



**LAUDERDALE LAKES LAKE
MANAGEMENT DISTRICT
MINUTES of 7/21/2018**

Meeting called to order by Chairman Sorenson at 8:00 a.m.

A. Roll Call:

Present: Jack Sorenson, Ron Diederich, Jim Kroepflin, Greg Wisniewski, John Summers, and Don Sukala. Sue Pruessing from the Walworth County Board was not in attendance.

B. Approve Agenda:

The agenda was unanimously approved on a Summers / Diederich motion.

C. Approve Minutes:

A Kroepflin / Wisniewski motion to approve the minutes of June 30, 2018 passed unanimously.

D. Community Comments:

None

E. Treasurer's Report

Wisniewski noted that current bank balances (attached) have been posted online with the Agenda. He passed out copies of financial documents to people in attendance. He explained how he has been working over the past year to change the accounting system from Quicken to QuickBooks and has changed codes to more closely match budget items.

F. Begin Preparation of 2019 Budget

When we create the budget we have to anticipate our expenses for the entire coming year. We also have to anticipate cash at year-end which has to be set against the tax levy. We can't roll operating funds over into the next year. Reserve accounts do roll into the next year.

The board then went through each Lake District Project and discussed projections for the 2019 proposed budget for Lake District programs (attached):

- Aquatic Plant Management

- Dam Maintenance
- Septic Pumping
- Environmental Projects
- Clean Boats, Clean Waters
- Pier Inspection
- Insurance
- Professional Services – legal, accounting
- General Lake District
- Water Safety Patrol – the Lake District is reimbursed by the Town and DNR for a portion of the funding
- Golf Course – the Lake District has never budgeted anything for operation costs for the golf course

The board then discussed costs for improvements to the golf course – bunkers, new asphalt for cart paths, etc. The golf course has always paid for improvements out of operating funds, but it does not have the cash flow to pay for major improvements to the course or buildings. We can present a request for a fund for improvements at the annual meeting. Wisniewski would propose a \$30,000 fund for course improvements.

The board also discussed the reserve accounts for the APM, golf course, and water safety patrol. These accounts can only be used for equipment. The dam “reserve” account is set aside for the dam improvements. We are supposed to get a DNR grant to reimburse a portion of those costs.

- APM reserve: The equipment is about \$400,000 and is old – the engine is from 2011. A new system does not have different technology, but we should update to a stainless-steel tank. We have reserves that would cover 26% of the replacement costs. Wisniewski proposed leaving the equipment reserve as is for the coming year as it is adequately funded at this time.
- Water Safety Patrol: Funds were used earlier this year for a new motor in one of the boats. There will be some painting done this winter as well. The boats are in pretty good shape, so the equipment reserve would be adequate at \$50,000.
- Golf Course Equipment Reserve: We purchase used equipment from other courses and keep our equipment a long time. This year the fairway mower blew a piston and the engine needed to be replaced. There is an outstanding loan to the District for a mower. Wisniewski proposed that the District should retire that loan and fund it out of the equipment reserve. The irrigation system is antiquated and many of the components can no longer be replaced – that would be the largest replacement cost if something catastrophic happened. Wisniewski proposed that \$45,000 be moved into the golf course equipment reserve to fund it at \$75,000 to be prepared if something should happen to the pump house – we can’t operate a golf course without irrigation.
- The board also discussed budgeting \$40,000 to relocate the golf course drive to come off of Sterlingworth Drive. This should be a question at the annual meeting. These funds would come out of the capital reserve – we will not use capital reserve funds without approval of the constituency.

A Sukala / Diederich motion to accept Greg’s preliminary budget numbers passed unanimously.

G. Discussion and Consideration of Bylaws:

Sorenson explained that when the Lake District was formed, we had bylaws written for the District. Since that time, the State of WI changed Chapter 33, Wisconsin Statutes to change how local governments are run. Our attorney has suggested that we do away with our bylaws since they only serve to cause confusion and have to be updated anytime Chapter 33, Wisconsin Statutes change. If there are any local issues that we would have to address specifically, we could do that with an ordinance.

Secretary Kroeplin explained some of the problems with the bylaws as written; for example, they reference portions of State Law that change from time to time and provide for absentee voting and voting by proxy which is no longer allowed under Wisconsin Statutes. There isn't anything in the bylaws that aren't covered by State law. If there is something that comes up in the future, we can create an ordinance or board policy as long as it doesn't conflict with state law, which we must follow.

A Wisniewski / Summers motion to recommend to the electorate at the annual meeting that we dispense with the District bylaws passed unanimously.

H. Project Reports:

Septic – Summers reported that there is nothing new to report. They are continuing to pump. Some residents reported that they are later than they said they would be.

Piers – Summers is continuing to work with the Town to rewrite the Lake District's agreement with the Town.

Golf Course Clubhouse – Summers reported that he met with a local structural engineer and architect to look at the buildings. He thinks that we could keep the building and remodel it to retain the character. He also sees merit in tearing it down and putting up a new building. There is a lot we could do to repair and maintain the building at a reasonable cost – perhaps \$500,000. We need feedback from people in the district as to how we move forward. We need to figure out whether people generally want to remodel or tear down. The board discussed asking the electorate at the annual meeting about spending funds out of the capital reserve account to develop a plan during 2019 for remodeling or rebuilding so that plan could potentially go to a vote at the 2019 annual meeting.

Water Safety Patrol – Diederich reported that things are running smoothly, and they haven't had any major problems. Offers are watching Pebble Beach.

Dam – Kroeplin reported that he is working on getting the Sterlingworth Easement document recorded with the County. He has been in touch with the low bid contractor from two years ago about updating his price. He continues to be the low-bid contractor so we would like to work with him so we don't have to rebid the project. We have to get confirmation from the DNR that this is acceptable, so we don't lose our DNR grant which will refund half of our costs. We are still hoping to complete the work this year.

Aquatic Plant Management – Wisniewski reported that they have removed 97 tons of weeds through July 3rd and the equipment is working fine. We will need to do some work on the piers but haven't been successful in getting a contractor to give us a bid.

Town – Sukala noted that the Town is going to be repairing the Deakin Isle bridge. The Town received a grant for 80% of the cost of the work – so the Town will pay 20%. The Town is expanding their garage as they are running out of space. The launch on West Shore Drive will be repaved next year. The Town has a new voting machine for people with disabilities, and there is an election in August.

I. Other business:

Sorenson noted that the fireworks were great and thanked the Yacht Club.

Jeff Angst noted that they brought the fireworks in by barge this year instead of taking them across the course, which seemed to work much better. He noted that next year they are planning to do some different types of fireworks. Angst also pointed out that the Fish Jamboree was being held at the Landing, and people with children should stop by.

Sorenson tentatively scheduled the next meetings for August 11th at 8:00 a.m.

The annual meeting will be on September 1 at 10:00 a.m. at Lutherdale.

J. Adjournment:

The meeting was adjourned at 9:58 a.m. on a Sukala / Wisniewski motion.

Respectfully submitted by Andrea White.

	A	B	C	D	E	F	G	H	I	
1	Lauderdale Lakes Lake Management District									
2	Bank Balances 2016 2017 2018								7/16/2018	
3										
4										
5	<u>Current Operations:</u>			12/31/2016	12/31/2017			7/16/2018		
6										
7	Lake District	Checking	1st Citiz.	\$27,052.26		\$22,601.75		\$63,555.00		
8		Money Market	1st Citiz.	\$85,895.84		\$12,304.18		\$62,366.00		
9										
10	Lake District	Operating Reserve								
11		CD	1st Citiz.	\$102,269.01						
12		Money Market	1st Citiz.	\$72,289.75						
13	Reserve Funding 2017									
14										
15	Aquatic Plt Mgt	Checking	Advia	\$13,152.48		\$0.00		\$0.00		
16	Water Patrol	Checking	1st Nat.	\$6,264.96		\$7,365.54		\$25,465.00		
17										
18	Operating Accounts				\$306,924.30		\$42,271.47		\$151,386.00	
19										
20										
21	<u>Reserves:</u>									
22										
23	Dam Reserve		1st Citiz.			\$85,026.81		\$85,112.00		
24										
25	APM Equipment Reserve		1st Nat.	\$59,239.66		\$107,982.10		\$108,329.00		
26										
27										
28	Water Patrol Equip. Reserve		1st Nat.	\$60,171.13		\$109,315.23		\$94,688.00		
29										
30										
31	Golf Equipment Reserve		1st Nat.			\$50,019.73		\$50,180.00		
32										
33										
34	Equipment Reserve				\$119,410.79		\$352,343.87		\$338,309.00	
35										
36										
37										
38	<u>Capital Project Fund:</u>									
39		Checking	Advia	\$1,929.10		\$384.27		\$384.27		
40		Money Market	Advia	\$115,202.83		\$108,530.65		\$108,747.00		
41					\$117,131.93		\$108,914.92		\$109,131.27	
42										
43										
44										
45	<u>LL Country Club</u>									
46		Checking	Advia	\$27,969.53		\$14,936.09		\$38,615.00		
47		Money Market	Advia	\$15,018.26		\$30,516.29		\$1,529.75		
48					\$42,987.79		\$45,452.38		\$40,144.75	
49										
50										
51										
52	Total				\$586,454.81		\$548,982.64		\$638,971.02	
53										
54	Bank Balance	Audit			\$586,455.00					
55	Book Balance	Audit			\$569,727.00					

LAUDERDALE LAKES LAKE MANAGEMENT DISTRICT DRAFT July 21,2018
PROPOSED 2019 BUDGET

	A	B	C	D	E	F	G
			2017 Actual (unaudited)	2018 Approved Budget	2018 YTD through 6/5	2018 Projected through 12/31	2019 Proposed Budget
1							
2							
3	Aquatic Plant Management - Cost of Operation		51,912	49,550	11,106	50,000	50,000
4							
5	Dam Maintenance		248	4,000	1,209	4,000	3,000
6							
7	Septic Pumping						
8	Pumping Cost	52,408					
9	Special Charge Receipts Lagrange Sugar Cr	(48,771)					
10	Net Septic Pumping		3,637	2,600	(35,345)	2,000	2,600
11							
12	Environmental Projects		17,400	21,500	3,628	21,000	21,000
13							
14	Clean Boats Clean Waters						
15	Cost	7,725					
16	Clean Boats Clean Waters Grant Receipts	(5,794)					
17	Net Clean Boats Clean Waters		1,931	2,000	120	2,000	2,000
18							
19	Pier Inspection & Permit Fee Receipts		961	2,750	888	3,000	3,000
20							
21	Insurance W/O WSP & Golf		30,379	10,600	(7,062)	10,000	15,000
22							
23	Professional Services						
24	Professional Fees - Legal		4,290	10,000	-	10,000	10,000
25	Professional Fees - Accounting & Audit		7,830	10,400	5,222	10,000	10,400
26	Professional Fees - Hwy 12 Consultant		15,625	18,000	7,500	9,000	-
27				-	-	-	-
28	General Lake District Costs - Administration, Communication, Community Center, Maintenance Building		20,092	18,822	13,394	20,000	20,000
29							
30	Water Safety Patrol						
31	Cost /Reimbursement to Lagrange	122,460			80,000		
32	State Aid & Town of LaGrange Receipts	(72,838)			(67,646)		
33	Net Water Safety Patrol		49,622	46,200		54,000	45,000
34							
35	Contingency Fund/Cash Year End		50,000	50,000	-	50,000	60,000
36							
37	Total Budget Expenses		253,927	246,422	13,014	245,000	242,000
38							
39	Cash June 30, 2018				191,531		191,531
40	Additional 2018 Projected Exp. thru 12/31/18						(231,986)
41	Balance 2018 Tax Levy						60,775
42	Tn of LaGrange Water Safety Patrol Funding						40,000
43							
44	Cash Available at January 1			43,652			60,320
45							
46	Tax Levy		214,200	202,770			181,680
47	Proposed golf course improv.						30,000Add'l
48							
49	Golf Course						
50	Income		269,681		108,384		

LAUDERDALE LAKES LAKE MANAGEMENT DISTRICT DRAFT July 21,2018
PROPOSED 2019 BUDGET

	A	B	C	D	E	F	G
51	Other income		4,460		13		
52	Cost of goods sold		(42,184)		(16,247)		
53	Expenses		(215,709)		(98,976)		
54	Net Golf Course		16,248		(6,826)		