

**Lake Ripley Management District  
Annual Meeting Minutes  
August 27, 2011**

NOTE: These minutes are considered DRAFT until approved at the next Annual Meeting of the electors scheduled for September 8, 2012.

**I. Call to Order**

The Annual Meeting of the Lake Ripley Management District electors was called to order by Chairman Molinaro at 9:10 a.m. on August 27, 2011, at the Oakland Town Hall. The meeting was convened immediately following the conclusion of the budget hearing. Board members in attendance: Gene Kapsner, John Molinaro, Mike Sabella, Georgia Gomez-Ibanez, Jane Jacobsen-Brown and Dennis McCarthy. Also present: Deb Kutz, Rick Kutz, Jimmy DeGidio, Ann Molinaro, Kent Brown, Jim Rank, Bill Ratzburg, Bill Trout, Tim Young and Ted Teske (9:30 arrival). Steve Michael, Nick Belleson and Maureen Belleson signed in to cast election ballots and then left.

**II. Approval of 2010 Annual Meeting Minutes**

Minutes of the September 4, 2010, Annual Meeting were distributed and reviewed by those in attendance. Molinaro asked if there were any corrections or additions to the minutes. Seeing none, minutes were approved unanimously.

**III. Nomination of Board Candidates (Names appearing on ballot: John Molinaro and Dennis McCarthy, incumbents)**

Ballots were distributed by the elections committee to fill two open positions on the Board due to term expirations. Molinaro and McCarthy were on the ballot as incumbents running for reelection to additional three-year terms. Additional space was provided on the ballot for write-in candidates. Molinaro asked if there were motions from the floor to nominate write-in candidates. Hearing none, all eligible electors were asked to cast their ballots so they could be tabulated.

**IV. Chairman's Report**

Molinaro provided a brief summary of major work efforts over the last year. This included the seeding of major sections of the Preserve to native prairie, continuation of landowner cost-share projects, and the current challenges related to weed harvesting—among various other activities. In terms of aquatic plant growth, he said this was the worst year in recent memory and he had received many complaints. Although plant growth is often cyclical and nearly impossible to predict, he stressed the importance and need to effectively utilize existing resources to adjust to such challenges. Molinaro next expressed his confidence in and appreciation of Dearlove's work as lake manager. He concluded by discussing the hard work that went into developing the proposed budget, and by thanking board members and volunteers for all their dedication and support over the last year. He pointed out that every board member spends considerable time outside of the meetings in service to the District, and for that he was very grateful.

**V. Treasurer's Report**

Sabella reviewed his various responsibilities as treasurer, which primarily involved safeguarding the District's financial assets. Responsibilities include collecting funds and paying operating expenses, investing any excess funds, developing and presenting financial statements and monthly summary reports to the Board, and preparing staff payroll and related government reports. The treasurer also serves as a member of the budget committee, and assists the citizen audit committee in an advisory capacity. Next, Sabella reviewed a comparative statement of net assets as of June 30, 2010 and 2011. Total cash on hand was \$141,753 as of June 30, 2010, compared to \$143,887 as of June 30, 2011, of which about \$60,000 is

restricted. On June 30, 2011, there were staff payroll and pension accruals of \$1,638. Those liabilities were since paid. The District currently has no outstanding debt.

As per Section 33.29(2) of the Wisconsin Statutes, Sabella explained the Board's mandate to conduct an annual audit of the District's financial transactions. The audit can be performed either by an outside accounting firm or a chair-appointed, citizen audit committee. Minutes from the July 30, 2011, Audit Committee meeting and a summary report were presented. Audit Committee members consisted of District electors Chuck Seeley (Chair), George Kledzik and Debra Kutz. Sabella was also in attendance at the audit meeting to present the accounting records and answer any questions. Both the meeting minutes and a summary letter of audit findings were read into the record by Sabella and Molinaro, respectively. The committee concluded that the financial records reflect properly, accurately and fairly the financial condition of the District for the year ended December 31, 2010. No errors or omissions were discovered as part of the audit. Kutz thanked Sabella for all his good work in maintaining the financial records. Molinaro expressed his own gratitude for the exceptional job Sabella performs as treasurer.

## **VI. Budget and Tax Levy**

Copies of the proposed 2012 budget were distributed (see attached). Molinaro reported that the budget had been duly noticed and published, and was the subject of a public hearing immediately preceding the Annual Meeting. An overview was provided on how the budget was developed. It was explained that the format of the budget presentation is dictated by Wisconsin statutes. Molinaro said it was his goal to hold the overall budget and tax levy at or below prior year levels, forcing a lot of hard decisions to be made. The budget reflected total estimated disbursements of \$122,450, a corresponding tax levy of \$118,257, and \$4,193 in estimated carryover from the prior year. If approved, it would represent a decrease of about \$3,000 over the current year's budget. DeGidio applauded the board for its efforts in keeping budgets and taxes as low as possible during these hard economic times.

In the context of what could realistically be cut, it was noted that staffing costs needed to carry out District activities represented about 63% of the total budget. Molinaro said it was typical for human resource costs to represent the lion's share of any governmental unit's budget. DeGidio requested that, in the future, all human resource costs be reflected in a single line item on the budget. Sabella replied that the bulk of those costs were already separated out (for the lake manager), but offered that he could do something similar for weed harvesting staff. Ann Molinaro received clarification that a tiny fraction of a District landowner's total tax bill goes to lake management versus other public services, with the mill rate never exceeding 0.5 in the history of the Lake District. Kapsner pointed out that most of the budget represented fixed costs to maintain basic operations, and that relatively little discretionary spending was available to cut. Also discussed was the use of volunteer work days and interns to improve capacity.

Weed harvesting was the subject of considerable discussion. Warm weather, improved water clarity, zebra mussels, and low lake levels were all cited as reasons for this summer's abundant growth. Molinaro asked for suggestions on how to fund increased cutting hours as requested at the budget hearing. Sabella estimated that simply extending the cutting season could exceed this year's harvesting budget by \$1,500 in operator wages alone. Same would go for next year absent an increase in the harvesting budget. Ratzburg and Teske (operators) supported extending the cutting season so more plant growth could be removed before it dies back and fertilizes the lake. Teske objected to adding another crew member, saying he didn't think it was necessary. Molinaro questioned that position in light of recent scheduling challenges and the difficulty they were having in working additional hours. Teske said the scheduling issues ended up getting resolved, and cautioned that overreacting to citizen complaints by going after valuable plants/habitat would cause harm to the lake.

Rank questioned whether herbicide spraying should be considered as a compliment to harvesting. Molinaro disagreed, saying it was his experience that spraying was an ineffective solution and unlikely to

be permitted by DNR. Others expressed concern about herbicides killing good plants and leaving weeds in the lake to rot. Rank suggested that acquiring a weed-transport barge might help improve efficiencies. Kapsner responded that travel time was not the limiting factor, while Molinaro added that such a purchase would be a major expense and not likely to be grant eligible. Trout was of the opinion that the harvesting program did not need micromanaging from the residents. Instead, he proposed giving the board the authority to find the extra \$1,500—outside of the harvesting budget—to allow for increased cutting hours.

*DeGidio moved to approve the 2012 budget as proposed. He further moved that the Board be given discretion to decide how to use existing contingency or general, unrestricted funds to increase cutting hours. Motion seconded by Tim Young. In discussion, Sabella pointed out that the motion did not specifically provide for the hiring of an additional crew member if deemed necessary. DeGidio agreed to amend his motion to allow for the hiring of a third operator if money could be found within the overall budget. Kutz added that the weed-harvesting budget would eventually need to be increased if current trends and needs continue. Motion adopted unanimously.*

Kapsner thanked Teske and Ratburg for their valuable discussion input. Jacobsen-Brown added that their input was also appreciated whenever the weed-harvesting oversight committee meets, for which she is a member. DeGidio requested the adoption of a policy to require at least two people on the harvester at any given time for safety reasons. The Board concurred that having such a policy was a good idea.

#### **VII. Tabulation of Vote and Election of Board Members**

Ann Molinaro, chair of the election committee, reported receiving a total of 16 completed ballots from eligible electors. After tallying the results, the final outcome was 16 votes for Molinaro, 13 votes for McCarthy, and no write-ins. Molinaro and McCarthy were both re-elected to serve additional terms.

#### **VIII. Proposal to allow board discretion in scheduling future Annual Meetings later in the calendar year**

Molinaro reviewed Wisconsin statutes governing the scheduling of Annual Meetings. Annual Meetings must be held between May 22 and September 8 unless scheduled outside those dates by majority vote of the previous Annual Meeting. Sabella explained his proposal was to allow for the availability of three full quarters of financial activity for purposes of developing the budget. Kapsner cautioned not to postpone the date in a manner that would conflict with when requested tax levies had to be submitted to the county. Molinaro said that moving the date too much later would disenfranchise seasonal property owners who tend to leave after Labor Day. He also felt the current budgeting process, under Sabella's capable direction, has worked well over the years. Ann Molinaro added that while attendance was presently low due to the absence of any particularly controversial issue, the situation could change in which participation by seasonal residents becomes more critical. Kapsner felt that the earlier, August date was also problematic because of vacations and school being out. Jacobsen-Brown said she just preferred to have these meetings scheduled far in advance for planning purposes. It was ultimately agreed that the next Annual Meeting would be scheduled for September 8, 2012 (no authorization vote necessary).

#### **IX. Adjournment**

*DeGidio moved to adjourn at 10:40 a.m. Motion seconded by Rank. Motion carried unanimously.*

Respectfully Submitted,

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Jane Jacobsen-Brown, Secretary  
Recorder: PDD

Date

**LAKE RIPLEY MANAGEMENT DISTRICT  
2012 PROPOSED BUDGET**

	2010 ACTUAL	2011 JAN-JUNE ACTUAL	2011 JAN-DEC ESTIMATED	2012 PROPOSED BUDGET
<b>Revenues:</b>				
Real Estate Tax Levy	\$ 112,888	\$ 77,956	\$ 118,775	\$ 118,257
Grants	57,763			
Interest Income	726	401	802	
Carry-over		6,650	6,650	4,193
Other	4,072	240	260	
Restricted Funds Net	<u>(49,520)</u>	<u>--</u>	<u>100</u>	<u>--</u>
<b>Total Revenues</b>	<u>125,929</u>	<u>85,247</u>	<u>126,587</u>	<u>122,450</u>
<b>Projects:</b>				
Landowner Cost Sharing	16,493	0	10,000	7,000
Weed Harvesting	8,365	3,151	7,600	7,200
Lake District Preserve	3,371	2,900	5,400	4,500
Special Programs	0	520	630	250
<b>Operations:</b>				
Staff Payroll/Fringes/Taxes	64,979	33,636	67,272	69,950
Insurance	4,448	4,558	4,558	4,650
Legal Counsel	318	0	0	1,000
Dues & Conferences	792	937	1,107	1,400
Office & Community Outreach	6,638	2,266	6,000	6,100
Contingency	732	1,155	3,700	3,700
Commissioner Stipends	4,800	2,250	4,900	4,900
Rent	1,800	1,050	1,800	1,800
Capital Reserve, Land/Equipment Acquisition	<u>10,000</u>	<u>2,037</u>	<u>10,000</u>	<u>10,000</u>
<b>Total Disbursements</b>	<u>122,736</u>	<u>54,460</u>	<u>122,967</u>	<u>122,450</u>
<b>Balance</b>	<u>\$ 3,193</u>	<u>\$ 30,787</u>	<u>\$ 3,620</u>	<u>\$ --</u>

Restricted Funds:	Capital Reserve, Land & Equipment Acquisition	F.K. Elson Memorial	Friends of the Preserve	Preserve Restoration & Development
Est. Balance (12/31/10)	\$ 57,985	\$ 205	\$ 1,810	\$ 0
Additional 2010 activity:				
Increase			100	
Decrease	(4,378)			
Final Balance (12/31/10)	53,607	205	1,910	0
2011 Est. Additions	20,932		100	7,800
2011 Est. Interest	268	1	10	39
2011 Est. Expenditures	(12,969)			(5,595)
Est. Balance (12/31/11)	\$ 61,838	\$ 206	\$ 2,020	\$ 2,244