

DECEMBER 3, 2019
BOARD OF COMMISSIONERS MEETING MINUTES
ROCK KOSHKONONG LAKE DISTRICT

Chair Alan Sweeney called the meeting to order at 6:00 P.M. Board of Commissioner members present were Treasurer Mark Meyer, Steve Proud, Jim Bowers, Supervisor Kerry Hull and Michael Shumaker along with several district members.

Sweeney confirmed the meeting agendas were posted.

APPROVE AGENDA: A Proud/Shumaker motion to approve the December 3, 2019 agenda passed, all voted in favor.

APPROVE MINUTES: Proud requested the meeting minutes for October 17, 2019 to include the public comment from Linn Duesterbeck stating there was no value in doing the boat landings around the lake and increase public access to the lake.

A Proud/Sweeney motion to approve the October 17, 2019 minutes with amendments passed, all voted in favor.

TREASURER'S REPORT: Meyer presented the Treasurer's report.

Bowers questioned if the money market account over \$250,000 should be split into multiple accounts to avoid the FDIC insured limit. Meyers will research the maximum FDIC insured limit and present at the next meeting.

A Hull/Shumaker motion to approve the bills in the amount of \$5,225 and the Treasurer's report passed, all voted in favor.

Chairperson Sweeney presented a legal representation quote from Thompson Legal, LLC. Shumaker presented a quote from Stafford & Rosenbaum. The quote is \$175/hour for Attorney Thompson, partner fee \$150/hour, and a \$60/hour per staff cost. The agreement does not include an ongoing retainer.

A Meyers/Shumaker motion to retain Thompson Legal, LLC to represent the Rock-Koshkonong Lake District on as needed basis passed, all voted in favor.

INDIANFORD DAM REPORT:

Shumaker stated all gates are open.

Sweeney presented the two bids from engineers, Ayres Associates and Mead & Hunt. Rob Montgomery has recommended approving the low-cost proposal received from Mead & Hunt for \$63,200. The approved proposal would be based on a design build for a crest gate.

A Bowers/Proud motion to award the Request for Proposal for the engineering services for Phase 1 of the spillgate at the Indianford Dam to Mead and Hunt in the amount of \$63,200 passed, all voted in favor.

Chairperson Sweeney stated the Indianford Dam operator has requested small tools for the maintenance of the Dam. The committee discussed options to purchase.

Meyers recommended keeping the velocity meters and depth gauges. He confirmed the National Weather Service uses them to provide flood forecasting.

LANDING AND LAKE ACCESS:

Bill Burlingame presented Town of Albion Chairperson Bob Venske's recommended process to acquire the Hammacher boat landing. Burlingame stated the owners of the proposed land for the Hammacher Boat Landing have expressed interest in selling at the appraised value. Land appraisal quotes received were \$1200-\$1500 from Tim Anderson and a quote from Duesterbeck for \$2000. Both stated it was a 30-day turnaround time.

Bowers recommended presenting the owners with an option to purchase to include contingences for an appraisal and survey.

A Proud/Hull motion to hire Tim Anderson to complete an appraisal on the land for the Hammacher boat landing not to exceed \$1500 passed, all voted in favor.

RESOLUTIONS

Sweeney reviewed the proposed 2019-1 RKLD Policy and Procedures.

A Hull/Meyers to motion to change Rule 1A in reference state statute 33 and amend 1C to have monthly meetings on the first and third Thursday of every month and add language that the Chairperson can cancel a meeting due to lack of business, passed all voted in favor.

A Hull/Meyers motion to change rule 2B to update the format of agenda passed, all voted in favor.

Proud recommended a change to Rule 2L to include appointed commissioners serve a one-year term.

A Meyers/Shumaker motion to amend the financial reporting section of the policy as attached by Meyers passed, all voted in favor.

PUBLIC COMMENT:

- Justin Schultz inquired from Treasurer Mark Meyers and Steve Proud on if the segregated funds and lake restoration fund was used not for the specific uses. Justin Schultz stated this meeting was the most productive meeting he has attended.
- Barbara McGann recommended public record policy to be put in place. She recommended inspection for artifacts on the boat landing.
- Burlingame suggested the public record be hard copy based in the future.
- Jerri Shumaker thanked the board for seeking remedies to assist with the flooding issues to stop the shoreline from continual deterioration.

COMMENTS FROM COMMISSIONERS:

- Sweeney stated there has been activity on the debris underneath the Indianford bridge. The Department of Transportation and Department of Natural Resources are drafting a letter to be sent to the general contractor to remove the rubble.

Being no other business before the board, a Proud/Shumaker motion to adjourn passed, all voted in favor.

2019-1 RKLD Policy and Procedures Amendment to Financial Reporting

Meyers recommended striking the following from Rule 3B of the 2019-1 Policy and Procedures Document:

1. Balance sheet of assets by account, cash, savings, CD's etc., with account numbers and balances including one-year prior balances.
2. Checks with numeric order identifier and account numbers and balances including one-month prior balances.
3. Credit balances with account name and number and one-month prior balances.
4. All accounts receivable with account name and number. 5. Any outstanding contracts, bills due, or liabilities by name and amount due.

3B. 1 Balance Sheet (General Fund)

- Beginning Balance
- Additions
- Subtractions
- Support with bank account activity (general fund statement)
- Bills to be paid
- Ending Balance
- Anticipated spending through fiscal year end

3B.2 Fund Balances

- Lake Restoration Fund (Money Market)
- Dam Fund (Money Market, CDs and applicable maturity dates)
- Project Allocations (must meet the intent of the fund)
- Total of all Funds

3B.3 Changes to existing accounts and Services

3B.4 Purchase Order Request (Not required for items related to annual operations)

- Identify (Budgeted) Project Service is needed for
- Identify Scope of work and Cost
- Approve Purchase order for a specific or not to exceed amount.
- Pay upon acceptable completion. Apply cost to budgeted item.
- Change or additions will require board approval.

3B.5 Quarterly Budget Update

- Verify Cost of Operations are tracking
- Lake Management Budget Items, Cost to date, Committed Cost (Open POs), Net
- Request to move funds (Lake Management Budgets)

General Fund

Deposits \$ 408.68
 YTD Revenue \$ 172,985.95

Beginning Balance \$ 89,945.96
Ending Balance \$ 67,256.98

Dam Operations- Kim Bothom - last 16 weeks 2019 \$ (4,800.00)
 Bouy Removal- John Heller \$ (425.00)

Balance after current bills \$ 62,031.98

Lake Improvement Fund

\$ 106,839.94

Dam Fund

CD 2 \$ 208,388.75
 Interest \$ 91.69
 Money Market \$ 51,732.94
 Money Market \$ 260,213.38

CD1 \$ 234,069.75

CD3 \$ 206,332.52

Dam Fund Total \$ 700,615.65
 Liability - Jefferson County Payback \$ (175,000.00)

All Funds (less liabilities) \$ 694,487.57

Page 3- Sinking Fund Analysis

fund is losing value compounded by past spending of interest

Page 4- 2019 Updated Budget

legal spent , engineering OK

Page 5- 2017 Cash Flow Analysis

annual report costs are \$27K off supplemented by lake fund

Page 6- 2018 Cash Flow Analysis

final payback to lake fund \$80K - first reported activity

Page 7- Lake Fund Activity- Borrowing and Payback

funds have been spent on legal and replaced with tax dollars

Page 8- Past Budgets and Actual Spending

over 4 years \$402K not spent on projects

Page 9- District Special Charges and Parcel Count

past revenue was understated in budgets

Page 10- Past notice

district had accurate parcel counts to predict revenue

Flow Meters are used for flood forecast don by the National Weather Service. Not needed for dam operation. Keep them.

Insurance review to do- real property may not be insured

To Do

<u>Dam Fund CD1</u>	<u>CD Rate 2.24%</u>	<u>Inflation 2.84%</u>	<u>Relative Value</u>
Initial Balance 1-19-2016	\$ 225,000.00	\$ 225,000.00	100%
Year 1	\$ 230,040.00	\$ 231,390.00	99.42%
Year 2	\$ 235,192.90	\$ 237,961.48	98.84%
Year 3	\$ 240,461.22	\$ 244,719.58	98.26%
Actual Balance 11/8/2019	\$ 234,069.75	\$ 244,719.58	95.65%

Sinking Fund loses 6/10th per year in relative value. Borrowing at 1.5% would increase this to -2.1%. CD2 matures 8/8/2021 with a APR of 1.75%. CD3 7/19/2020 APR 2.26%. Spending our interest has eroded the relative value another -2.61%, totalling -4.35%.

Inflation Expectations in the United States averaged 2.84 percent from 2013 until 2019, reaching an all time high of 3.40 percent in August of 2013 and a record low of 2.41 percent in August of 2019. source: Federal Reserve Bank of New York. In the US, Inflation expectations refer to median one year ahead expected inflation rate.

Comments:

Interest must stay with each fund here forward.
 We should replace all spent interest spent with residual funds from 2019 budget.
 CD1 has been directed into the money market account associated with the dam fund.
 All purposed funds have been spent and replaced with tax dollars that were allocated for projects but never spent. The dam and lake funds are simply names for re-directed tax dollars. This money should go to projects as originally approved by the tax payers.
 Jefferson County may be entitled to repayment of up to \$175,000 of the dam fund.

REVENUE	Budget 2019	Jan	Feb	Mar	April	May	June	6 MO Total	6 MO Budget Balance	July	Aug	Sept	Oct	Nov	Dec	12 MO Budget Balance
2018 Year End General Fund Balance																
SPECIAL CHARGE- INTEREST	180,000	22,200.00	44,750.00	69,465.20	173.25	45.60	30,911.83	167,555.88	171,029.09	960.8	206.21	3519.15				175,715.25
TOTAL REVENUE	180,000	22,200.00	44,750.00	69,465.20	173.25	45.60	30,911.83	167,555.88	171,029.09	960.8	206.21	3519.15				175,715.25

COST OF OPERATIONS / APPROPRIATIONS	Budget 2019	Jan	Feb	Mar	April	May	June	6 MO Total	6 MO Budget Balance	July	Aug	Sept	Oct	Nov	Dec	12 MO Budget Balance
OFFICE SUPPLIES/MTGS EXP	5,100	453.49					71.99	525.48	4,574.52		375.08					4,199.44
BANK CHARGES	1,000							0.00	1,000.00							1,000.00
WAGES	5,000						474.00	3,497.00	1,503.00							1,503.00
INSURANCE	4,000		1,111.44				3,023.00	1,111.44	2,898.56	871.46	1,156.62					860.48
PRINTING/POSTAGE	6,000							0.00	6,000.00							6,000.00
PROFESSIONAL FEES	5,000						4,941.75	18,108.55	(13,108.55)							4,235.00
WEBSITE	5,000						765.00	195.00	4,235.00							4,756.00
PUBLIC INFORMATION	5,000	24.50	24.50	24.50	24.50	24.50	72.50	195.00	4,805.00	24.5	24.5					4,756.00
INDIANFORD DAM MGT	3,000	194.78	200.63	198.22	187.37	186.60	190.24	1,157.84	1,882.16	187.68	188.13	191.04				1,275.31
Todd Wesley 2 @ 550	7,000	550.00	550.00	550.00	550.00	550.00	1,507.40	4,257.40	2,742.60	550	8054.87					(5,862.27)
UTILITIES	20,000							0.00	(550.00)							(550.00)
MAINT REPAIR	5,000							0.00	20,000.00							(3,090.75)
USGS STATIONS	20,000							2,874.93	2,125.07	515.82	250					(3,090.75)
Cleaning and Boom	5,000							0.00	400.00	65.57						84.43
OTHER	400							0.00	500.00	253						247.00
DUES AND FEES	72,000	1,222.77	1,886.57	1,322.22	15,078.67	2,960.03	10,571.88	33,042.64	38,957.36	6,742.46	2,359.90	11,085.91	20,550.00	0.00	0.00	(1,280.91)
TOTAL COST OF OPERATIONS																

LAKE MANAGEMENT	Budget 2019	Jan	Feb	Mar	April	May	June	6 MO Total	6 MO Budget Balance	July	Aug	Sept	Oct	Nov	Dec	12 MO Budget Balance
WATER LEVEL REGULATION	0.00	0.00						0.00	0.00							0.00
NEW Initiatives	6,000.00	2,640.00		412.50	498.00		2,694.50	6,242.00	-242.00		7793.5	11370.75				-242.00
	30,000.00							0.00	30,000.00							8,223.75
	5,000.00							0.00	0.00							0.00
	38,000.00							0.00	5,000.00							5,000.00
	5,000.00							0.00	38,000.00							28,008.50
	5,000.00							0.00	5,000.00							5,000.00
	4,000.00							0.00	0.00							0.00
	88,000.00	2,640.00	0.00	412.50	498.00	0.00	2,694.50	6,242.00	81,758.00	0.00	7,793.50	18,750.25	2,612.00	0.00	0.00	49,990.25
TOTAL LAKE MANAGEMENT	180,000.00	3,862.77	1,886.57	1,735.22	15,578.67	2,960.03	13,266.38	39,284.64	120,715.36	6,742.46	10,153.40	29,836.16	23,162.00	0.00	0.00	50,821.34

BOATER SAFETY	Budget 2019	Jan	Feb	Mar	April	May	June	6 MO Total	6 MO Budget Balance	July	Aug	Sept	Oct	Nov	Dec	12 MO Budget Balance
TOTAL LAKE MANAGEMENT	180,000.00	3,862.77	1,886.57	1,735.22	15,578.67	2,960.03	13,266.38	39,284.64	120,715.36	6,742.46	10,153.40	29,836.16	23,162.00	0.00	0.00	50,821.34
TOTAL ALL COSTS																

LEGAL GENERAL	Budget 2019	Jan	Feb	Mar	April	May	June	6 MO Total	6 MO Budget Balance	July	Aug	Sept	Oct	Nov	Dec	12 MO Budget Balance
Legal	5,000						4,941.75	18,108.55	(13,108.55)		7793.5	11370.75				(13,108.55)
Legal	30,000.00							0.00	30,000.00							10,835.75
Legal	5,000.00							0.00	5,000.00							5,000.00
25% of Budget Allocated	40,000															2727.2
Engineering	6,000.00	2,640.00		412.50	498.00		2,694.50	6,242.00	-242.00							-242.00
Engineering	38,000.00							0.00	38,000.00							28,008.50
27.5% of Budget Allocated	44,000.00															27766.5

YTD Balance	September Actual
66536.59	66500.34
15715.25	15715.25
Additional Revenue	
120,715.36	120,715.36

First Community Bank Statements- 2017

<u>month</u>	<u>beginning</u>	<u>additions</u>	<u>ending</u>	<u>spent</u>
17-Jan	\$ 9,571.91	\$ 19,532.60	\$ 27,246.50	\$ (1,858.01)
17-Feb	\$ 27,246.50	\$ 75,059.00	\$ 101,603.71	\$ (701.79)
17-Mar	\$ 101,603.71	\$ 34,228.45	\$ 47,847.04	\$ (87,985.12)
17-Apr	\$ 47,847.04	\$ 62.55	\$ 36,571.28	\$ (11,338.31)
17-May	\$ 36,571.28	\$ 107.70	\$ 24,880.01	\$ (11,798.97)
17-Jun	\$ 24,880.01	\$ -	\$ 23,677.91	\$ (1,202.10)
17-Jul	\$ 23,677.91	\$ 17,604.15	\$ 8,807.63	\$ (32,474.43)
17-Aug	\$ 8,807.63	\$ 295.54	\$ 6,402.76	\$ (2,700.41)
17-Sep	\$ 6,402.76	\$ 50,000.00	\$ 55,698.55	\$ (704.21)
17-Oct	\$ 55,698.55	\$ 35,561.48	\$ 61,843.51	\$ (29,416.52)
17-Nov	\$ 61,843.51	\$ 11,688.88	\$ 10,166.07	\$ (63,366.32)
17-Dec	\$ 10,166.07	\$ 895.00	\$ 3,779.93	\$ (7,281.14)

2017 Revenue	\$ 245,035.35	2017 Cost	\$ (250,827.33)
Reported	\$ 190,354.00		\$ (163,897.00)

2017 net \$ (5,791.98)

2017 YE Balance \$ 3,779.93

First Community Bank Statements- 2018

<u>month</u>	<u>beginning</u>	<u>additions</u>	<u>ending</u>	<u>spent</u>
18-Jan	\$ 3,779.93	\$ -	\$ 3,063.51	\$ (716.42)
18-Feb	\$ 3,063.51	\$ 48,052.25	\$ 50,399.37	\$ (716.39)
18-Mar	\$ 50,399.37	\$ 115,641.15	\$ 93,649.23	\$ (72,391.29)
18-Apr	\$ 93,649.23	\$ 19,204.55	\$ 95,273.88	\$ (17,579.90)
18-May	\$ 95,273.88	\$ -	\$ 87,695.35	\$ (7,578.53)
18-Jun	\$ 87,695.35	\$ 103.50	\$ 72,155.55	\$ (15,643.30)
18-Jul	\$ 72,155.55	\$ 937.28	\$ 59,972.16	\$ (13,120.67)
18-Aug	\$ 59,972.16	\$ 4,315.40	\$ 43,980.23	\$ (20,307.33)
18-Sep	\$ 43,980.23	\$ 4,577.69	\$ 42,582.35	\$ (5,975.57)
18-Oct	\$ 42,582.35	\$ 3,531.23	\$ 27,215.09	\$ (18,898.49)
18-Nov	\$ 27,215.09	\$ 48.60	\$ 13,392.95	\$ (13,870.74)
18-Dec	\$ 13,392.95	\$ 959.51	\$ 3,437.21	\$ (10,915.25)

2018 Revenue	\$ 197,371.16	2018 Cost	\$ (197,713.88)
Reported	\$ 194,348.00		\$ (194,691.00)

2018 net

\$ (342.72)

2018YE Balance

\$ 3,437.21

RKLD Lake Restoration Fund (resolution 2008 annual meeting)

2009 fund established with tax dollars	\$	25,881.62
2010 Grant from State of Wisconsin	\$	100,000.00
2011 add from tax dollars	\$	36,004.00
2011 total (Supplemental Report 2011)	\$	161,885.62
2010 PAS Cost	\$	(116,789.86)
2011 YTD PAS Cost	\$	(8,786.25)
	\$	36,309.51
2011 Beginning Balance	\$	161,886.00
2011 interest	\$	839.00
2011 add from tax dollars	\$	16,001.00
Original Reported Balance 2011	\$	178,726.00
2012-2015 No Data		
2016 Balance	\$	105,569.00
2016 transfer to general fund	\$	(87,000.00)
2016 balance	\$	18,569.00
2017 transfer back from general fund	\$	87,000.00
2017 transfer to general fund	\$	(50,000.00)
2017 transfer to general fund	\$	(10,000.00)
2018 transfer back from general fund	\$	60,000.00
	\$	105,569.00
2016 water level legal budget	\$	20,000.00
2016 actual water level legal cost	\$	(169,201.00)
	\$	(149,201.00)
2017 water level legal budget	\$	40,000.00
2017 actual water level legal cost	\$	(81,120.00)
	\$	(41,120.00)

Past Budgets and Spending prior 4 years

2014 Breakwater Dredge	\$	48,500.00
	\$	(35,352.00)
2015 New Initiatives	\$	90,000.00
	\$	(9,675.00)
2015 Breakwater Dredge	\$	78,000.00
	\$	(43,113.00)
2016 Water Dredge	\$	52,000.00
2016 New Initiatives	\$	90,000.00
	\$	(4,160.00)
2017 New Initiatives	\$	70,000.00
2018 New Initiatives Landings	\$	66,000.00
Funds Approved but not spent	\$	402,200.00

Generally speaking all lake and dam funds have been spent on water reulation period.
Tax Dollars that were allocated for projects paid the funds back.
These funds are for projects and should be used for projects forward.

Rock Koshkonong Lake District Special Charge Summary

County- Region	Revenue	Parcel Count
Jefferson	\$ 72,675.00	1615
Rock- Edgerton	\$ -	0
Rock- Milton	\$ 39,420.00	876
Rock- Fulton	\$ 72,000.00	1600
Dane	\$ 20,520.00	456
2019 Total (2020 Rev)	\$ 204,615.00	4547
RKLD 2020 Budget	\$ 180,000.00	<u>4000</u>
RKLD 2020 Add	\$ 24,615.00	547
RKLD 2020 Unallocated	\$ 2,000.00	
Unapplied	\$ 26,615.00	

Past Budgets were based on 4,000 paid parcels
 85-100 private parcels were not paying special charges
 government owned and utilities are exempt
 Revenue to date is \$172,986 vs 4447 x \$40= \$177,880

Rock-Koshkonong Lake District

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**476 E Ellendale Rd
Edgerton, WI 53534**

Phone 608-921-2868

The Rock-Koshkonong Lake District voted to tax themselves a special charge of \$40.00 at their Annual Meeting 7/28/2016.

The total number of parcels within the Town of Jefferson that are subject to the Rock Koshkonong Lake District special charge is 177. The special charge to be applied on 177 parcels is: $177 \times \$40.00 = \$7,080$.

Attached to this email is a spreadsheet showing the parcels to be charged, and the amount to charge for each parcel.

If you have any questions you can reach me at the information below.

Thank you,

**Ray Lunder
Rock Koshkonong Lake District, Treasurer
476 E Ellendale Rd
Edgerton, WI 53534**

raylunder@yahoo.com

Cell (608) 921-2868