, Interim Executive Director
SUBJECT: Multiple Dock License (Reclassification of BSU and Implementation of one Legacy BSU) and Variance Request for Caribbean Marina & Restaurant in Tonka Bay

ACTION

Board approval of Findings of Fact and Order for a New Multiple Dock License for the Caribbean Marina & Restaurant, located at 135 Lakeview Ave, 100 Sunrise Ave, and 110 Sunrise Ave in Tonka Bay, MN 55331

BACKGROUND

The LMCD held a public hearing on April 26, 2023 to consider the application of Shawn Wischmeier ("Applicant") for a New Multiple Dock License at the Caribbean Marina & Restaurant, located at 135 Lakeview Ave, 100 Sunrise Ave, and 110 Sunrise Ave in Tonka Bay, MN 55331 for a reconfiguration.

On April 26, 2023, the LMCD Board voted to have legal counsel and staff draft Findings of Fact and Order for approval of the variance request with conditions. The draft of the Findings of Fact and Order is attached, as well as the memos and presentations from the hearing.

BUDGET

N/A

STRATEGIC PRIORITIES

Operational Effectiveness, Clear & Timely Communications, Effective Governance, X Lake Protection, Other

ATTACHMENT

- 1. Findings of Fact and Order
2. Board Memo of April 26, 2023 without attachments
3. Proposed Site Plan

Type: Commercial Marina
Reconfiguration of Nonconforming Structure; Reclassification of BSUs
Date: May 10, 2023
PID(s): 27-117-23-24-0050
27-117-23-24-0051
27-117-23-24-0052
Address: 135 Lakeview Ave
100 Sunrise Ave
110 Sunrise Ave
Tonka Bay, MN 55331

**LAKE MINNETONKA CONSERVATION DISTRICT
HENNEPIN COUNTY, MINNESOTA**

IN RE:

Application of Caribbean Marina & Restaurant (Tonka Bay Property Holdings, LLC) for Reconfiguration of a Nonconforming Structure located at 135 Lakeview Ave, 100 Sunrise Ave, and 110 Sunrise Ave in the City of Tonka Bay

**FINDINGS OF FACT
AND ORDER**

The Lake Minnetonka Conservation District (“LMCD”) received an application from Caribbean Marina & Restaurant (Tonka Bay Property Holdings, LLC) (collectively, the “Applicant”) for a Commercial Multiple Dock License for property owned by the Applicant located at 135 Lakeview Ave, 100 Sunrise Ave, and 110 Sunrise Ave, Tonka Bay, MN 55331 (“Subject Property”). The Subject Property includes, and this Order applies to, the parcels identified with PIDs 27-117-23-24-0050, 27-117-23-24-0051, and 27-117-23-24-0052. In 2019 the LMCD Board of Directors (“Board”) issued a Commercial Multiple Dock to the Applicant for the Subject Property in 2021. The Applicant is now seeking approval for the implementation for a legacy BSU (BSU 128), and the reclassification of four (4) BSUs from Rental to Transient classification. The Board provided the Applicant and the general public an opportunity to be heard at the public hearing held on April 26, 2023. Now, based on the proceedings and the record of this matter, the Board hereby makes the following Findings of Fact and Order:

FINDINGS OF FACT

- a. The Subject Property is located in the City of Tonka Bay, on Lower Lake South, which is part of Lake Minnetonka (“Lake”).
- b. The Subject Property is currently licensed as a Commercial Marina.
- c. The Applicant proposes to reconfigure the nonconforming dock structure by implementing “Banked” BSUs and linear footage for the addition of a transient BSU, and to convert four slips to transient slips, and to reaffirm the variance previously granted to the Subject Property

with no changes. The Applicant does not propose to change the outside dimensions of the dock structure.

- d. The Subject Property contains approximately 440 feet of 929.4 NGVD shoreline.
- e. The Board previously determined the Subject Property has a total preserved density of 147 boat storage units (“BSUs”) and a total preserved linear footage of approximately 3,709 feet.
- f. The Applicant desires to reconfigure the nonconforming Commercial Multiple Dock within the same envelope under Article 2, Chapter 8 of the LMCD Code of Ordinances (“Code”).
- g. The Applicant submitted a site plan with its application, which is attached hereto as Exhibit A and is incorporated herein (“Site Plan”). Exhibit A includes the Site Plan for both the 2022 configuration and the 2023 proposed configuration.
- h. The Site Plan shows an addition of one BSU, from 127 in the 2022 configuration, to 128 in the 2023 configuration.
- i. The Applicant is proposing to reclassify 4 “Rent” slips under the current application to transient, and classifying BSU 128 as transient starting as part of the 2023 configuration.
- j. The Board may approve the proposed reconfiguration under Section 2-8.11 of the Code as the dock will remain within the previously approved dimensional limitations.
- k. The LMCD received no comments from the MN DNR, MCWD, or The City of Tonka Bay.
- l. The proposed reconfiguration, as reflected in the Site Plan, satisfies the limitations in LMCD Code, Section 2-8.11. The proposed reconfiguration does not exceed the maximum allowed total linear footage for the BSUs, remains with the existing perimeter, does not extend further into the Lake than the current structure, and does not create any new nonconformities.
- m. Pursuant to Section 2-8.19 of the Code, the unused BSUs, linear footage, and perimeter resulting from the reconfiguration is preserved. For the purposes of documentation, the proposed reconfiguration in BSUs for the 2023 configuration results in 19 unused BSUs, and 217 unused linear footage. Any proposal to use these additional BSUs and linear footage will require the issuance of a new Commercial Multiple Dock License and compliance with the applicable provisions of the Code.
- n. The Board finds the requested reconfiguration of the nonconforming structure, as reflected in the Site Plan and supported by the previously issued Variance, complies with Article 2, Chapter 8 of the Code and that it is appropriate to issue the requested Commercial Multiple Dock with the conditions as indicated below.

ORDER

ON THE BASIS OF THE FOREGOING AND THE RECORD OF THIS MATTER, IT IS HEREBY ORDERED BY THE BOARD AS FOLLOWS:

1. Approvals. The following approvals requested by the Applicant are hereby approved and issued for the Subject Property, subject to the conditions identified herein:
 - (a) Reconfiguration of a Nonconforming Structure. The new Commercial Multiple Dock license for the reconfiguration of a nonconforming dock includes approval of a final configuration for 2023. The final configuration includes a total of 128 BSUs, including five transient slips, as shown on the Site Plan (Exhibit A). This Order replaces the Order issued in 2021 and all other orders previously issued for the Subject Property, except the previously approved Variance.
 - (b) Variance. The Variance previously issued for the Subject Property remains in effect and is hereby reaffirmed to approve the continued encroachment of the dock structure across the western extended side site line as shown on the Site Plan.
2. Conditions. The approvals granted in this order are subject to, and conditioned upon, compliance with the following:
 - (a) The Applicant shall place and maintain “no parking” signs along the easternmost dock section at an interval of no less than one every 50 feet;
 - (b) The Applicant shall place and maintain a fence or other form of continuous barrier along the easternmost dock section to discourage watercraft parking along that section of dock. The barrier shall continue to the end of the reconfigured E dock. The fence may be a rope structure, fencing, or other barrier approved by LMCD staff, similar to the barrier provided for the existing dock.
 - (c) The fueling dock platform shall not exceed ten feet in width.
 - (d) No portion of dock platform, other than the fueling dock, may exceed eight feet in both width and length.
 - (e) Only those BSUs identified as transient slips in the Site Plan may be used as transient slips. Any proposal to change or increase the number of transient slips shall require the Applicant to apply for a new Commercial Multiple Dock License.
 - (f) The Applicant will provide adequate sanitation facilities for people using the dock facility.
 - (g) The Commercial Multiple Dock License issued herein is unique to the Applicant. Upon transfer of ownership of the Subject Property to another individual or entity, such individual or entity will be required to apply for a new license and any other approvals that may be required.

- (h) Failure of the Applicant to comply with any relevant regulation of the LMCD or other regulatory body may result in revocation of this approval.
- (i) Watercraft stored at this dock facility shall be not extend beyond 200 feet from the 929.4-foot elevation contour. Length overall is defined as the horizontal measurement for the foremost to the outmost points of the watercraft including all equipment and attachments.
- (j) The lighting at this dock facility must be in compliance with a submitted lighting plan approved by the LMCD staff. The lighting plan must provide safe lighting of the dock and minimize nuisances to adjacent properties.
- (k) No temporary low water variances shall be granted during the period when the Lake level falls below elevation 928.0 National Geodetic Vertical Datum.
- (l) Dock structures shall be constructed and maintained in strict compliance with the Site Plan (Exhibit A) and in good condition.
- (m) The Subject Property must be maintained and operated in compliance with all other provisions of this Code, and other applicable regulations, ordinances and state law.
- (n) The Applicant shall comply with all applicable federal, state, and local laws, rules, regulations, and ordinance and shall obtain all other permits or permissions that may be required associated with its dock facility and the Subject Property.
- (o) Nothing herein is intended to, or shall be construed as, regulating any land-based activities of this Marina occurring above the ordinary high-water level.
3. Authorizations. The LMCD staff is hereby authorized and directed to issue the approved commercial multiple dock license for the Subject Property and to take such other actions as may be needed to ensure compliance with this Order and the requirements of the Code.

BY ORDER OF THE BOARD OF DIRECTORS of the Lake Minnetonka Conservation District this 10th day of May 2023.

Ann Hoelscher, Chair

ATTEST:

Mike Kirkwood, Secretary

EXHIBIT A
Site Plan

(attached hereto)

DRAFT



LAKE MINNETONKA CONSERVATION DISTRICT

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

DATE: April 26, 2023 (Prepared April 20, 2023)

TO: LMCD Board of Directors

FROM: Thomas Tully, Environmental Administrative Technician

CC: Jim Brimerer, Interim Executive Director

SUBJECT: Multiple Dock License (Reclassification of BSU and Implementation of one Legacy BSU) and Variance Request for Caribbean Marina & Restaurant in Tonka Bay

ACTION

Board consideration of request for a new multiple dock license (Reclassification and addition of one BSU) request for the Caribbean Marina & Restaurant, located at 135 Lakeview Ave, 100 Sunrise Ave, and 110 Sunrise Ave in Tonka Bay, MN 55331, with shoreline on Echo Bay, and board consideration of public input as part of the public hearing process.

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

Approval

I make a motion to direct LMCD legal counsel to prepare Findings of Fact and Order approving the multiple dock license from Caribbean Marina & Restaurant for the property located at 135 Lakeview Ave, 100 Sunrise Ave, and 110 Sunrise Ave in Tonka Bay for final action at the April 26, 2023 LMCD Board meeting <subject to the following conditions>...

Denial

I make a motion to direct LMCD legal counsel to prepare Findings of Fact and Order denying the multiple dock license from Caribbean Marina & Restaurant for the property located at 135 Lakeview Ave, 100 Sunrise Ave, and 110 Sunrise Ave in Tonka Bay for final action at the April 26, 2023 LMCD Board meeting based on...

APPLICATION SUMMARY

The applicant, Shawn Wischmeier ("Applicant") submitted an application for a new multiple dock license at 135 Lakeview Ave, 100 Sunrise Ave, and 110 Sunrise Ave in Tonka Bay, MN 55331, with shoreline on Echo Bay. The Applicant's property has approximately 440 feet of 929.4 Foot OHW shoreline. At least two upland parcels (PIDs 27-117-23-24-0067 and 27-117-23-24-0068) are used as part of the site's commercial operation.

In summary, the applicant proposes the following:

- Convert 4 boat storage units (BSUs) from Rent to Transient use in 2023 and beyond; and,
- Utilize 1 preserved BSUs for Transient use in 2023 and beyond.

Multiple Dock License
135 Lakeview Ave, 100 Sunrise Ave, and 110 Sunrise Ave in Tonka Bay
LMCD Board Meeting
April 14, 2023

- No additional dock structure is being proposed for the additional BSU.
- The applicant's proposal would continue to be less than the total number of BSUs and total linear length of BSUs in the original approval of the nonconforming structure on site.
- Maintain existing variances on the site.

CODE REVIEW

Reconfiguration of Nonconforming Structures

The Reconfiguration of Nonconforming Structures section of the LMCD sets out a framework for nonconforming sites to be reconfigured in a manner that does not increase the nonconformity of a site.

LMCD Code Section 2-8.11. Limitations.

“Except to the extent expressly allowed by this Chapter, the reconfiguration of, or a minor change to, a nonconforming structure is not allowed, and the LMCD shall not issue a new dock license, a new mooring area license, or grant administrative approval if the proposed reconfiguration would result in any of the following:”

- a) An increase in boat storage units;
 - See 2-8.19. Within “Preserved” total.
- b) An increase in the linear footage of the boat storage units as determined under Section 2-8.13;
 - See 2-8.19. Within “Preserved” total.
- c) An increase in slip length of any slip structures opening toward a nonconforming side setback area;
 - No such change proposed.
- d) An adverse effect on nearby properties, navigation, safety, wetlands with emergent vegetation, or the environment;
 - Volume of traffic remains lower than original approval / within “preserved” amount.
- e) An increase in the nonconforming nature of the structure;
 - See 2-8.19. “The utilization of any preserved boat storage units, linear footage, or perimeter area for a proposed future reconfiguration done in accordance with this Section does not constitute an unlawful expansion of the nonconforming structure.”
- f) The creation of any new nonconformities; or
 - See 2-8.19. “The utilization of any preserved boat storage units, linear footage, or perimeter area for a proposed future reconfiguration done in accordance with this Section does not constitute an unlawful expansion of the nonconforming structure.” No additional nonconformities proposed.
- g) The structure extending further into any nonconforming side setback area than the existing structure, except that extension into a double setback area, if applicable, may be allowed upon the issuance of a variance.
 - No extension proposed. Application submitted to reaffirm current approved variance.

Multiple Dock License
135 Lakeview Ave, 100 Sunrise Ave, and 110 Sunrise Ave in Tonka Bay
LMCD Board Meeting
April 14, 2023

Reconfiguration of Nonconforming Structures – “Preserved” Site Characteristics

LMCD Code permits site owners to apply to reconfigure a nonconforming structure. Additionally, per LMCD Code Section 2-8.19, reconfigured nonconforming sites “preserve” the BSUs, linear footage of BSUs, and site perimeter characteristics of the original approval of the nonconforming structure.

The applicant proposes to use one of these “preserved” characteristics. The applicant’s proposals would continue to be less than the total number of BSUs and total linear length of BSUs in the original approval of the nonconforming structure on site. The proposal does not alter the perimeter area of the site. A brief summary of the proposal and the “preserved” characteristics is below:

- BSUs
 - Preserved BSUs = 147
 - BSUs (2022) = 127
 - Proposed BSUs (2023 layout) = 128
- Linear Footage of BSUs
 - Preserved linear footage = 3,709 feet
 - Linear footage (2022 layout) = ~3,445 feet
 - Proposed linear footage (2023 layout) = ~3,997.5 feet
- Perimeter
 - No proposed change to the overall perimeter from currently approved site plan in 2019

Commercial Multiple Dock License Review Criteria

LMCD Code Section 6-2.01. Commercial Multiple Dock License.

Subd. 3. Review Criteria. When considering an application the Board shall consider, together with any other factors it determines are relevant, the following:

- a) Whether the proposed structure is compatible with the LMCD watercraft density classification criteria in Article 2, Chapter 4;
 - Per 2-4.09, Subd. 3: “Docks and mooring areas lawfully in existence on May 3, 1978, may continue provided the number of restricted watercraft moored or docked at such docks and mooring areas does not exceed the number moored or docked on May 3, 1978.” Also see 2-8.19 regarding preservation of BSUs.
- b) Whether the proposed structure complies with the authorized dock use area requirements in Article 2, Chapter 3;
 - No change from current approved maximum length or current approved setbacks is proposed.
- c) Whether the proposed structure will be structurally safe for use by the intended users;
 - Completion of removal of the old structure would improve structural safety.
- d) Whether the structure will comply with the regulations contained in this Code;
 - The proposed changes to the structure(s) and use of the site appears to comply with the Code.
- e) Whether the proposed structure will create a volume of traffic on the Lake in the vicinity of the structure which will tend to be unsafe or which will cause an undue burden on traffic upon the Lake in the vicinity of the structure;

Multiple Dock License
135 Lakeview Ave, 100 Sunrise Ave, and 110 Sunrise Ave in Tonka Bay
LMCD Board Meeting
April 14, 2023

- A previous approval for the site had:
 - i. More total BSUs (147) than currently proposed (127 in 2022 and 128 in 2028); and,
 - ii. More Transient BSUs (20) than currently proposed (5 in 2022 and 10 in 2023).
- f) Whether the proposed structure will be compatible with the adjacent development;
 - Same overall footprint as previously approved structure.
- g) Whether the proposed structure will be compatible with the maintenance of the natural beauty of the Lake;
 - Same overall footprint as previously approved structure.
- h) Whether the proposed structure will affect the quality of the water of the Lake and the ecology of the Lake;
 - Same overall footprint as previously approved structure.
- i) Whether the proposed structure, by reason of noise, fumes or other nuisance characteristics, will tend to be a source of nuisance or annoyance to persons in the vicinity of the structure;
 - Same overall footprint as previously approved structure. Additional Transient BSUs will allow for more public access to the restaurant.
- j) Whether adequate sanitary and parking facilities will be provided in connection with the proposed structure;
 - Same as previously approved structure. Transient slips may reduce land vehicle parking load, which was noted during previous application process.

PUBLIC COMMENTS

In compliance with MN DNR General Permit 97-6098, the MN DNR, MCWD, and the City of Tonka Bay were provided information regarding the applications on April 16, 2023. City and agency comments are due by April 25, 2023. Comments received as of April 21, 2023 are summarized below. Any comments received after April 25, 2023 will be provided at the Board meeting for review.

- No comments received.

No comments have been received from the general public. Written comments received after noon on April 25, 2023 will be shared at the April 26, 2023 Board meeting.

PUBLIC HEARING

The public hearing provides an opportunity for interested individuals to present their views to the Board for consideration. This is an important part of reviewing the impact of a project. Only items under the LMCD Code and Board authority may be considered as part of any approval or denial decision.

A hearing notice was published in the April 13, 2023 edition of the Sun Sailor (official LMCD newspaper) and the April 16, 2023 edition of the Laker Pioneer. On April 18, 2023, a public hearing notice was mailed to persons who reside upon or are owners of property within 350 feet

Multiple Dock License
135 Lakeview Ave, 100 Sunrise Ave, and 110 Sunrise Ave in Tonka Bay
LMCD Board Meeting
April 14, 2023

of the Site. In addition, the Board packet was posted online and the agenda was posted on the LMCD bulletin board.

RECOMMENDATION

Based on information available at the time of this report, LMCD staff recommends approval with the minimum conditions listed below. The recommendation may change based on information reviewed or presented as part of the public hearing process.

1. Carry forward applicable conditions from previous Findings of Fact & Order (e.g., “no parking” signs on eastern dock, fence/barrier on eastern dock, appropriate lighting, etc.)
2. Allow for the classification change of 4 Rental slips to Transient.
3. Allow for the implementation of a legacy BSU on the southern side of slip 58
4. Ensure all Federal, State, County, and Municipal regulations are followed.
5. Standard variance conditions are applied.

BUDGET

N/A

STRATEGIC PRIORITIES


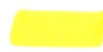
<input type="checkbox"/> Operational Effectiveness	<input type="checkbox"/> Clear & Timely Communications	<input type="checkbox"/> Effective Governance	<input checked="" type="checkbox"/> Lake Protection	<input type="checkbox"/> Other
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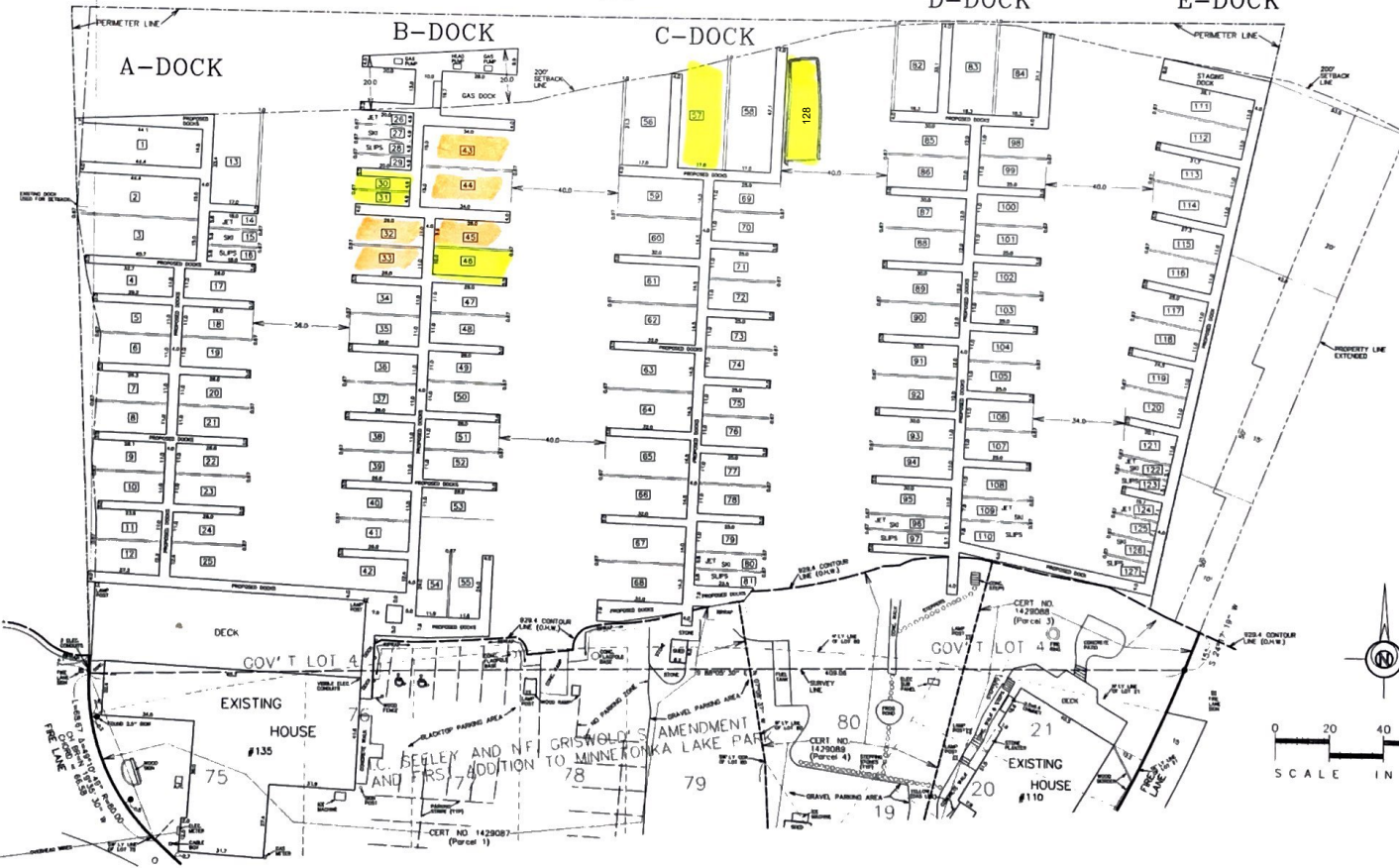
ATTACHMENTS

1. LMCD Code Excerpts
2. Location Map
3. Current Site Plan
4. Proposed Site Plan
5. Application Narrative (as submitted by Applicant)
6. Multiple Dock License Application
7. Public Hearing Notice (Sun Sailor & Laker Pioneer)
8. Public Hearing Notice Mailing

2022 AND BEYOND PROPOSED DOCK SURVEY FOR
TONKA BAY PROPERTY HOLDINGS, LLC
 IN I.C. SEELEY AND N.F. GRISWOLD'S AMENDMENT AND FIRST ADDITION TO MINNETONKA LAKE PARK AND IN GOV'T LOT 4, SEC. 27-117-23
 HENNEPIN COUNTY, MINNESOTA

LAKE
 MINNETONKA
 ECHO BAY

 EXISTING TRANSIENT
 NEW TRANSIENT



GRONBERG & ASSOCIATES, INC.
 CIVIL ENGINEERS AND SURVEYORS
 445 NORTH WILLOW DRIVE, MINNETONKA, MN 55368
 952-473-1414

PROJECT

2022 AND BEYOND PROPOSED DOCK SURVEY FOR TONKA BAY PROPERTY HOLDINGS, LLC

DATE: 11-15-23
 DRAWN BY: J. J. JENSEN
 CHECKED BY: J. J. JENSEN
 SCALE: AS SHOWN



ITEM 7D

LAKE MINNETONKA CONSERVATION DISTRICT

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

DATE: May 10, 2023 (Prepared May 3, 2023)

TO: LMCD Board of Directors

FROM: Jim Brimeyer, Interim Executive Director

SUBJECT: Approval to Change Bank Depository to Bridgewater Bank

ACTION

Board approval to Change Bank Depository to Bridgewater Bank.

BACKGROUND

The LMCD has been with Alerus bank for a number of years. The facility that we use is located in Excelsior. Any deposits we receive are mailed to that location. I am told that on one occasion a check was misplaced/lost and not recovered.

After being on the job for a short period of time, I noted in the balance sheet a line item for “equipment replacement” and a “savings account”. The sum in those two accounts was substantial. That prompted me to inquire as to why we did not have these funds in an account with higher interest earnings. Called Alerus and was told the interest rate on a CD was less than two percent. Given that information, contact was made with Bridgewater Bank by several board members. The bank has a branch office in nearby Navarre and staff could deposit checks directly at that location. They advised they would do Money Market investments that paid an interest rate of four to four and a half percent. They also indicated that for certain accounts they pay a two per cent rate on checking accounts.

We have had several conversations with bank staff and already submitted several documents that would achieve the transfer – state organization documents, state tax ID, bylaws, federal tax ID, etc. We agreed that the investment funds could be transferred quickly. It would be necessary to maintain two checking accounts initially – one at Alerus until all checks have cleared and one at Bridgewater. The bank has been advised that this change in banking could take place by the end of May. The first action is by the Finance Committee which approved the change at the May 4th meeting. The next step is for board approval at the May 10th meeting.

BUDGET

N/A

STRATEGIC PRIORITIES

Operational Effectiveness Clear & Timely Communications Effective Governance Lake Protection Other



LAKE MINNETONKA CONSERVATION DISTRICT

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

DATE: May 10, 2023 (Prepared May 2, 2023)
TO: LMCD Board of Directors
FROM: Thomas Tully, Environmental Administrative Technician
CC: Jim Brimeyer, Interim Executive Director
SUBJECT: New Multiple Dock License Application for City of Wayzata, 402 Lake Street East

ACTION
Board approval of Findings of Fact and Order for a New Multiple Dock License, Special Density License, and Variance Application (s) for City of Wayzata located at 402 Lake Street East in the City of Wayzata (PID 06-117-22-31-0001).

BACKGROUND
The LMCD held a public hearing on April 26, 2023 to consider the application From the City of Wayzata ("Applicant") for a New Multiple Dock License at 402 Lake Street East on Wayzata Bay in the City of Wayzata (PID 06-117-22-31-0001). for an adjusted dock use area and length.

On April 26, 2023, the LMCD Board voted to have legal counsel and staff draft Findings of Fact and Order for approval of the new Multiple Dock License request with conditions. The draft of the Findings of Fact and Order is attached, as well as the memos and presentations from the hearing.

BUDGET
N/A

STRATEGIC PRIORITIES
Operational Effectiveness Clear & Timely Communications Effective Governance [X] Lake Protection Other

- ATTACHMENT
1. Findings of Fact and Order
2. Board Memo of April 26, 2023 without attachments
3. Proposed Site Plan

Type: Municipal Multiple Dock License/
Special Density/ Length Variance
Date: May 10, 2023
PID: 06-117-22-31-0001
Address: 402 Lake Street East,
Wayzata, MN 55391

**LAKE MINNETONKA CONSERVATION DISTRICT
HENNEPIN COUNTY, MINNESOTA**

IN RE:

Application of City of Wayzata for a New
Municipal Multiple Dock License located at
402 Lake Street East in the City of Wayzata.

The Lake Minnetonka Conservation District (“LMCD”) received an application from Mike Kelly, on behalf of the City of Wayzata, (“Applicant”) for a New Municipal Multiple Dock License for the City of Wayzata property located at 402 Lake Street East, Wayzata, MN 55391 (“Subject Property”). The Subject Property has two separate locations consisting of 3460 feet of OWHL Shoreline on Wayzata Bay. The Applicant is seeking approval for four modifications to the existing multiple dock license issued for the Subject Property: (1) addition of dock structure (“Boardwalk”) running the length of the shoreline between Manitoba Ave. S. and Broadway Ave. S.; (2) allow for a 10-foot width variance for the entirety of the boardwalk to meet ADA regulations; (3) allow for a reconfiguration and additional 6 Transient BSUs to the current dock structure resulting in a new Special Density of 1:22 from 1:23; and (4) allow for a Length variance which would allow for a maximum extension of dock structure out to 200 feet from the 929.4 OHWL. The LMCD Board of Directors (“Board”) has in the past issued various approvals for the Subject Property as part of a multiple dock license. Due to proposed increase in dock structure, increased BSUs, and increased Dock Use Area (“DUA”), the Applicant is required to obtain a new multiple dock license. The Board provided the Applicant and the general public an opportunity to be heard at the public hearing held on April 26, 2023, and now, based on its proceedings and the record of this matter, hereby makes the following Findings of Fact and Order:

FINDINGS OF FACT

1. The Applicant operates what has previously been designated a Municipal Multiple Dock and has an existing multiple dock license for the Subject Property. The existing multiple dock license also is subject to Variance Order dated 04.08.98 and a Special Density License dated 04.22.15.
2. The Applicant submitted a site plan which is attached hereto as Exhibit A and is incorporated herein (“Site Plan”). The Site Plan identifies the proposed Boardwalk structure, the existing dock reconfiguration, and the proposed BSUs to be classified as transient use. The Applicant is proposing an increase in dock structure from 8,593 sq. feet to 22,356 sq. feet.

3. Under Section 4-1.07, of the LMCD Code, the proposed reconfiguration, addition of structure, and increased BSUs resulting in a change of special density to the municipal multiple dock requires the Applicant to seek a new multiple dock license.
4. The Applicant's proposal required an EAW. An EAW is mandatory when marina size reaches or surpasses 20,000 sq. feet. The proposal at the site would increase the size of the dock structure to 22,356. The applicant had a thorough EAW completed in 2018. Nothing has changed on the project since the finalization and approval of the EAW.
5. The City of Wayzata owns the property along the shore, over which the BNSF Railway has an easement. The City has two agreements with BNSF Railway regarding the proposed project. The two agreements between the parties include the use of two railroad right of way crossings that allow access to the proposed dock structure - one along Manitoba, the other at Broadway.
6. No additional agreements are required due to the City of Wayzata producing proof to be the administrator and owner of the Site, as affirmed by a decision of the Minnesota Supreme Court in 1892. Additionally, a Site Plan dated 1966 is attached, depicting ownership by the City of Wayzata ("Exhibit E")
7. The Board finds that the review criteria of LMCD Code Sections 2.03 and 2.05 are met and that the amenities, as hereinafter set forth, are sufficient to justify issuance of an amended special density license for the proposed facility.

(a) PUBLIC ACCESS (10)

- i. Fishing dock (fishing is permitted at the Broadway Dock during restricted hours (10)
- ii. Guarded swimming beach (10)

(b) ENVIRONMENTAL PROTECTION (5)

- i. Stormwater pond at Wayzata Beach (5)
- ii. Shoreline protection – rip rap along shoreline between Depot and Broadway (5)
- iii. Eurasian water milfoil off-load site at the end of Arlington Lane (5)

(c) PUBLIC SERVICE (3)

- i. Make ready docks in the Marina and at the DNR launch site adjacent to the Yacht club (3)
- ii. Ramp use for emergencies (3)
- iii. Winter access at Wayzata Beach (3)
- iv. Slip use for emergency (3)

- v. Observation deck at Depot (3)
 - vi. Picnic area at Wayzata Beach (3)
 - vii. Public seating areas on docks at Broadway and the Depot (3)
 - viii. Public toilets at the Bath house at the Marina and portable toilet at the Depot (3)
8. The Board finds that a variance for a dock width of 10' is appropriate. Pursuant to Section 6-5.01, subs. 1 and 6, a variance is permitted where necessary to provide access to persons with disabilities. The Applicant seeks a dock width of 10' to meet ADA standards. The variance will not adversely affect the purposes of the LMCD Code, the public health, safety, and welfare, or access to the Lake by the public.
9. The Board finds that a variance for a dock length of 200' from the 929.4 NVGD line is appropriate.

ORDER

ON THE BASIS OF THE FOREGOING AND THE RECORD OF THIS MATTER, IT IS HEREBY ORDERED BY THE BOARD AS FOLLOWS:

1. Approvals. The following approvals requested by the Applicant are hereby approved and issued for the Subject Property for the 2023 boating season and beyond, subject to the conditions identified herein:
 - (a) Municipal Multiple Dock License A multiple dock license for 153 BSUs, 100 of which will be allowed for overnight storage of restricted watercraft and the remaining 53 BSUs, including the additional 6 BSUs, for transient use of restricted watercraft at BSUs as shown on the Site Plan (s) (Exhibit A); and
 - (b) New Special Density License A new special density license which will allow for the incorporation of 6 additional transient BSUs for the use of the public. This special density license will replace the current special density license and allow for the change in boat density from 1:23 to 1:22; and
 - (c) New Dock Width Variance. A new variance allowing the boardwalk to be 10 feet wide in order to satisfy ADA regulations; and
 - (d) New Length Variance The Applicant may extend the dock structure at the site out to a maximum distance of 200 feet from the 929.4 OHWL; and
 - (e) Maintain Current Setback Variance See (Exhibit D).

2. Conditions. The approvals granted in this order are subject to, and condition upon, compliance with the following:
- (a) The Applicant will be in strict compliance with the proposed site plan (s) (Exhibit A).
 - (b) The multiple dock license issued herein is unique to the Applicant. Upon transfer of ownership of the Subject Property to another individual or entity, such individual or entity will be required to apply for a new license and any other approvals from the Board that may be required.
 - (c) Failure of the Applicant to comply with any relevant regulation of all LMCD, Federal, State, County, and Municipality rules and regulations may result in revocation of these approvals.
 - (d) Watercrafts and other structures may not extend beyond the 200-foot contour as it extends from the 929.4 OHWL.
 - (e) Adequate lighting and/or reflectorized material be provided at the end of the dock structure as approved by LMCD staff.
 - (f) Submit an as-built Site plan which will be inspected by LMCD Staff upon completion.
 - (g) No temporary low water variances shall be granted during the period when the Lake level falls below elevation 928.0 National Geodetic Vertical Datum.
 - (h) Maintain a maximum of 10 feet in width along the Boardwalk only, per ADA regulations.
 - (i) No Watercrafts or BSUs will be allowed along the entirety of the Boardwalk, This was granted under the guise that it will be for the public only.
 - (j) Allow for the change in Special density from 1:23 to 1:22, if all requirements continue to be met. (See Exhibit C).
 - (k) Allow for the continuation of Setback Variance dated 04.08.98 (See Exhibit D).
 - (l) This site is eligible for a De-Icing License. If the applicant proposes de-icing in the future, a new multiple dock license must be obtained.
 - (m) Other general license requirements apply.

402 Lake Street East, Municipal Multiple Dock License
Findings of Fact and Order
May 10, 2023

3. Authorizations. The LMCD staff is hereby authorized and directed to issue the approved multiple dock license for the Subject Property and to take such other actions as may be needed to ensure compliance with this Order and the requirements of the Code.

BY ORDER OF THE BOARD OF DIRECTORS of the Lake Minnetonka Conservation District this 10th day of May, 2023

Ann Hoelscher, Chair

ATTEST:

Mike Kirkwood, Secretary

DRAFT



LAKE MINNETONKA CONSERVATION DISTRICT

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

DATE: April 26, 2023 (Prepared April 20, 2023)
TO: LMCD Board of Directors
FROM: Thomas Tully, Environmental Administrative Technician
RE: New Multiple Dock License Application for City of Wayzata

ACTION

Board consideration of City of Wayzata. Multiple Dock License application and consideration of public input as part of the public hearing process for the application.

The following motions are offered for the Board to approve or deny the request as the Board wishes.

Approval

I make a motion to direct LMCD staff and legal counsel to prepare Findings of Fact and Order approving the City of Wayzata, New Multiple Dock License application for the property located at 402 Lake Street East in Wayzata as the draft conditions are presented <subject to the following changes...> for final Approval at the May 10,2023 Board meeting.

Denial

I make a motion to direct LMCD staff and legal counsel to prepare Findings of Fact and Order denying the City of Wayzata, New Multiple Dock License application for the property located at 402 Lake Street East in Wayzata as the draft conditions are presented <subject to the following changes...> for final Denial at the May 10,2023 Board meeting.

Continue

I make a motion to <close/continue> the public hearing to the May 10, 2023 Board and...

APPLICATION SUMMARY

The Applicant, City of Wayzata, (“Applicant”) has submitted three (3) applications for a New Municipal Multiple Dock License. The applicant would also like to reaffirm the existing variance on the site. The site’s shoreline is located at 402 Lake Street, Wayzata, MN 55391. The site has 3460 feet of 929.4 OHWL shoreline on Wayzata Bay. Currently the Dock configuration at the site consists of 147 BSUs and two separate docking locations.

The Applicant is proposing to replace the 2 transient seasonal dock structures, as well as the existing Broadway permanent dock structure. Both the Depo and Broadway Dock structures on either side of the “Site” would be replaced with permanent dock structures. These new proposed structures would extend into the lake approximately 200 feet, which is 50 more feet than LMCD Code allows for. The Applicant is also proposing a dock structure which will run the length of

the “Site” and is requesting a 10-foot Variance to meet Americans with Disabilities Act (ADA) regulations, to allow for easier mobility along the walkway. Lastly, the Applicant is requesting an increase of 6 transient BSU slips to allow for more access to the general public. The Site already has a special density license of 1:23 and is meeting the required criteria for a special density license. The Applicant is proposing an increase that would change the special density to 1:22.

The City of Wayzata has had a long standing relationship with BNSF railway for over 130 years. The City has two (2) agreements with BNSF Railway regarding the proposed project. The two agreements between the parties include the use of two railroad right of way crossings that allow access to the proposed dock structure. One along Manitoba, the other at Broadway.

No additional agreements are required due to the City of Wayzata producing proof to be the administrator and owner of the Site as was affirmed through the Minnesota Supreme Court in 1893.

All other agencies have approved their relative license for the proposed application.

APPLICATION BACKGROUND

- The proposed project will change the use of the currently underutilized lake shore to include more green space areas with boardwalks and paths for increased pedestrian and bicycle access to the area. The project will also restore portions of the lake shore to a more natural lake edge and restore a marsh area on the east end.
- The goals of the proposed project include:
 - 1) providing people with safe, year-round access to Lake Minnetonka’s shoreline;
 - 2) restoring and creating shoreline marsh areas of native plants for wildlife and improved aesthetics,
 - 3) enhancing the water quality of the lake; and
 - 4) providing enhanced passive and active recreation through enhanced swimming and fishing facilities, and educational and interpretive opportunities associated with the environmentally-focused Eco Park.

APPLICATION REVIEW

Below is a review of the relevant attributes of the proposal:

- **Boat Density.** Shoreline measurements (929.4-foot NGVD elevation contour) and boat density for the sites are as follows:
 - Current BSU: 147 - Proposed BSUs: 153
 - Shoreline: 3760 feet of OWHL Shoreline
 - Current boat density 1:23 - Proposed boat density: 1:22
 - Applicant is meeting requirements for a Special Density License
- **BSU Classification.** The proposed BSUs would be classified as Transient and for the use of the general public. No overnight storage would be allowed on the site.

- **BSU Size.** The Applicant proposes:
 - Replacement of the 42 transient BSUs currently located on either side of the Site
 - Each 12 feet wide and 24 feet long
 - Addition of 6 transient BSUs, 3 on either side of the Site
 - Each 12 feet wide and 24 feet long

- **Dock Structure.**
 - Current dock structure for the site: 8593 sq. feet
 - Proposed dock Structure for the site 22,356 sq. feet
 - Increase in structure is due to the length and width of walkway.
 - Increase in structure is due to the length and width of BSU structure.
 - Addition of the permanent dock structure along the shoreline
 - 10 foot width Variance
 - 1,193 feet in length
 - Replacement of Seasonal and permanent dock structure with new permanent structure configuration.
 - Extending into the lake 200 feet (LMCD Code 150 feet)

ENVIRONMENTAL ASSESSMENT WORKSHEET (EAW) DETERMINATION

The Applicant proposal required an EAW. An EAW is mandatory when marina size reaches or surpasses 20,000 sq. feet, and in 20,000 sq. feet increments thereafter.

- The proposal at the site would increase the size of the dock structure to 22,356. The applicant had a thorough EAW conducted in 2018. Nothing has changed on the project since the finalization and approval of the EAW.

PUBLIC COMMENTS

In compliance with MN DNR General Permit 97-6098, the MN Department of Natural Resources (MN DNR), Minnehaha Creek Watershed District (MCWD), and the City of Wayzata were provided information regarding the Application on April 20, 2023. City and agency comments were due by April 26, 2023. Comments received as of noon on April, 2022 are summarized below:

- None

As of noon on April 20, 2023, comments received by LMCD staff from the general public are summarized below:

- None

PUBLIC HEARING

The public hearing provides an opportunity for interested individuals to present their views to the Board for consideration. This is an important part of reviewing the impact of a project. Only items under the LMCD Code and Board authority may be considered as part of any approval or denial decision.

The public hearing notice was published in the April 13, 2023 edition of the Sun Sailor (official newspaper) and the April 16, 2023 edition of the Laker Pioneer. Residents and owners of property within 500 feet of the site were notified via a mailing sent out April 18, 2023. In addition, the Board packet has been posted online.

RECOMMENDATION

Based on information available at the time of this report, LMCD staff recommends approval with the minimum conditions listed below. The recommendation may change based on information reviewed or presented as part of the public hearing process.

1. Compliance with the proposed site plan.
2. Watercraft and other structures may not extend beyond 150 feet.
3. Adequate lighting and/or reflectorized material be provided at the end of the dock structure as approved by LMCD staff.
4. The construction is eligible for either a seasonal or permanent dock installation.
5. Maintain a maximum of 10 feet in width along the proposed structure, per ADA regulations.
6. Submit a as-built Site plan which will be inspected by LMCD Staff upon completion.
7. The site is eligible for a de-icing license.
8. Allow for the change in Special density from 1:23 to 1:22, if all requirements are continued to be met.
9. Be in compliance with ALL Federal, State, County, and Municipality rules and regulations.
10. Other general license requirements apply.

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 |
|--|--|---|---|--------------------------------|

ATTACHMENTS

1. LMCD Code Excerpts
2. Aerial Map(s) of Proposed Area
3. Current Approved Site Plan
4. Proposed Site Plan (as submitted)
5. Aerial Overlay (provided by applicant)
6. Multiple Dock License, Special Density License, Variance Applications
7. Public Hearing Newspaper Notice (Sun Sailor-official)
8. Public Hearing Mailing Notice
9. EAW Report
10. Letter From BNSF Railroad
11. Letter from City of Wayzata Attorney

FIGURE 1A: SITE LOCATION



3603 ft

Google Earth



NORTH

FIGURE 1B: PHASE 2A SITE PLAN

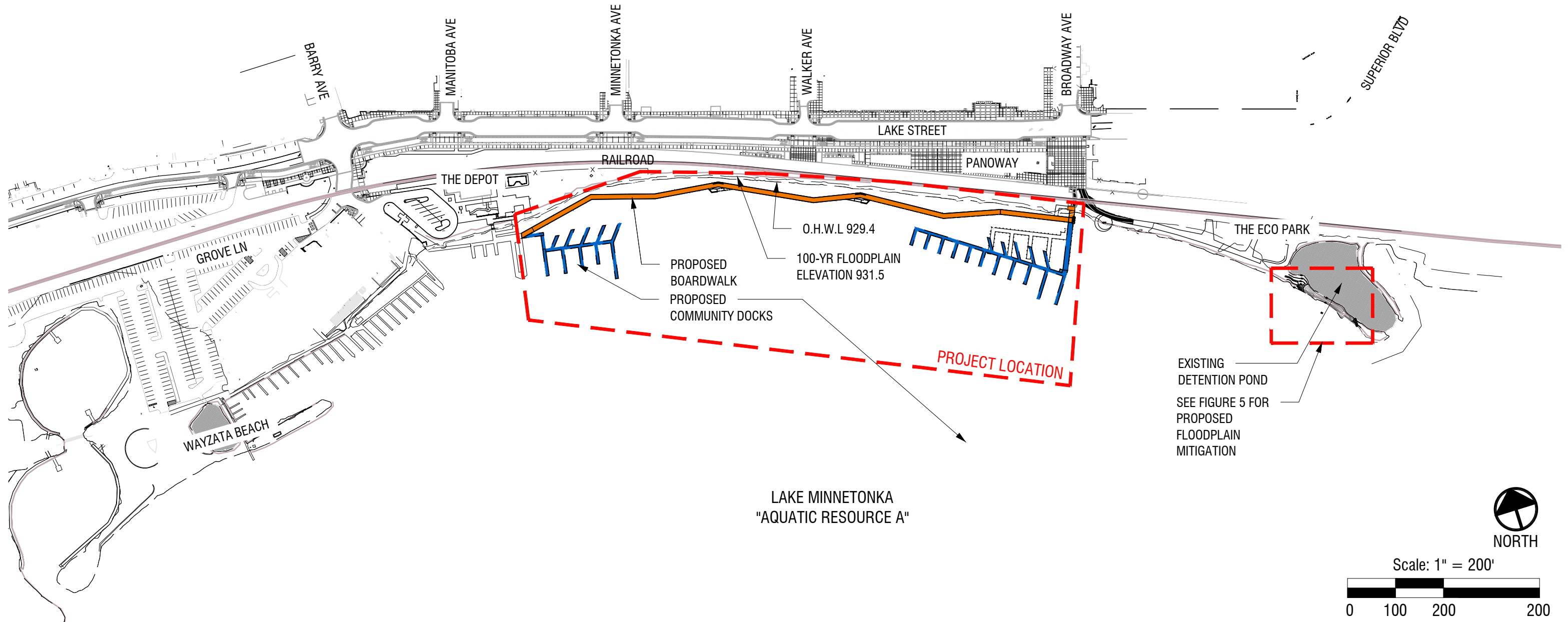


FIGURE 2: PHASE 2A BOARDWALK

Volume of Water Displacement:

Number of Piers	= 37
Number of 16" Steel/Concrete Piles	= 74
X-Section area of each Pile	= 1.4 sq ft
Average Water Depth	= 6.78 ft
Volume of Water Displacement (each pile)	= 9.5 cu ft
Total Volume of Water Displacement	= 702.4 cu ft (74 x 9.5)

Lake Bottom Disturbance:

74 Steel/ Concrete Piles x 1.4 sq ft = 104 sq ft (permanent)
 (74 Piles x 64 sq ft (clearing rocks) = 4736 sq ft) - 104 sq ft (footprint) = 4632 sq ft (temporary)

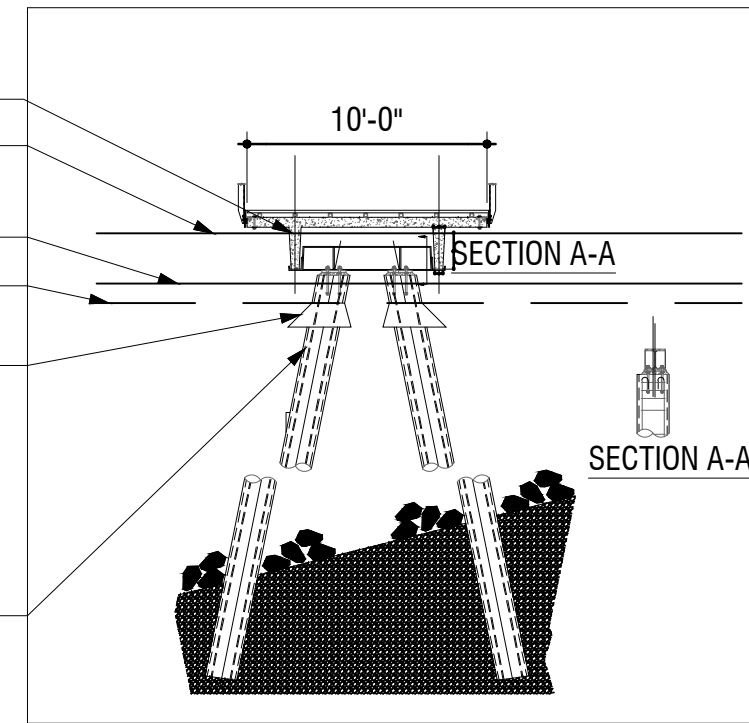
Floodplain Storage Displacement (Refer to Detail 2):

1. Precast Concrete 'T's = **1419 cu ft** (0.6' area x 1182.5' boardwalk length x 2 'T's)
2. Steel Beam = **27.9 cu ft** (0.14' area x 5.4' beam length x 37 piers)
3. Piles = **62.2 cu ft** (1.4' area x 0.6' water depth x 74 piles)

Total Volume Floodplain Storage Displacement = 1509.1 cu ft

PRECAST DOUBLE 'T'
 100-YR FLOODPLAIN
 ELEVATION 931.5
 O.H.W.L 929.4
 WINTER ICE LEVEL
 928.6
 CONE SHAPED ICE SHIELD
 WITH 45 DEGREE ANGLE

PAIR OF BATTERED
 STEEL PILES,
 16" DIA,
 CONCRETE FILLED

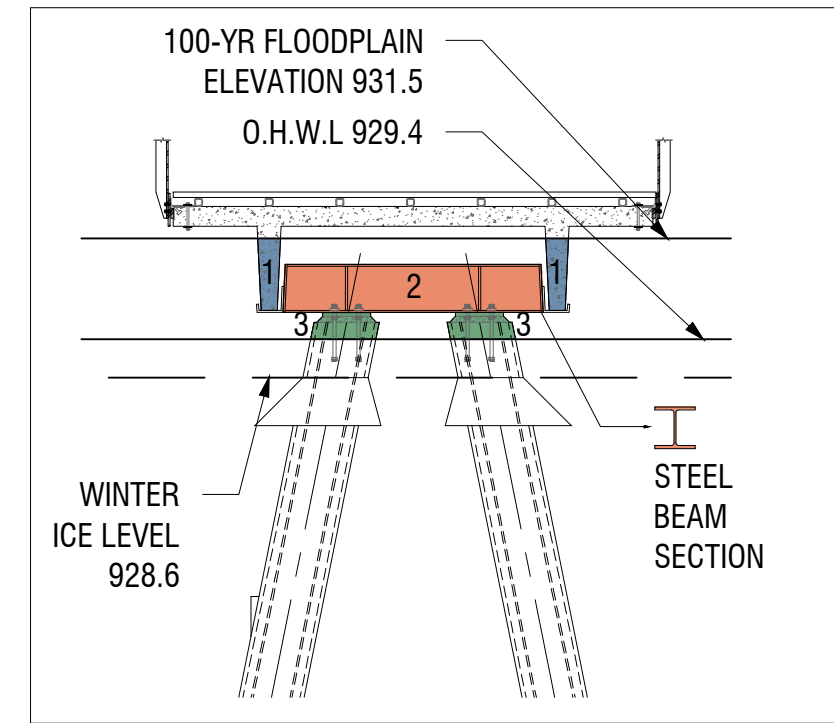


1 TYPICAL PIER DETAIL
 SCALE: 1/8" = 1'-0"

100-YR FLOODPLAIN
 ELEVATION 931.5
 O.H.W.L 929.4

WINTER
 ICE LEVEL
 928.6

STEEL
 BEAM
 SECTION



2 TYPICAL PIER WATER DISPLACEMENT AREAS
 SCALE: 1/4" = 1'-0"

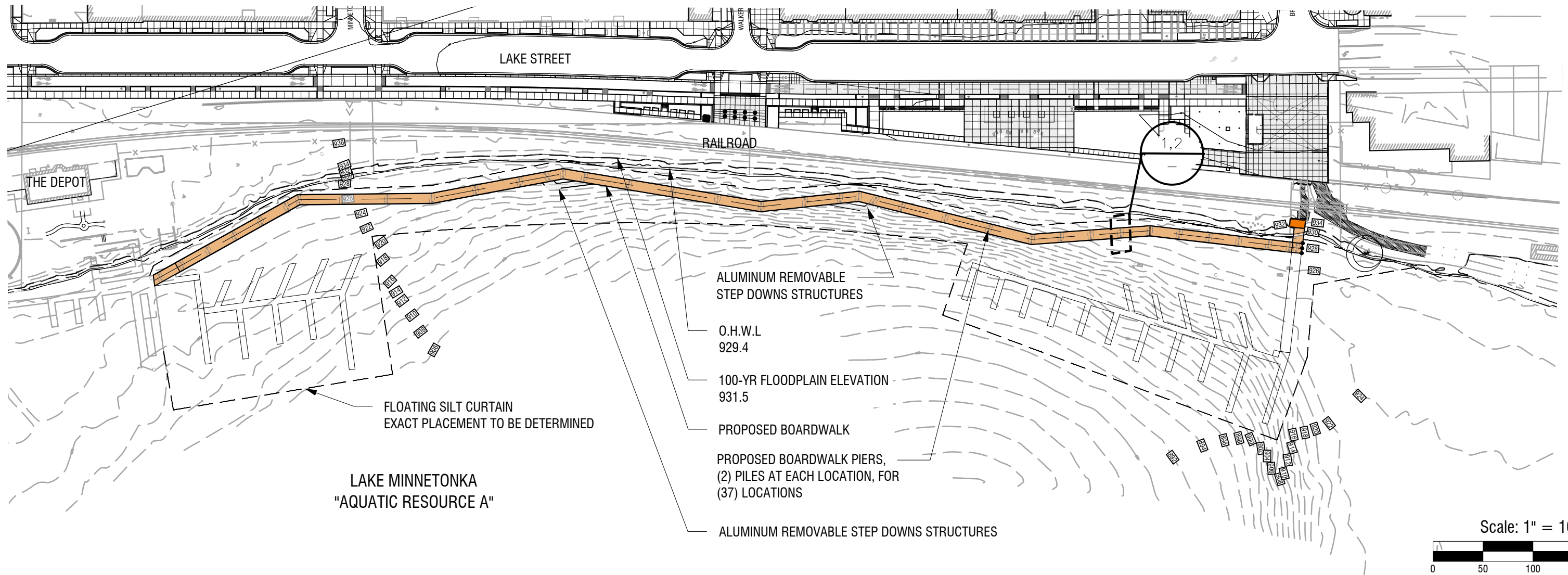


FIGURE 3A: PHASE 2A COMMUNITY DOCKS - OVERVIEW

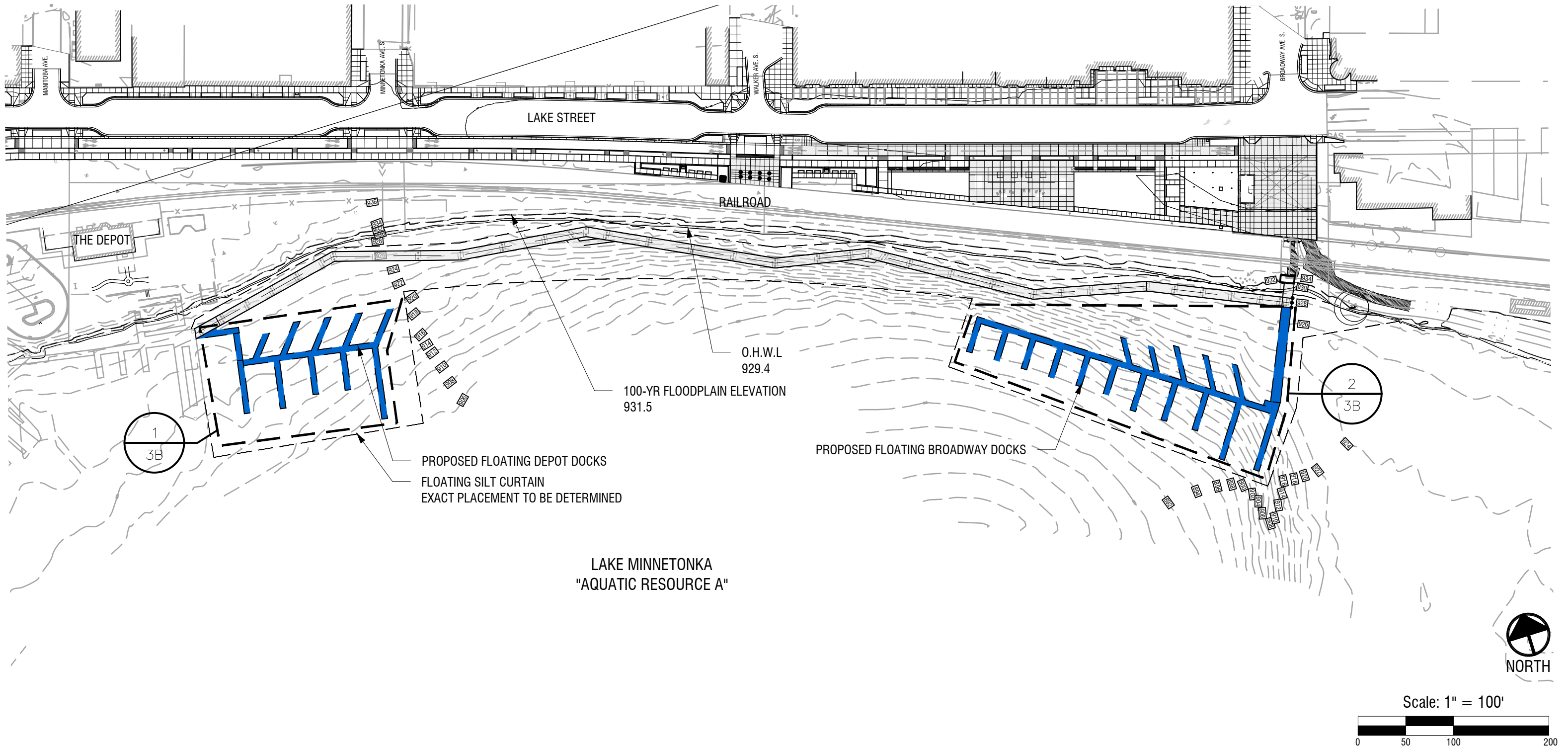
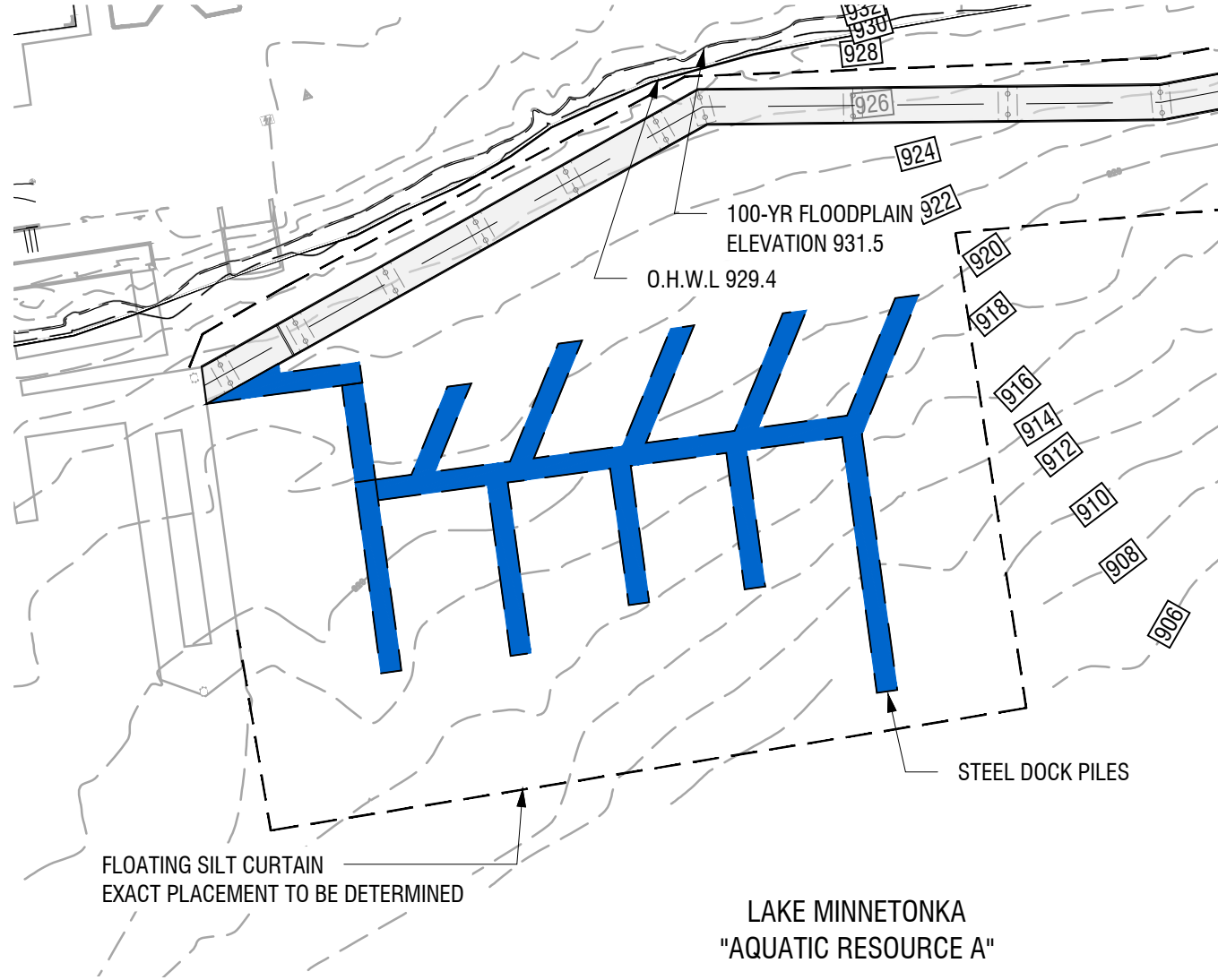


FIGURE 3B: PHASE 2A COMMUNITY DOCKS - ENLARGEMENTS

1: FLOATING DEPOT DOCKS & PILES



Volume of Water Displacement - Depot Docks:

Number of 8" Piles	= 96
X-Section area of each Pile	= 0.34 sq ft
Average Water Depth	= 11.4 ft
Volume of Water Displacement (each pile)	= 3.88 cu ft
Total Volume of Water Displacement	= 372.5 cu ft (96 x 3.88)

Lake Bottom Disturbance:

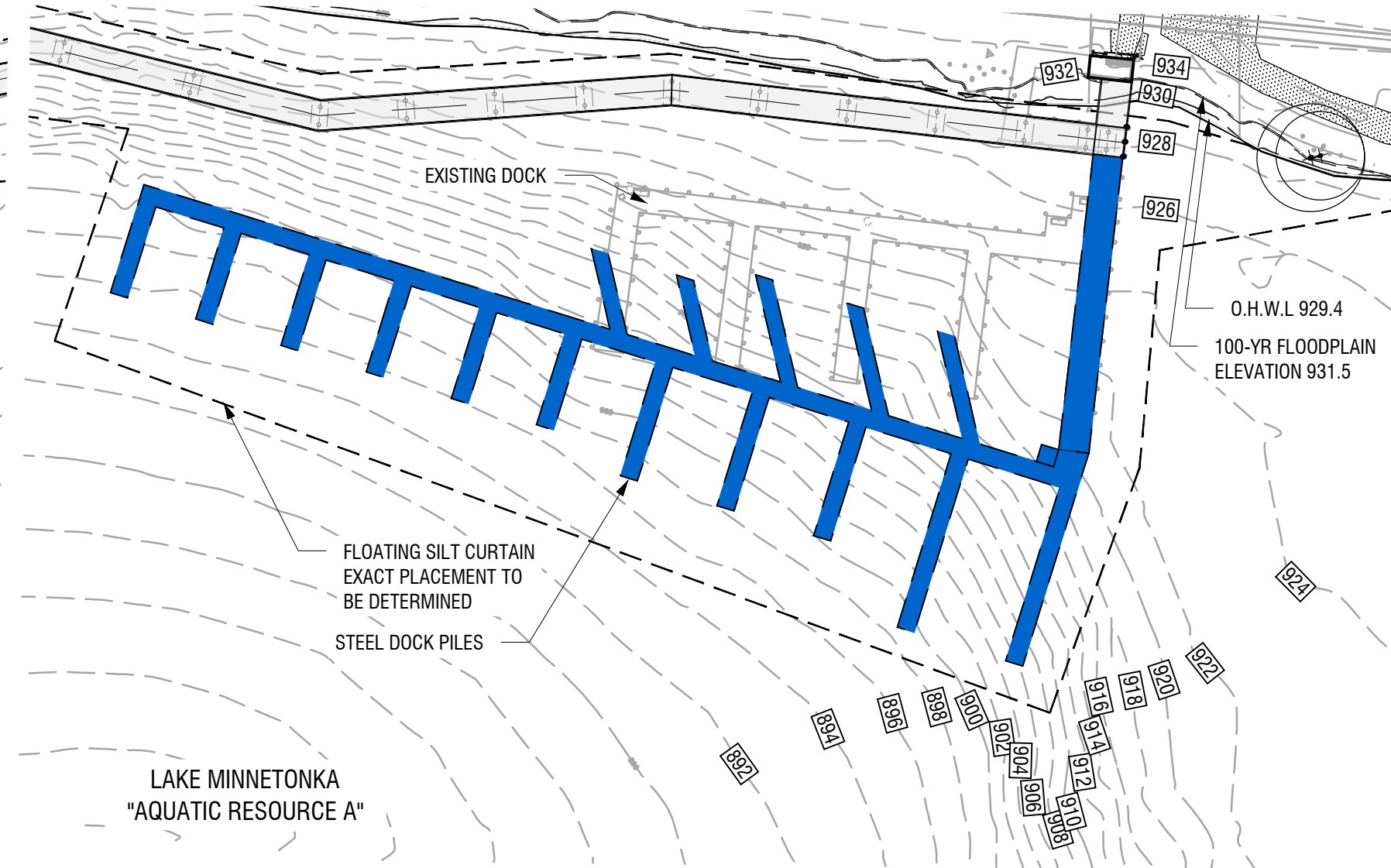
96 Piles x 0.34 sq ft = 32.6 sq ft (permanent)

Floodplain Storage Displacement:

Vertical Difference between O.H.W.L. and 100-year floodplain = 2.1 ft

Total Pile Volume Floodplain Storage Displacement = 96 piles x 0.34 sq ft. x 2.1 ft = 68.5 cu ft

2: FLOATING BROADWAY DOCKS & PILES



Volume of Water Displacement - Depot Docks:

Number of 8" Piles	= 109
X-Section area of each Pile	= 0.34 sq ft
Average Water Depth	= 21.4 ft
Volume of Water Displacement (each pile)	= 7.28 cu ft
Total Volume of Water Displacement	= 793.5 cu ft (109 x 7.28)

Lake Bottom Disturbance:

109 Piles x 0.34 sq ft = 37.1 sq ft (permanent)

Floodplain Storage Displacement:

Vertical Difference between O.H.W.L. and 100-year floodplain = 2.1 ft

Total Volume Floodplain Storage Displacement = 109 piles x 0.34 sq ft. x 2.1 ft = 77.8 cu ft

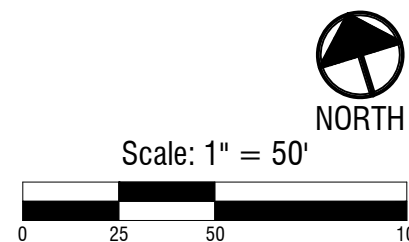


FIGURE 4: EXISTING PERMANENT COMMUNITY DOCK - ENLARGEMENT

Volume of Water Displacement (REMOVED) - Remove Existing Broadway Docks:
 Number of Wood Piles = 122
 X-Section area of each Pile = 0.79 sq ft
 Average Water Depth = 5.53 ft
 Volume of Water Displacement Removed (each pile) = 4.37 cu ft
 Volume of Water Displacement (REMOVED) = 533.1 cu ft (122 x 4.37)

Lake Bottom Disturbance:
 122 Wood Piles x 0.79 sq ft = 96.4 sq ft (temporary)

Floodplain Storage Added:
 Vertical Difference between O.H.W.L. and 100-year floodplain = 2.1 ft
 Total Volume Floodplain Storage Added = 122 piles x 0.79 sq ft. x 2.1 ft = 202.4 cu ft

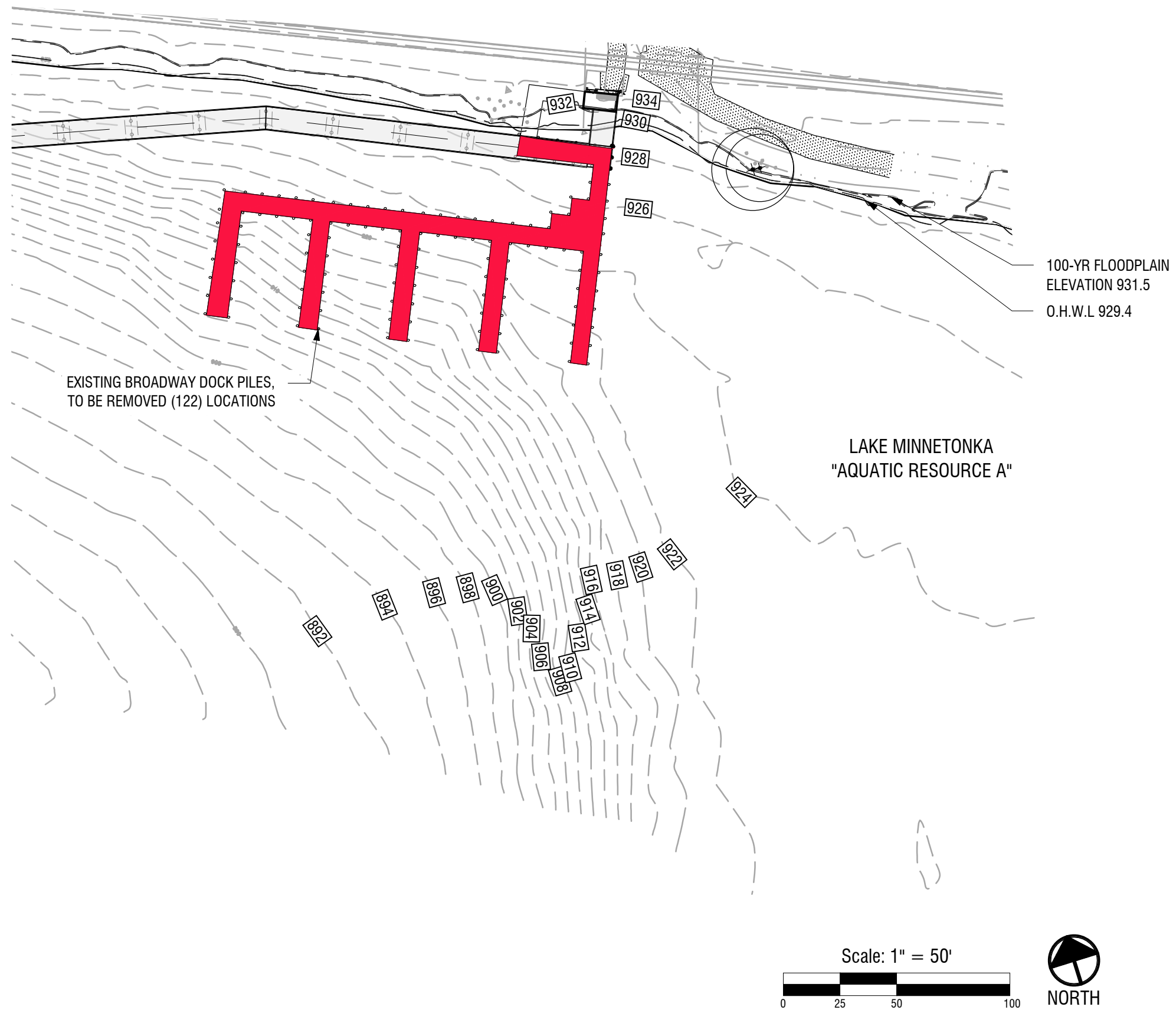
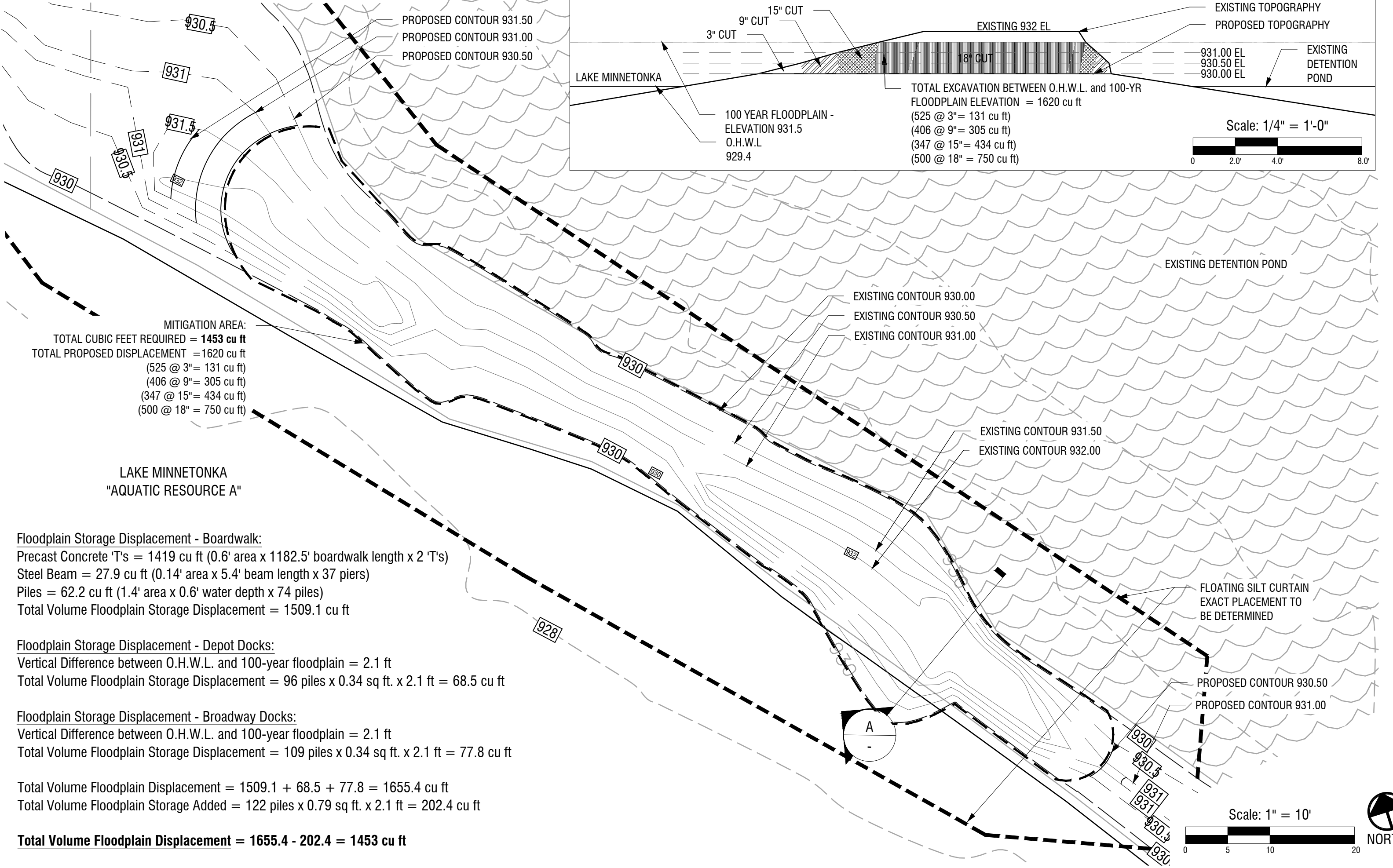


FIGURE 5: FLOODPLAIN MITIGATION

FLOODPLAIN MITIGATION TYPICAL SECTION A



PROPOSED CONTOUR 931.50
 PROPOSED CONTOUR 931.00
 PROPOSED CONTOUR 930.50

LAKE MINNETONKA

100 YEAR FLOODPLAIN -
 ELEVATION 931.5
 O.H.W.L.
 929.4

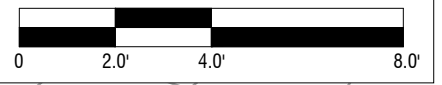
EXISTING 932 EL

EXISTING TOPOGRAPHY
 PROPOSED TOPOGRAPHY

931.00 EL
 930.50 EL
 930.00 EL
 EXISTING
 DETENTION
 POND

TOTAL EXCAVATION BETWEEN O.H.W.L. and 100-YR
 FLOODPLAIN ELEVATION = 1620 cu ft
 (525 @ 3" = 131 cu ft)
 (406 @ 9" = 305 cu ft)
 (347 @ 15" = 434 cu ft)
 (500 @ 18" = 750 cu ft)

Scale: 1/4" = 1'-0"



MITIGATION AREA:
 TOTAL CUBIC FEET REQUIRED = 1453 cu ft
 TOTAL PROPOSED DISPLACEMENT = 1620 cu ft
 (525 @ 3" = 131 cu ft)
 (406 @ 9" = 305 cu ft)
 (347 @ 15" = 434 cu ft)
 (500 @ 18" = 750 cu ft)

LAKE MINNETONKA
 "AQUATIC RESOURCE A"

EXISTING CONTOUR 930.00
 EXISTING CONTOUR 930.50
 EXISTING CONTOUR 931.00

EXISTING CONTOUR 931.50
 EXISTING CONTOUR 932.00

EXISTING DETENTION POND

FLOATING SILT CURTAIN
 EXACT PLACEMENT TO
 BE DETERMINED

PROPOSED CONTOUR 930.50
 PROPOSED CONTOUR 931.00

Floodplain Storage Displacement - Boardwalk:

Precast Concrete 'T's = 1419 cu ft (0.6' area x 1182.5' boardwalk length x 2 'T's)
 Steel Beam = 27.9 cu ft (0.14' area x 5.4' beam length x 37 piers)
 Piles = 62.2 cu ft (1.4' area x 0.6' water depth x 74 piles)
 Total Volume Floodplain Storage Displacement = 1509.1 cu ft

Floodplain Storage Displacement - Depot Docks:

Vertical Difference between O.H.W.L. and 100-year floodplain = 2.1 ft
 Total Volume Floodplain Storage Displacement = 96 piles x 0.34 sq ft. x 2.1 ft = 68.5 cu ft

Floodplain Storage Displacement - Broadway Docks:

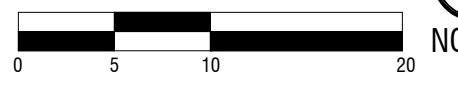
Vertical Difference between O.H.W.L. and 100-year floodplain = 2.1 ft
 Total Volume Floodplain Storage Displacement = 109 piles x 0.34 sq ft. x 2.1 ft = 77.8 cu ft

Total Volume Floodplain Displacement = 1509.1 + 68.5 + 77.8 = 1655.4 cu ft

Total Volume Floodplain Storage Added = 122 piles x 0.79 sq ft. x 2.1 ft = 202.4 cu ft

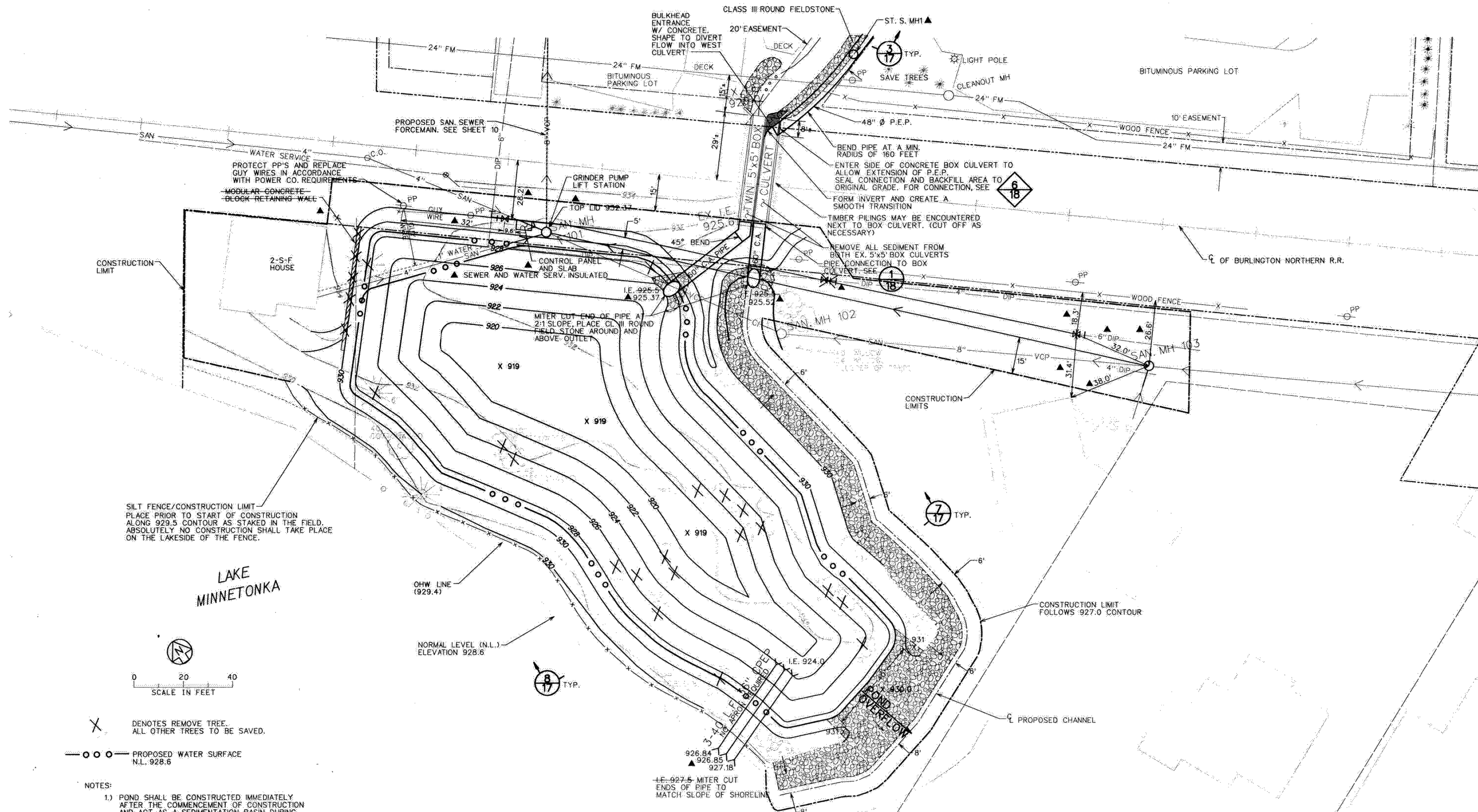
Total Volume Floodplain Displacement = 1655.4 - 202.4 = 1453 cu ft

Scale: 1" = 10'



NORTH

FIGURE 6: EXISTING LANDSIDE POND GRADING - 1994



SILT FENCE/CONSTRUCTION LIMIT
PLACE PRIOR TO START OF CONSTRUCTION
ALONG 929.5 CONTOUR AS STAKED IN THE FIELD.
ABSOLUTELY NO CONSTRUCTION SHALL TAKE PLACE
ON THE LAKESIDE OF THE FENCE.

LAKE
MINNETONKA



X DENOTES REMOVE TREE.
ALL OTHER TREES TO BE SAVED.

—●●●— PROPOSED WATER SURFACE
N.L. 928.6

- NOTES:
- 1.) POND SHALL BE CONSTRUCTED IMMEDIATELY AFTER THE COMMENCEMENT OF CONSTRUCTION AND ACT AS A SEDIMENTATION BASIN DURING CONSTRUCTION. PERIODIC MAINTENANCE DURING CONSTRUCTION MAY BE REQUIRED.
 - 2.) REFERENCE SPECIFICATIONS FOR ADDITIONAL TEMPORARY EROSION CONTROL REQUIREMENTS
 - 3.) TREES, PLANTS, AND VEGETATION SHALL BE PROTECTED AGAINST DAMAGE DURING CONSTRUCTION OPERATIONS BY INSTALLING TEMPORARY FENCING TO THE SATISFACTION OF THE ENGINEER.

10/2/94	KAL	RECORD DRAWING, REPLACES 11 OF 21 DATED 5-21-93.

I hereby certify that this plan was prepared by me or under my direct supervision and that I am a duly registered Professional Engineer under the laws of the State of Minnesota.

Don V. Stallman
Date: 4/25/95 Reg. No. 016157

Barr
Engineering Company
Minneapolis, Mn.

Date: 2/19/93
Drawn By: DMJ
Dwg. No.:
GLEASON CREEK IMPROVEMENTS
Basic Water Management Project
City of Wayzata and Minnehaha Creek Watershed District

SP-2714-134
EXCAVATION AND BNRR CULVERT
LAKESIDE POND

Sheet No. 11 of 21
Sheets



LAKE MINNETONKA CONSERVATION DISTRICT

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

DATE: May 10, 2023 (Prepared May 1, 2023)
TO: LMCD Board of Directors
FROM: Jim Brimeyer, Interim Executive Director
SUBJECT: 2022 Financial Audit: Annual Presentation

ACTION

Board review and acceptance of the 2022 Financial Audit Report, provided by Abdo.

BACKGROUND

Abdo has provided a report detailing the process and results of the LMCD's 2022 financial audit. A highlight of the audit will be presented. The findings indicate the LMCD financial position for 2022 was in accordance with accounting principles generally accepted in the United States.

BUDGET

This is a review of the 2022 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



Lighting the path forward

Lake Minnetonka Conservation District

2022 Financial Statement Audit



DRAFT



Introduction

- Audit Opinion and Responsibility
- General Fund Results
- Other Governmental Funds

DRAFT



Audit Results

Auditor's Opinion



Unmodified Opinion

**Minnesota Legal
Compliance**



No Compliance Issues

Audit Results

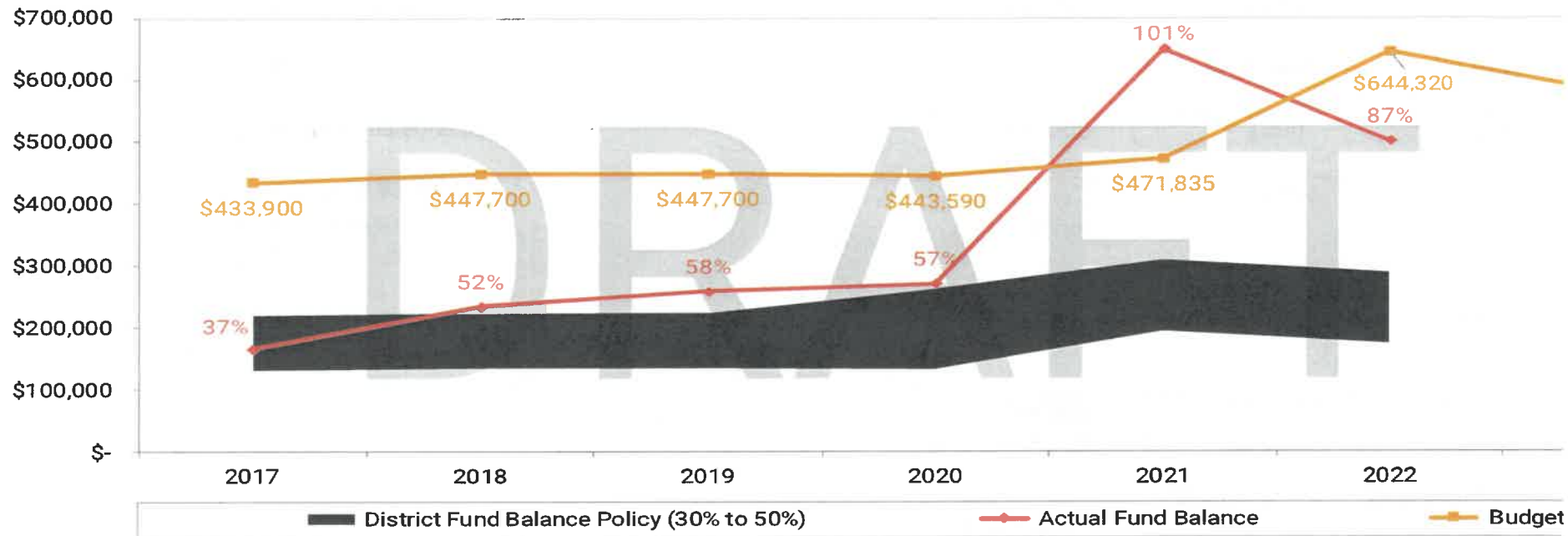
2022 Audit Findings

- Preparation of Financial Statements
 - Internal Control Finding

DRAI



General Fund Fund Balances



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. Note that in 2021 the Equipment Replacement and AIS funds were transferred into the General fund which caused the large increase.

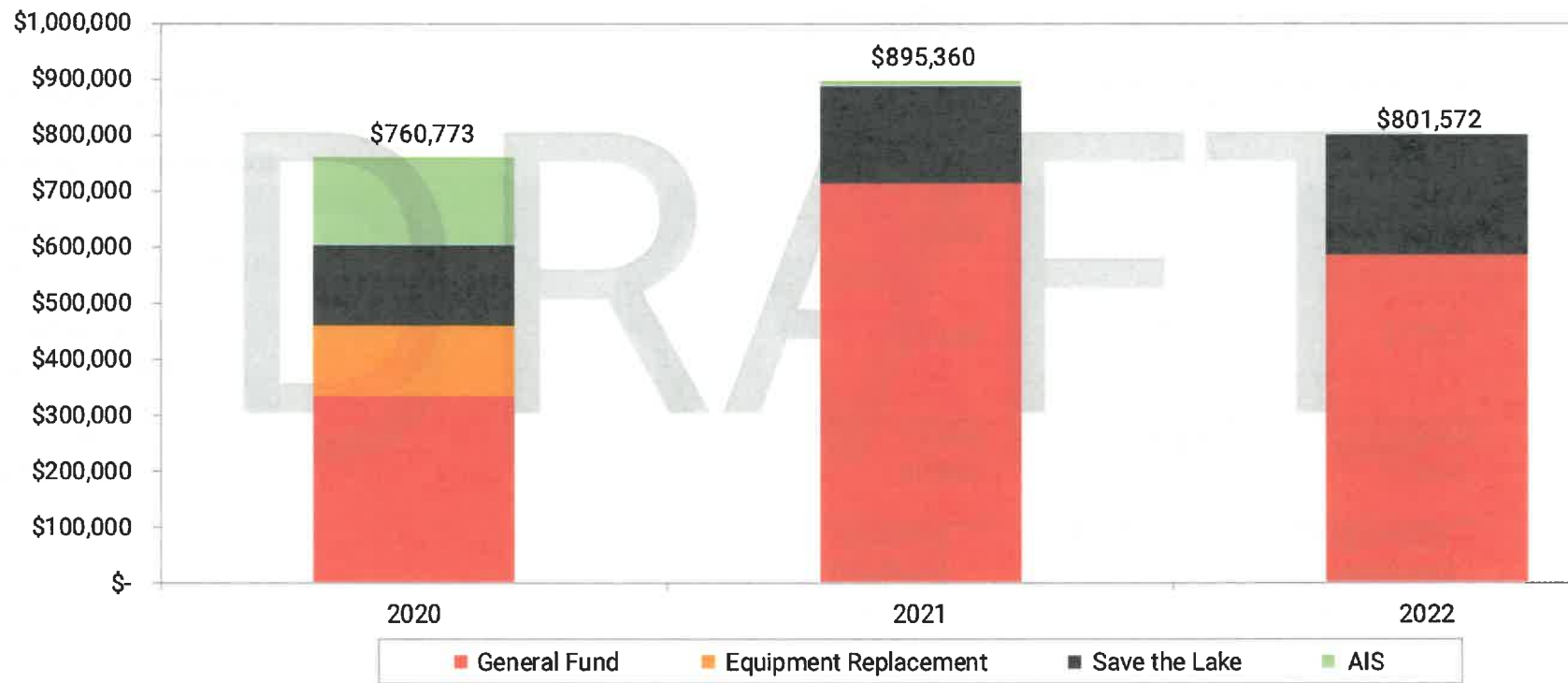
General Fund Budget to Actual

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 473,200	\$ 471,268	\$ (1,932)
Expenditures	644,320	623,954	20,366
Excess (Deficiency) of Revenues Over (Under) Expenditures	(171,120)	(152,686)	18,434
Other Financing Sources			
Operating transfers in	100,000	-	(100,000)
Sale of capital assets	-	3,900	3,900
Total other financing sources (uses)	100,000	3,900	(96,100)
Net Change in Fund Balance	(71,120)	(148,786)	(77,666)
Fund Balances, January 1	649,039	649,039	-
Fund Balances, December 31	\$ 577,919	\$ 500,253	\$ (77,666)

Save the Lake Budget to Actual

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues	\$ 43,800	\$ 65,633	\$ 21,833
Expenditures	<u>14,680</u>	<u>25,141</u>	<u>(10,461)</u>
Excess of revenues over expenditures	29,120	40,492	11,372
Other Financing Sources (Uses) Transfer in	<u>42,000</u>	<u>-</u>	<u>(42,000)</u>
Net Change in Fund Balances	71,120	40,492	(30,628)
Fund Balances, January 1	<u>174,170</u>	<u>174,170</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 245,290</u>	<u>\$ 214,662</u>	<u>\$ (30,628)</u>

Cash Balances by Fund Type



Your Abdo Team



Steve McDonald, CPA
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Annual Financial Report

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Lake Minnetonka Conservation District

Mound, Minnesota

For the year ended December 31, 2022



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Lake Minnetonka Conservation District
Mound, Minnesota
Annual Financial Report
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For the Year Ended December 31, 2022

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INTRODUCTORY SECTION

LAKE MINNETONKA CONSERVATION DISTRICT
MOUND, MINNESOTA

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FOR THE YEAR ENDED
DECEMBER 31, 2022

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Lake Minnetonka Conservation District
 Mound, Minnesota
 Board of Directors and Appointed Officials
 For the Year Ended December 31, 2022

BOARD OF DIRECTORS

Name	Member City	Position on Board
Gregg Thomas	Tonka Bay	Chair
Ann Hoelscher	Victoria	Vice Chair
Rich Anderson	Orono	Treasurer
Dan Baasen	Wayzata	Secretary
Bill Cook	Greenwood	Director
Ben Brandt	Mound	Director
Gabriel Jabbour	Spring Park	Director
Michael Kirkwood	Minnetrissa	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

Name	Title
Vickie Schleuning	Executive Director
Tammy Duncan	Administrative Assistant
Thomas Tully	Environmental Administrative Technician

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FINANCIAL SECTION

LAKE MINNETONKA CONSERVATION DISTRICT
MOUND, MINNESOTA

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FOR THE YEAR ENDED
DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Lake Minnetonka Conservation District
Mound, Minnesota

Report on Financial Statements

Opinions

We have audited the accompanying financial statements of governmental activities and each major fund of the Lake Minnetonka Conservation District (the District) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lake Minnetonka Conservation District ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Change in Accounting Principle

As described in Note 6 to the financial statements, the District adopted the provisions of Governmental Accounting Standard Board (GASB) Statement No. 87, Lease, for the year ended December 31, 2022. Adoption of the provisions of these statements results in significant change to the classifications of the components of the financial statements. Our opinion is not modified with respect to this matter.

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 48, 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.



Supplementary 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 combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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Minneapolis, Minnesota
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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, 2022.

Financial Highlights

- The assets and deferred outflows or resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year as shown in the summary of net position on the following pages. The unrestricted amount of net position may be used to meet the District's ongoing obligations to creditors.
- The District's total net position decreased as shown in the summary of changes in net assets table on the following pages. The decrease this year was due to a decrease in operating grants and contributions.
- For the current fiscal year, the District's fund balances are shown in the Financial Analysis of the District's Funds section of the MD&A. The total fund balance decreased in comparison with the prior year. This decrease was due to total expenditures exceeding total revenues.
- The unassigned fund balance in the General fund as shown in the financial analysis of the District's funds section decreased from 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 two 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 and Save the Lake fund.

The District adopts an annual appropriated budget for its General fund and Save the Lake fund. A budgetary comparison statement has been provided for both funds 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.

Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees. Required supplementary information can be found on page 47 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 at the close of the most recent fiscal year. The largest portion of the District's net position is made up of its current assets.

Lake Minnetonka Conservation District Summary of Net Position

	December 31,		Increase (Decrease)
	2022	2021	
Assets			
Current	\$ 805,125	\$ 901,166	\$ (96,041)
Capital, net of accumulated depreciation	59,806	70,414	(10,608)
Leased asset, net of accumulated amortization	149,392	-	149,392
Total Assets	<u>1,014,323</u>	<u>971,580</u>	<u>(106,649)</u>
Deferred Outflows of Resources	<u>74,149</u>	<u>102,854</u>	<u>(28,705)</u>
Liabilities			
Current	119,741	86,726	33,015
Noncurrent	373,776	142,120	231,656
Total Liabilities	<u>493,517</u>	<u>228,846</u>	<u>264,671</u>
Deferred Inflows of Resources	<u>5,600</u>	<u>117,168</u>	<u>(111,568)</u>
Net Position			
Investment in capital assets	59,806	70,414	(10,608)
Unrestricted	529,549	658,006	(128,457)
Total Net Position	<u>\$ 589,355</u>	<u>\$ 728,420</u>	<u>\$ (139,065)</u>

An additional portion of the District's net position represents its investment in capital assets (e.g., land, buildings, machinery and equipment). The District uses these capital assets to provide services to the District; consequently, these assets are not available for future spending. The remaining balance of *unrestricted net position* may be used to meet the District's ongoing obligations to creditors.

At the end of the current fiscal year, the District is able to report positive balances in both net position and for its separate governmental activities.

Governmental Activities. Governmental activities decreased the District’s net position, as shown below. This decrease was mainly due to a decrease in operating grants and contributions. Key elements of this increase are as follows:

Lake Minnetonka Conservation Districts Changes in Net Position

	December 31,		Increase (Decrease)
	2022	2021	
Revenues			
Program			
Charges for services	\$ 106,912	\$ 121,751	\$ (14,839)
Operating grants and contributions	426,794	586,017	(159,223)
General			
Unrestricted investment earnings	3,195	2,045	1,150
Sale of capital assets	3,900	20,100	(16,200)
Miscellaneous	977	317	660
Total Revenues	<u>541,778</u>	<u>730,230</u>	<u>(188,452)</u>
Expenses			
Conservation of natural resources	655,702	377,258	278,444
Save the lake	25,141	88,874	(63,733)
Aquatic invasive species	-	68,983	(68,983)
Equipment Replacement	-	70,358	(70,358)
Total Expenses	<u>680,843</u>	<u>605,473</u>	<u>75,370</u>
Change in Net Position	(139,065)	124,757	(263,822)
Net Position, January 1	<u>728,420</u>	<u>603,663</u>	<u>124,757</u>
Net Position, December 31,	<u>\$ 589,355</u>	<u>\$ 728,420</u>	<u>\$ (139,065)</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. The table below outlines the governmental fund balances for the year ending December 31, 2022.

	General Fund	Save the Lake	Total	Prior Year Total	Increase/ (Decrease)
Fund Balances					
Nonspendable	\$ 1,733	\$ -	\$ 1,733	\$ 1,691	\$ 42
Committed for Purchases from donated funds	-	214,662	214,662	174,170	40,492
Unassigned	498,520	-	498,520	647,348	(148,828)
	<u>\$ 500,253</u>	<u>\$ 214,662</u>	<u>\$ 714,915</u>	<u>\$ 823,209</u>	<u>\$ (108,294)</u>

As of the close of the current fiscal year, the District’s governmental funds reported combined ending fund balances shown above. Additional information on the District’s fund balances can be found in Note 1 starting on page 67 of this report.

The *General fund* is the chief operating fund of the District. At the end of the current year, the fund balance of the General fund is shown in the table above. As a measure of the General fund’s liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. The total unassigned fund balance as a percent of total fund expenditures is shown in the chart below along with total fund balance as a percent of total expenditures.

	<u>Current Year Ending Balance</u>	<u>Prior Year Ending Balance</u>	<u>Increase/ (Decrease)</u>
General Fund Fund Balances			
Nonspendable	\$ 1,733	\$ 1,691	\$ 42
Unassigned	498,520	647,348	(148,828)
	<u>\$ 500,253</u>	<u>\$ 649,039</u>	<u>\$ (148,786)</u>
General Fund expenditures	\$ 650,094	\$ 452,543	
Unassigned as a percent of expenditures	76.7%	143.0%	
Total Fund Balance as a percent of expenditures	77.0%	143.4%	

The fund balance of the District’s General fund decreased during the current fiscal year as shown in the table above. The decrease in fund balance was due to total expenditures exceeding total revenues.

Other major governmental fund analysis is shown below:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>Increase (Decrease)</u>
Save the Lake	\$ 214,662	\$ 174,170	\$ 40,492
<i>The Save the Lake fund increase in fund balance during the year was due to donations in excess of expenditures.</i>			

2022 General Fund Budgetary Highlights

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 473,200	\$ 473,200	\$ 471,268	\$ (1,932)
Expenditures	644,320	644,320	650,094	(5,774)
Excess of Revenues Over Expenditures	(171,120)	(171,120)	(178,826)	(7,706)
Other Financing Sources (Uses)				
Transfers in	100,000	100,000	-	(100,000)
Lease proceeds	-	-	26,140	26,140
Proceeds from sale of capital asset	-	-	3,900	3,900
Total Other Financing Sources (Uses)	100,000	100,000	30,040	(69,960)
Net Change in Fund Balances	(71,120)	(71,120)	(148,786)	(77,666)
Fund Balances, January 1	649,039	649,039	649,039	-
Fund Balances, December 31	\$ 577,919	\$ 577,919	\$ 500,253	\$ (77,666)

The District's General fund budget was not amended during the year, as shown above. Actual revenues were under the final budget and expenditures were over the final budget amounts as shown above.

2022 Save the Lake Fund Budgetary Highlights

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 43,800	\$ 43,800	\$ 65,633	\$ 21,833
Expenditures	14,680	14,680	25,141	(10,461)
Excess of Revenues Over Expenditures	29,120	29,120	40,492	11,372
Other Financing Sources (Uses)				
Transfers in	42,000	42,000	-	(42,000)
Net Change in Fund Balances	71,120	71,120	40,492	(30,628)
Fund Balances, January 1	174,170	174,170	174,170	-
Fund Balances, December 31	\$ 245,290	\$ 245,290	\$ 214,662	\$ (30,628)

The District's Save the Lake fund budget was not amended during the year, as shown above. Actual revenues were over the final budget and expenditures were also over the final budget amounts as shown above.

Capital Assets

The District's investment in capital assets as of December 31, 2022, is shown below in capital asset table (net of accumulated depreciation). Additional information on the District's capital assets can be found in Note 3B starting on page 69 of this report.

	Governmental Activities		
	2022	2021	Increase (Decrease)
Machinery and Equipment	\$ 59,806	\$ 70,414	\$ (10,608)
Leased Asset	149,392	146,221	3,171
Total	<u>\$ 209,198</u>	<u>\$ 216,635</u>	<u>\$ (7,437)</u>
Percent increase (decrease)			-3.4%

Outstanding Long-Term Liabilities

At the end of the current fiscal year, the District had leases payable and compensated absences long-term liabilities outstanding as noted in the table below.

	Governmental Activities		
	2022	2021	Increase (Decrease)
Leases Payable	\$ 151,532	\$ 146,221	\$ 5,311
Compensated Absences	22,094	22,776	(682)
Total	<u>\$ 173,626</u>	<u>\$ 168,997</u>	<u>\$ 4,629</u>
Percent increase (decrease)			2.7%

Economic Factors and Next Year's Budgets

- The overall budget will increase by 3.56% (\$661,590 compared to \$638,820 in 2022) from the prior year budget.
- The overall levy to the District member cities for 2023 will decrease by 15% (\$255,000 compared to \$300,000 in 2022) from the prior year 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

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FOR THE YEAR ENDED
DECEMBER 31, 2022

Lake Minnetonka Conservation District
Mound, Minnesota
Statement of Net Position
December 31, 2022

	<u>Governmental Activities</u>
Assets	
Cash and temporary investments	\$ 801,572
Due from other governments	1,820
Prepaid items	1,733
Capital assets (net of accumulated depreciation/amortization)	
Leases	149,392
Machinery and equipment	<u>59,806</u>
Total Assets	<u><u>1,014,323</u></u>
Deferred Outflows of Resources	
Deferred pension resources	<u>74,149</u>
Liabilities	
Accounts payable	18,183
Salaries and wages payable	5,068
Unearned revenue	66,959
Noncurrent liabilities	
Due within one year	29,531
Net pension liability	229,681
Due in more than one year	<u>144,095</u>
Total Liabilities	<u>493,517</u>
Deferred Inflows of Resources	
Deferred pension resources	<u>5,600</u>
Net Position	
Investment in capital assets	59,806
Unrestricted	<u>529,549</u>
Total Net Position	<u><u>\$ 589,355</u></u>

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

Lake Minnetonka Conservation District
Mound, Minnesota
Balance Sheet
Governmental Funds
December 31, 2022

	Special Revenue		
	General	Save the Lake	Total
Assets			
Cash and temporary investments	\$ 586,910	\$ 214,662	\$ 801,572
Due from other governments	1,820	-	1,820
Prepaid items	1,733	-	1,733
Total Assets	\$ 590,463	\$ 214,662	\$ 805,125
Liabilities			
Accounts payable	\$ 18,183	\$ -	\$ 18,183
Salaries and wages payable	5,068	-	5,068
Unearned revenue	66,959	-	66,959
Total Liabilities	90,210	-	90,210
Fund Balances			
Nonspendable			
Prepaids items	1,733	-	1,733
Committed			
Purchases from donated funds	-	214,662	214,662
Unassigned	498,520	-	498,520
Total Fund Balances	500,253	214,662	714,915
Total Liabilities and Fund Balances	\$ 590,463	\$ 214,662	\$ 805,125

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

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FOR THE YEAR ENDED
DECEMBER 31, 2022

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Lake Minnetonka Conservation District
 Mound, Minnesota
 Reconciliation of the Balance Sheet
 to the Statement of Net Position
 Governmental Funds
 December 31, 2022

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

Total Fund Balances - Governmental Funds	\$	714,915
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental fund.</p>		
Cost of capital assets		155,233
Less: accumulated depreciation		(95,427)
Leased asset		172,361
Less: accumulated amortization		(22,969)
<p>Noncurrent liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p>		
<p>Noncurrent liabilities at year-end consist of</p>		
Leases Payable		(151,532)
Compensated absences payable		(22,094)
Net pension liability		(229,681)
<p>Governmental funds do not report long-term amounts related to pensions</p>		
Deferred outflows of pension resources		74,149
Deferred inflows of pension resources		(5,600)
Total Net Position - Governmental Activities	\$	<u>589,355</u>

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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, 2022

		<u>Revenues Provided by Donations Special Revenue</u>	
	<u>General</u>	<u>Save the Lake</u>	<u>Total</u>
Revenues			
Intergovernmental			
Membership dues	\$ 300,000	\$ -	\$ 300,000
County	10,000	-	10,000
License and permits	106,912	-	106,912
Fine and forfeitures	45,333	-	45,333
Contributions and donations	-	64,873	64,873
Interest on investments	2,465	730	3,195
Miscellaneous	6,558	30	6,588
Total Revenues	<u>471,268</u>	<u>65,633</u>	<u>536,901</u>
Expenditures			
Current			
Personal services	313,711	-	313,711
Operating supplies	44,130	4,349	48,479
Public services	-	20,792	20,792
Repair and maintenance	10,710	-	10,710
Contract fees	39	-	39
Legal fees	68,019	-	68,019
Other services	8,304	-	8,304
Other charges	80,241	-	80,241
Capital outlay	124,940	-	124,940
Total Expenditures	<u>650,094</u>	<u>25,141</u>	<u>675,235</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(178,826)</u>	<u>40,492</u>	<u>(138,334)</u>
Other Financing Sources (Uses)			
Lease proceeds	26,140	-	26,140
Proceeds on sale of capital assets	3,900	-	3,900
Total Other Financing Sources (Uses)	<u>30,040</u>	<u>-</u>	<u>30,040</u>
Net Change in Fund Balances	(148,786)	40,492	(108,294)
Fund Balances, January 1	<u>649,039</u>	<u>174,170</u>	<u>823,209</u>
Fund Balances, December 31	<u>\$ 500,253</u>	<u>\$ 214,662</u>	<u>\$ 714,915</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, 2022

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

Total Net Change in Fund Balances - Governmental Funds	\$ (108,294)
<p>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.</p>	
Capital outlay	172,361
Depreciation expense	(10,608)
Lease payments	20,829
Amortization expense	(22,969)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.</p>	
Lease proceeds	(172,361)
<p>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.</p>	
Compensated absences	682
<p>Long-term pension activity is not reported in governmental funds</p>	
Pension revenue	977
Negative pension expense	(19,682)
Change in Net Position - Governmental Activities	\$ (139,065)

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, 2022

	General			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental				
Membership dues	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
Public agencies	700	700	10,000	9,300
Licenses and permits	122,000	122,000	106,912	(15,088)
Fines and forfeits	45,000	45,000	45,333	333
Contributions and donations	-	-	-	-
Interest on investments	3,000	3,000	2,465	(535)
Miscellaneous	2,500	2,500	6,558	4,058
Total Revenues	473,200	473,200	471,268	(1,932)
Expenditures				
Current				
Personal services	306,770	306,770	313,711	(6,941)
Operating supplies	87,960	87,960	44,130	43,830
Public services	-	-	-	-
Repair and maintenance	8,000	8,000	10,710	(2,710)
Contract fees	40	40	39	1
Legal fees	64,450	64,450	68,019	(3,569)
Other services	11,200	11,200	8,304	2,896
Other charges	77,900	77,900	80,241	(2,341)
Capital outlay	88,000	88,000	124,940	(36,940)
Total Expenditures	644,320	644,320	650,094	(5,774)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(171,120)	(171,120)	(178,826)	(7,706)
Other Financing Sources (Uses)				
Transfer in	100,000	100,000	-	(100,000)
Lease proceeds	-	-	26,140	26,140
Proceeds on sale of capital assets	-	-	3,900	3,900
Total Other Financing Sources (Uses)	100,000	100,000	30,040	(69,960)
Net Change in Fund Balances	(71,120)	(71,120)	(148,786)	(77,666)
Fund Balances, January 1	649,039	649,039	649,039	-
Fund Balances, December 31	<u>\$ 577,919</u>	<u>\$ 577,919</u>	<u>\$ 500,253</u>	<u>\$ (77,666)</u>

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

Save the Lake

Budgeted Amounts		Actual Amounts	Variance with Final Budget
Original	Final		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
42,000	42,000	64,873	22,873
1,800	1,800	730	(1,070)
-	-	30	30
<u>43,800</u>	<u>43,800</u>	<u>65,633</u>	<u>21,833</u>
-	-	-	-
1,100	1,100	4,349	(3,249)
13,580	13,580	20,792	(7,212)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>14,680</u>	<u>14,680</u>	<u>25,141</u>	<u>(10,461)</u>
<u>29,120</u>	<u>29,120</u>	<u>40,492</u>	<u>11,372</u>
42,000	42,000	-	(42,000)
-	-	-	-
-	-	-	-
<u>42,000</u>	<u>42,000</u>	<u>-</u>	<u>(42,000)</u>
71,120	71,120	40,492	(30,628)
174,170	174,170	174,170	-
<u>\$ 245,290</u>	<u>\$ 245,290</u>	<u>\$ 214,662</u>	<u>\$ (30,628)</u>

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Lake Minnetonka Conservation District
Mound, Minnesota
Statement of Activities
For the Year Ended December 31, 2022

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	\$ 655,702	\$ 106,912	\$ 361,921	\$ (186,869)
Save the lake	25,141	-	64,873	39,732
Total	\$ 680,843	\$ 106,912	\$ 426,794	(147,137)
General Revenues				
Unrestricted investment earnings				3,195
Sale of capital assets				3,900
Miscellaneous revenue				977
Total General Revenues				8,072
Change in Net Position				(139,065)
Net Position, January 1				728,420
Net Position, December 31				\$ 589,355

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

Lake Minnetonka Conservation District
Mound, Minnesota
Notes to the Financial Statements
December 31, 2022

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, 2022

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.

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, 2022

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, 2022

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 pension expense for the General Employees Retirement Plan was \$37,859 in 2022.

Lake Minnetonka Conservation District
Mound, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

Lake Minnetonka Conservation District
Mound, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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."

Note 2: Stewardship, Compliance and Accountability

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 District in the District with a statement of the proportion of the budget to be provided by each District. The governing body of each District in the District shall review the budget and the Board, upon notice from a District, must hear objections to the budget. After the hearing, the Board may modify or amend the budget. Notice must be given to the District of modifications or amendments. The legal level of budgetary control is the fund level. There were budget amendments made during the year in the Save the Lake fund. All budget amendments were approved by the Board.

Lake Minnetonka Conservation District
Mound, Minnesota
Notes to the Financial Statements
December 31, 2022

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.

At year end, the District's carrying amount of deposits, bank balance, FDIC coverage and pledged collateral are shown in the chart below.

	Total
Carrying Amount of Deposits	\$ 801,533
Bank balance	\$ 793,164
Covered by FDIC	(250,000)
Collateralized with securities pledged in District's name	\$ 543,164

Lake Minnetonka Conservation District
Mound, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on Accounts (Continued)

B. Lease Payable

Description	Total Lease Liability	Issue Date	Payment Terms	Payment Amount	Balance at Year End
City of Mound Office Space	\$ 151,799	10/01/18	10 Years	\$ 1,733 Monthly	\$ 126,665
Konica Copier	26,877	10/20/22	5 Years	448 Monthly	24,867
					<u>\$ 151,532</u>

The District entered into an agreement with the City of Mound for office space in a City owned building. The lease began October 1, 2018 and the District is likely to renew for another 5 years in the Fall of 2023. The District also entered into an agreement with Advanced Imaging Solutions on October 1, 2022 for a Konica Copy Machine. The leases will adhere to the following payment schedule.

Year Ending June 30,	Principal Payments	Interest Payments	Total
2023	\$ 25,290	\$ 1,540	\$ 26,830
2024	26,109	1,258	27,367
2025	26,950	966	27,916
2026	27,815	665	28,480
2027	27,358	357	27,715
2028	18,010	83	18,093
Total	<u>\$ 151,532</u>	<u>\$ 4,869</u>	<u>\$ 156,401</u>

Lake Minnetonka Conservation District
Mound, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on Accounts (Continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

	Restated Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, being Depreciated / Amortized				
Machinery and equipment	\$ 155,233	\$ -	\$ -	\$ 155,233
Leases	146,221	26,140		172,361
Total capital assets being depreciated / amortized	<u>301,454</u>	<u>26,140</u>	<u>-</u>	<u>327,594</u>
Less Accumulated Depreciation / Amortization for				
Machinery and equipment	(84,819)	(10,608)	-	(95,427)
Leases	-	(22,969)		(22,969)
Total accumulated depreciation / amortization	<u>(84,819)</u>	<u>(33,577)</u>	<u>-</u>	<u>(118,396)</u>
Capital Assets, Net	<u>\$ 216,635</u>	<u>\$ (7,437)</u>	<u>\$ -</u>	<u>\$ 209,198</u>

Governmental Activities

Conservation of natural resources	<u>\$ 33,577</u>
Total	<u>\$ 33,577</u>

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

Governmental Activities

Conservation of natural resources	<u>\$ 33,577</u>
Total	<u>\$ 33,577</u>

Lake Minnetonka Conservation District
Mound, Minnesota
Notes to the Financial Statements
December 31, 2022

Note 3: Detailed Notes on Accounts (Continued)

D. Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2022, was as follows:

	Restated Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Leases Payable	\$ 146,221	\$ 26,140	\$ (20,829)	\$ 151,532	\$ 25,290
Compensated Absences Payable	22,776	7,402	(8,084)	22,094	4,241
	<u>\$ 168,997</u>	<u>\$ 33,542</u>	<u>\$ (28,913)</u>	<u>\$ 173,626</u>	<u>\$ 29,531</u>

Note 4: Defined Benefit Pension Plans - Statewide

A. Plan Description

The District 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.

Lake Minnetonka Conservation District
Mound, Minnesota
Notes to the Financial Statements
December 31, 2022

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

Benefit increases are provided to benefit recipients each January. Beginning in 2019, the postretirement increase is 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 2022 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, 2022, 2021 and 2020 were \$18,176, \$16,042 and \$15,910 respectively. The District's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2022, the District reported a liability of \$229,681 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 \$6,542. The net pension liability was measured as of June 30, 2022, 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, 2021 through June 30, 2022 relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.0029 percent at the end of the measurement period and 0.0030 percent for the beginning of the period.

District's Proportionate Share of the Net Pension Liability	\$ 229,681
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the District	<u>6,542</u>
Total	<u><u>\$ 236,223</u></u>

For the year ended December 31, 2022, the District recognized pension expense of a \$36,882 for its proportionate share of the General Employees Plan's pension expense. In addition, the District recognized an additional \$977 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.

Lake Minnetonka Conservation District
Mound, Minnesota
Notes to the Financial Statements
December 31, 2022

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

At December 31, 2022, 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	\$ 1,918	\$ 2,530
Changes in Actuarial Assumptions	53,718	935
Net Difference between Projected and Actual Earnings on Plan Investments	923	-
Changes in Proportion	7,703	2,135
Contributions to PERA Subsequent to the Measurement Date	9,887	-
	<u>9,887</u>	<u>-</u>
Total	<u>\$ 74,149</u>	<u>\$ 5,600</u>

The \$9,887 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2023	\$ 26,496
2024	19,723
2025	(8,328)
2026	20,771

E. Long-Term Expected Return on Investment

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity	33.50 %	5.10 %
International Equity	16.50	5.30
Fixed Income	25.00	0.75
Private Markets	25.00	5.90
	<u>25.00</u>	
Total	<u>100.00 %</u>	

Lake Minnetonka Conservation District
Mound, Minnesota
Notes to the Financial Statements
December 31, 2022

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

F. Actuarial Assumptions

The total pension liability in the June 30, 2022, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 percent for the General Employees Plan. Benefit increases after retirement are assumed to be 1.25 percent for the General Employees Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent after 27 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions used in the June 30, 2022 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 following changes in actuarial assumptions and plan provisions occurred in 2022:

General Employees Fund

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation.

G. Discount Rate

The discount rate used to measure the total pension liability in 2022 was 6.50 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 was 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.

Lake Minnetonka Conservation District
Mound, Minnesota
Notes to the Financial Statements
December 31, 2022

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

H. 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 one percentage point lower or one percentage point higher than the current discount rate:

	District Proportionate Share of NPL		
	1 Percent Decrease (5.50%)	Current (6.50%)	1 Percent Increase (7.50%)
General Employees Fund	\$ 362,793	\$ 229,681	\$ 120,508

I. 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.

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: Change in Accounting Principles and Restatement

For the year end December 31, 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. 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. These changes were incorporated in the District's 2022 financial statements and had an effect on the beginning net position of the Governmental Activities.

REQUIRED SUPPLEMENTARY INFORMATION
LAKE MINNETONKA CONSERVATION DISTRICT
MOUND, MINNESOTA

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FOR THE YEAR ENDED
DECEMBER 31, 2022

Lake Minnetonka Conservation District
Mound, Minnesota
Required Supplementary Information
December 31, 2022

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
06/30/22	0.0029 %	\$ 229,681	\$ 6,542	\$ 236,223	\$ 204,054	112.6 %	76.7 %
06/30/21	0.0030	128,113	3,923	132,036	217,999	58.8	87.0
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)
12/31/22	\$ 18,176	\$ 18,176	\$ -	\$ 242,350	7.5 %
12/31/21	16,042	16,042	-	213,889	7.5
12/31/20	15,910	15,910	-	212,137	7.5
12/31/19	14,862	14,862	-	198,160	7.5
12/31/18	13,036	13,036	-	173,813	7.5
12/31/17	11,838	11,838	-	157,840	7.5
12/31/16	13,036	13,036	-	173,817	7.5
12/31/15	14,733	14,733	-	196,438	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, 2022

Notes to the Required Supplementary Information - General Employees Retirement Fund

Changes in Actuarial Assumptions

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes. The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

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, 2022

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

Changes in Plan Provisions

2022 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in plan provisions since the previous valuation.

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.

2016 - There were no changes in plan provisions since the previous valuation.

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

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FOR THE YEAR ENDED
DECEMBER 31, 2022

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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, 2022, and the related notes to the financial statements which collectively comprise the District's basic financial statements, and have issued our report thereon dated NEED DATE.

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
Minneapolis, Minnesota
NEED DATE

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, 2022.

Financial Highlights

- The assets and deferred outflows or resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year as shown in the summary of net position on the following pages. The unrestricted amount of net position may be used to meet the District's ongoing obligations to creditors.
- The District's total net position decreased as shown in the summary of changes in net assets table on the following pages. The decrease this year was due to a decrease in operating grants and contributions.
- For the current fiscal year, the District's fund balances are shown in the Financial Analysis of the District's Funds section of the MD&A. The total fund balance decreased in comparison with the prior year. This decrease was due to total expenditures exceeding total revenues.
- The unassigned fund balance in the General fund as shown in the financial analysis of the District's funds section decreased from 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 two 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 and Save the Lake fund.

The District adopts an annual appropriated budget for its General fund and Save the Lake fund. A budgetary comparison statement has been provided for both funds 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.

Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees. Required supplementary information can be found on page 47 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 at the close of the most recent fiscal year. The largest portion of the District's net position is made up of its current assets.

Lake Minnetonka Conservation District Summary of Net Position

	December 31,		Increase (Decrease)
	2022	2021	
Assets			
Current	\$ 805,125	\$ 901,166	\$ (96,041)
Capital, net of accumulated depreciation	59,806	70,414	(10,608)
Leased asset, net of accumulated amortization	149,392	-	149,392
Total Assets	1,014,323	971,580	(106,649)
Deferred Outflows of Resources	74,149	102,854	(28,705)
Liabilities			
Current	119,741	86,726	33,015
Noncurrent	373,776	142,120	231,656
Total Liabilities	493,517	228,846	264,671
Deferred Inflows of Resources	5,600	117,168	(111,568)
Net Position			
Investment in capital assets	59,806	70,414	(10,608)
Unrestricted	529,549	658,006	(128,457)
Total Net Position	\$ 589,355	\$ 728,420	\$ (139,065)

An additional portion of the District's net position represents its investment in capital assets (e.g., land, buildings, machinery and equipment). The District uses these capital assets to provide services to the District; consequently, these assets are not available for future spending. The remaining balance of *unrestricted net position* may be used to meet the District's ongoing obligations to creditors.

At the end of the current fiscal year, the District is able to report positive balances in both net position and for its separate governmental activities.

Governmental Activities. Governmental activities decreased the District's net position, as shown below. This decrease was mainly due to a decrease in operating grants and contributions. Key elements of this increase are as follows:

Lake Minnetonka Conservation Districts Changes in Net Position

	December 31,		Increase (Decrease)
	2022	2021	
Revenues			
Program			
Charges for services	\$ 106,912	\$ 121,751	\$ (14,839)
Operating grants and contributions	426,794	586,017	(159,223)
General			
Unrestricted investment earnings	3,195	2,045	1,150
Sale of capital assets	3,900	20,100	(16,200)
Miscellaneous	977	317	660
Total Revenues	541,778	730,230	(188,452)
Expenses			
Conservation of natural resources	655,702	377,258	278,444
Save the lake	25,141	88,874	(63,733)
Aquatic invasive species	-	68,983	(68,983)
Equipment Replacement	-	70,358	(70,358)
Total Expenses	680,843	605,473	75,370
Change in Net Position	(139,065)	124,757	(263,822)
Net Position, January 1	728,420	603,663	124,757
Net Position, December 31,	<u>\$ 589,355</u>	<u>\$ 728,420</u>	<u>\$ (139,065)</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. The table below outlines the governmental fund balances for the year ending December 31, 2022.

	General Fund	Save the Lake	Total	Prior Year Total	Increase/ (Decrease)
Fund Balances					
Nonspendable	\$ 1,733	\$ -	\$ 1,733	\$ 1,691	\$ 42
Committed for Purchases from donated funds	-	214,662	214,662	174,170	40,492
Unassigned	498,520	-	498,520	647,348	(148,828)
	<u>\$ 500,253</u>	<u>\$ 214,662</u>	<u>\$ 714,915</u>	<u>\$ 823,209</u>	<u>\$ (108,294)</u>

As of the close of the current fiscal year, the District’s governmental funds reported combined ending fund balances shown above. Additional information on the District’s fund balances can be found in Note 1 starting on page 67 of this report.

The *General fund* is the chief operating fund of the District. At the end of the current year, the fund balance of the General fund is shown in the table above. As a measure of the General fund’s liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. The total unassigned fund balance as a percent of total fund expenditures is shown in the chart below along with total fund balance as a percent of total expenditures.

	Current Year Ending Balance	Prior Year Ending Balance	Increase/ (Decrease)
General Fund Fund Balances			
Nonspendable	\$ 1,733	\$ 1,691	\$ 42
Unassigned	498,520	647,348	(148,828)
	<u>\$ 500,253</u>	<u>\$ 649,039</u>	<u>\$ (148,786)</u>
General Fund expenditures	\$ 650,094	\$ 452,543	
Unassigned as a percent of expenditures	76.7%	143.0%	
Total Fund Balance as a percent of expenditures	77.0%	143.4%	

The fund balance of the District’s General fund decreased during the current fiscal year as shown in the table above. The decrease in fund balance was due to total expenditures exceeding total revenues.

Other major governmental fund analysis is shown below:

	December 31, 2022	December 31, 2021	Increase (Decrease)
Save the Lake	\$ 214,662	\$ 174,170	\$ 40,492
<i>The Save the Lake fund increase in fund balance during the year was due to donations in excess of expenditures.</i>			

2022 General Fund Budgetary Highlights

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 473,200	\$ 473,200	\$ 471,268	\$ (1,932)
Expenditures	644,320	644,320	650,094	(5,774)
Excess of Revenues Over Expenditures	(171,120)	(171,120)	(178,826)	(7,706)
Other Financing Sources (Uses)				
Transfers in	100,000	100,000	-	(100,000)
Lease proceeds	-	-	26,140	26,140
Proceeds from sale of capital asset	-	-	3,900	3,900
Total Other Financing Sources (Uses)	100,000	100,000	30,040	(69,960)
Net Change in Fund Balances	(71,120)	(71,120)	(148,786)	(77,666)
Fund Balances, January 1	649,039	649,039	649,039	-
Fund Balances, December 31	\$ 577,919	\$ 577,919	\$ 500,253	\$ (77,666)

The District's General fund budget was not amended during the year, as shown above. Actual revenues were under the final budget and expenditures were over the final budget amounts as shown above.

2022 Save the Lake Fund Budgetary Highlights

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 43,800	\$ 43,800	\$ 65,633	\$ 21,833
Expenditures	14,680	14,680	25,141	(10,461)
Excess of Revenues Over Expenditures	29,120	29,120	40,492	11,372
Other Financing Sources (Uses)				
Transfers in	42,000	42,000	-	(42,000)
Net Change in Fund Balances	71,120	71,120	40,492	(30,628)
Fund Balances, January 1	174,170	174,170	174,170	-
Fund Balances, December 31	\$ 245,290	\$ 245,290	\$ 214,662	\$ (30,628)

The District's Save the Lake fund budget was not amended during the year, as shown above. Actual revenues were over the final budget and expenditures were also over the final budget amounts as shown above.

Capital Assets

The District's investment in capital assets as of December 31, 2022, is shown below in capital asset table (net of accumulated depreciation). Additional information on the District's capital assets can be found in Note 3B starting on page 69 of this report.

	Governmental Activities		
	2022	2021	Increase (Decrease)
Machinery and Equipment	\$ 59,806	\$ 70,414	\$ (10,608)
Leased Asset	149,392	146,221	3,171
Total	<u>\$ 209,198</u>	<u>\$ 216,635</u>	<u>\$ (7,437)</u>
Percent increase (decrease)			-3.4%

Outstanding Long-Term Liabilities

At the end of the current fiscal year, the District had leases payable and compensated absences long-term liabilities outstanding as noted in the table below.

	Governmental Activities		
	2022	2021	Increase (Decrease)
Leases Payable	\$ 151,532	\$ 146,221	\$ 5,311
Compensated Absences	22,094	22,776	(682)
Total	<u>\$ 173,626</u>	<u>\$ 168,997</u>	<u>\$ 4,629</u>
Percent increase (decrease)			2.7%

Economic Factors and Next Year's Budgets

- The overall budget will increase by 3.56% (\$661,590 compared to \$638,820 in 2022) from the prior year budget.
- The overall levy to the District member cities for 2023 will decrease by 15% (\$255,000 compared to \$300,000 in 2022) from the prior year 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.

1:20 PM

Lake Minnetonka Conservation District

05/04/23

Balance Sheet

Accrual Basis

As of April 30, 2023

	Apr 30, 23
ASSETS	
Current Assets	
Checking/Savings	
Alerus Checking	
1024M20 · Alerus Checking - STL	-62,478.00
Alerus Checking - Other	106,945.77
Total Alerus Checking	44,467.77
1010M10 · Petty Cash	38.60
1090M10 · Alerus Bank - Savings	
1090M50 · Alerus Savings - Equip. Repl	125,652.32
1090M10 · Alerus Bank - Savings - Other	619,487.47
Total 1090M10 · Alerus Bank - Savings	745,139.79
Total Checking/Savings	789,646.16
Accounts Receivable	
1150M10 · Accounts Rec. - Gen	34,345.00
Total Accounts Receivable	34,345.00
Other Current Assets	
1300M10 · Due From Other Gov. - Gen.	1,820.00
Total Other Current Assets	1,820.00
Total Current Assets	825,811.16
Fixed Assets	
1640M90 · Fixed Assets	155,233.00
1645M90 · Accumulated Depreciation	-95,427.00
Total Fixed Assets	59,806.00
Other Assets	
1650M90 · Leased Asset	172,361.00
1655M90 · Accumulated Amortization-Lease	-22,969.00
Total Other Assets	149,392.00
TOTAL ASSETS	1,035,009.16
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2090 · Accounts Payable	22,689.00
Total Accounts Payable	22,689.00
Credit Cards	
1087M10 · US Bank (Credit Card)	-1,265.68
Total Credit Cards	-1,265.68
Other Current Liabilities	
2020-LT · Payroll Liabilities - UNUM	-61.43
2020 · Payroll Liabilities -	8.55
2050M10 · Accrued Payroll - Gen	5,068.00
2150M90 · Accrued compensated absenses	14,439.00
2151M90 · Current portion of comp absens	3,337.93
2916M90 · Lease Liability - Short Term	25,290.00
Total Other Current Liabilities	48,082.05
Total Current Liabilities	69,505.37

Lake Minnetonka Conservation District
Balance Sheet
As of April 30, 2023

	Apr 30, 23
Long Term Liabilities	
2915M90 · Lease Liability - Long Term	126,242.00
Total Long Term Liabilities	126,242.00
Total Liabilities	195,747.37
Equity	
Retained Earnings	946,254.89
2910M10 · Fund Balance - Admin.	48,727.51
2910M20 · Fund Balance - S/L	226,468.17
2910M30 · Fund Balance - EWM	40,088.85
2910M50 · Fund Balance - Equip Repl	79,004.07
2910M90 · Fixed Assets - Conversion Fund	-585,738.00
Net Income	84,456.30
Total Equity	839,261.79
TOTAL LIABILITIES & EQUITY	1,035,009.16

2023 City Levy Share



**LAKE MINNETONKA CONSERVATION DISTRICT
2023 BUDGET AND LEVY
(Adopted 06/22/2022)**

City	2010 U.S. Census Population Data	2021 Estimated Market Value	2021 Net Tax Capacity	% of Total Net Tax Capacity (Note 1)	Share of Admin. Levy in 2023	Share of AIS Levy in 2023	Share of Total Levy in 2023	Share of Total Levy in 2022	Change in Total Levy from 2022	% Change from 2021
DEEPHAVEN	3,642	\$ 1,524,784,200	\$ 17,557,085	5.1%	\$17,201	\$0	\$17,201	\$20,032	-\$2,831	-14.13%
EXCELSIOR	2,188	\$ 641,983,400	\$ 8,101,932	2.4%	\$7,938	\$0	\$7,938	\$9,330	-\$1,392	-14.92%
GREENWOOD	688	\$ 416,064,400	\$ 4,929,888	1.4%	\$4,830	\$0	\$4,830	\$5,781	-\$951	-16.46%
MINNETONKA	49,734	\$ 11,180,147,900	\$ 135,765,737	39.5%	\$51,000	\$0	\$51,000	\$60,000	-\$9,000	-15.00%
MTKA BEACH	539	\$ 404,225,200	\$ 4,805,707	1.4%	\$4,708	\$0	\$4,708	\$5,700	-\$992	-17.40%
MINNETRISTA	6,384	\$ 2,117,710,100	\$ 22,805,357	6.6%	\$22,343	\$0	\$22,343	\$25,530	-\$3,187	-12.48%
MOUND	9,052	\$ 1,623,162,300	\$ 17,173,702	5.0%	\$16,825	\$0	\$16,825	\$20,012	-\$3,187	-15.92%
ORONO	7,437	\$ 3,603,991,600	\$ 41,646,156	12.1%	\$40,802	\$0	\$40,802	\$48,073	-\$7,271	-15.13%
SHOREWOOD	7,307	\$ 2,042,143,800	\$ 22,722,516	6.6%	\$22,262	\$0	\$22,262	\$26,258	-\$3,996	-15.22%
SPRING PARK	1,669	\$ 344,503,700	\$ 4,128,644	1.2%	\$4,045	\$0	\$4,045	\$4,926	-\$881	-17.88%
TONKA BAY	1,475	\$ 689,825,200	\$ 7,955,917	2.3%	\$7,795	\$0	\$7,795	\$8,979	-\$1,185	-13.19%
VICTORIA	7,345	\$ 1,966,991,600	\$ 20,686,056	6.0%	\$20,267	\$0	\$20,267	\$23,162	-\$2,895	-12.50%
WAYZATA	3,688	\$ 2,433,175,900	\$ 31,560,700	9.2%	\$30,921	\$0	\$30,921	\$37,380	-\$6,460	-17.28%
WOODLAND	437	\$ 350,815,800	\$ 4,149,172	1.2%	\$4,065	\$0	\$4,065	\$4,837	-\$772	-15.96%
	101,585	\$ 29,339,525,100	\$ 343,988,569	100.0%	\$255,000	\$0	\$255,000	\$300,000	-\$45,000	-15.00%

Maximum Levy Per MN statute 103B.635 (Total Taxable Market Value * 0.00242%):

\$710,017

(Note 1) Per MN statute 103B.631, no city may pay more than 20% of the total levy. The City of Minnetonka would pay a constant 20% of any amounts to be levied.

Remaining cities factor for determining levy amounts is computed as: (City Net Tax Capacity / (Total Net Tax Capacity - Minnetonka Net Tax Capacity)) * 80%

Total Net Tax Capacity	343,988,569
less Minnetonka Net Tax Capacity	(135,765,737)
Net Tax Capacity for remaining 13 cities	208,222,832



FINANCE COMMITTEE MEETING MINUTES LAKE MINNETONKA CONSERVATION DISTRICT

Friday, April 21, 2023
10:00 a.m., In-person

LMCD Office

1. **CALL TO ORDER:** 10:00 a.m.
2. **ROLL CALL:**
 - A. Members Present: Rich Anderson, Bill Cook, Denny Newell, Nicole Stone, Ryan Nellis
 - B. Members Absent: None
 - C. Others Present: Jim Brimeyer, Maisyn Reardan
3. **CHAIR ANNOUNCEMENTS**
4. **APPROVAL OF MINUTES** (04/21/2023 LMCD Finance Committee Meeting): approved
5. **COMMITTEE STRATEGIC INITIATIVES**
 - A) Revenue Adjustments
 - a. Muni Dues, Fees for Variances, Licenses, Charter Boats Fees, Admin Fees, Transfers, etc. were discussed.
 - b. Expense adjustments were made to add \$10,000 to communications (line 4183M10) by reducing AIS by \$10,000
 - c. Variances for docks were discussed. Jim noted that our current fees of \$500 (less \$250 refundable) were not in line with the time and cost LMCD incurs to process these applications. Jim mentioned that local cities charge more for variances and have escrow accounts for overages. All agreed that the issue should be brought to the LMCD Board for discussion.
 - B) Reserve Fund Balance, Liquidity and Investments
 - a. Rich discussed the Reserve Fund Balances and commented that our planned spend-down will have us reduced to 77% of proposed budget expenditures by year-end 2023. Rich commented that the industry standard is 30-50%. Rich noted that the Finance Committee has been purposed to reduce reserves to 35% over a 5-year period and are committed to that goal.
 - b. All agreed that investment opportunities should be considered for at least \$500,000 of the Reserve Balance.
 - C) Banking Options
 - a. Rich has had positive experience with Bridgewater Bank and said that money market returns were currently over 4.1% and checking around 2.0.
 - b. Jim agreed to make contact.
 - D) STL 501c3
 - a. Denny agreed to talk to Dan to see if an IRS form 990 was required
6. **OTHER BUSINESS:** none
7. **ADJOURNMENT:** 11:15 am

LMCD Finance Committee Meeting
April, 21, 2023
Page 2
Respectfully submitted,

Denny Newell
Finance Committee Secretary