

**Bone Lake Management District
Commissioners Meeting
Monday, June 6, 2022 5 p.m.
Online via Zoom
Request Zoom Link: karenengelbretson@icloud.com
www.bonelakewi.com**

AGENDA

1. Call to Order
2. Roll call
3. Review Shelley's current list of excess cash (attached to the pdf of this agenda)
4. Discussion of new ideas for cash usage
5. Create final list that we would publish with the budget and present at the annual meeting.
6. Adjourn

Non-lapsable Funds

- For Capital costs – weed harvester, buoys, land
- Maintenance of capital equipment
- May not be used for operation of capital equipment
- Could be designated for unforeseen contingencies , but the District should have a policy creating the amount and purpose of such funds

*Creating this fund should be done in public meeting and included in budget approved at annual meeting

Estimated excess cash balance.

From Phil Foster memo dated 4/3/21. During our alum funding analysis, we had identified \$200k excess cash to use for alum funding. Since then, we have set aside \$25,000 for the lagoon dredging, thus leaving \$175,000. As of Sept 30, 2020, we had a District cash balance of \$271k. With an expense budget of approximately \$180k (this includes items to be reimbursed by DNR grant), we should have approximately \$75k in cash balance to handle cash expenditure needs between the timing of the different income sources. This leaves approximately \$200k of unidentified cash (\$271k less \$75k).

Why surplus funds should be spent or designated to be spent.

The reason for determining what to do with this ongoing excess cash comes from Wisconsin Extension: "*Generally, lake districts and other local governments are required to apply any surplus funds they have at the end of the year to the next year's annual budget.* Although the law does not permit lake districts to retain surplus funds for general purposes, the annual meeting is authorized to establish a non-lapsible fund in order to finance specifically identified capital costs and for the maintenance of capital equipment." Wisconsin Extension adage: Tax levy money should be spent for the benefit of those who paid the tax.

Possible uses of the surplus: specifically in Wisconsin statute (Wis. Stat. § 33.22(4)(r) and Wis. Stat. § 33.30(4)(d)).

Land acquisition. This might be particularly important when trying to limit development on sensitive areas in our watershed; for example, purchasing land prior to CAFO operations or manure spreading activities. This would likely have more success partnering with another entity.

Capital equipment: cleaning stations.

The Plant Management Plan contains information regarding boat decontamination stations which could cost \$30,000 to \$40,000 at the north landing. Consider need for additional unit. Consider replacement cost for current unit.

Maintenance of capital equipment: cleaning stations.

Designate some amount of money for maintenance. Research what the vendor typically sees as annual maintenance requirements.

Maintenance of capital equipment: boat landings.

Designate a fund for maintenance and replacement of docks, launch structures, signage, cameras, and the like at our public landings.

Possible uses of the surplus: 2023 budget items.

Aquatic plant management.

A 2023 expenditure to treat all CLP beds. A 2023 expenditure for another APM project.

Erosion control projects.

We may want to fund high priority erosion control projects if timing is important. DNR grant-funded projects have strict guidelines eliminating viable options for many riparian property owners. We might implement erosion control technologies not currently in use as case studies for combatting high-energy waves with ice push as experienced on Bone Lake.

Clean Boats Clean Waters inspectors.

Consider a \$1.00 per hour increase for CBCW inspectors. We also need to discuss their role and our expectations regarding the new decontamination stations.

Website redesign and document management system.

The website is difficult to update, the vendor is not as responsive as we require, and our needs for document management have outgrown the current platform. This would be a one-time investment in 2023 estimated to be approximately \$5,000.

Possible uses of the surplus: other.

Note: These are slotted under "other" instead of a "2023 budget" expenditure as they are likely a multi-year effort to spend down the funds and they were not capital equipment or land acquisition.

Aquatic plant management – curly leaf pondweed.

From 4/2021 memo: \$50k for Curly Leaf Pondweed (CLP) funding. We currently are spending approximately \$20k each year for spraying 30 acres of CLP. In the past, 50% has been funded by DNR grants. The DNR has indicated this funding will be difficult to receive moving forward. Our recent APM plan shows the benefit of continued CLP spraying at our approximate 30 acres per year.

Propose using \$15k per year over next five years, total of \$75K, to fund the CLP spraying not funded by the DNR. Future tax levies will need to be increased if continue to spray acres exceeding a cost of \$15k which is in our current budget.

Emergency aquatic invasive species control.

In the event a new invasive species is found in Bone Lake, e.g., Eurasian water milfoil or zebra mussels, emergency funds of upward of \$10,000 to \$20,000 may be required to control the infestation. Follow on funding would be included in the next annual budget.

\$30,000 for septic incentives.

From 4/2021 memo: We currently are awarding three \$2500 septic incentives to owners whose septic systems are nonconforming per the Polk County ordinance. In 2021, we currently have in excess of six properties that are eligible for this award, but only three per year can currently be awarded.

Proposal: Suggest changing number of \$2500 awards from three per year to unlimited number. This \$30,000 would cover the cost of those septic awards that are in excess of the three incentives that are currently included in our tax levy. When this \$30,000, equaling 12 additional awards, is used up, we can increase our tax levy to cover the need for more awards

Non-designated reserve account.

We could create a small reserve account not more than \$25K.

BLMD Use of annual tax lev of \$67,000

Annual

Aquatic Plant Management

Cameras at both landings	\$ 6,000
CLP spraying not grant funded	\$ 15,000
CBCW not grant funded	\$ 2,500

Watershed

Current established project maintenance	\$ 1,000
New project not grant funded	\$ 1,000

Waterfront runoff

projects not grant funded and misc expense	\$ 5,000
Septic incentives (three \$2500 septic awards)	\$ 7,500

Evaluation and Studies not grant funded	\$ 1,000
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Wildlife and Natural beauty

Projects not grant funded	\$ 1,000
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Fisheries	\$ 500
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Commicaiton and recognition not grant funded	\$ 1,000
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Public safety	\$ 4,000
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Information and eduction

Newsletter	\$ 12,000
Dues	\$ 775
Website	\$ 2,000
Meetings/workshops	\$ 1,000

Adminstration

insurance	\$ 3,000
Donations	\$ 2,000
Office expense	\$ 750

Total	\$ 67,025
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April 3, 2021

At our April 17 BLMD commissioners meeting, we will be discussing the intended use of our non-designated cash balance of approximately \$175k.

At our meeting, we will be discussing the following:

1. Basis for our estimate of \$175k non designated cash
2. Discuss possible uses of the cash.
3. Discuss how to report projected use of cash on the income statement(to be finalized at July meeting)

Basis for our estimate of \$175k excess cash

1. During our alum funding analysis, we had identified \$200k excess cash to use for alum funding. Since then, we have set aside \$25,000 for the lagoon dredging, thus leaving \$175,000.

As of Sept 30, 2020, we had a District cash balance of \$271k. With an expense budget of approximately \$180k (this includes items to be reimbursed by DNR grant), we should have approximately \$75k in cash balance to handle cash expenditure needs between the timing of the different income sources. This leaves approximately \$200k of unidentified cash (\$271k less \$75k).

Discuss possible uses of the cash.

1. \$50k for Curly Leaf Pondweed (CLP)funding. We currently are spending approximately \$20k each year for spraying 30 acres of CLP. In the past, 50% has been funded by DNR grants. The DNR has indicated this funding will be difficult to receive moving forward. Our recent APM plan shows the benefit of continued CLP spraying at our approximate 30 acres per year.

Propose using \$15k per year over next five years to fund the CLP spraying not funded by the DNR. Future tax levies will need to be increased if continue to spray acres exceeding a cost of \$15k which is in our current budget.

2. \$70,000 for other major projects which would be in excess on any grant funding – here is list of possible projects.
 - a. AIS decontamination station at North landing
 - b. Shoreline erosion control projects
 - c. Emergency AIS Control funding

Cleaning stations. The Plant Management Plan contains information regarding boat decontamination stations which could cost \$30,000 to \$40,000 at the north landing. A county or township ordinance requiring boaters to use this station is probably needed before installing.

Erosion Control projects. The current DNR grant process requires projects to be identified before design funding and to be spade ready before installation funding. This can result in a multiyear delay before full completion. The District may want to fund some of these high priority projects if timing is important.

Emergency AIS Control. In the event a new invasive species is found in Bone Lake, e.g., Eurasian water milfoil or zebra mussels, emergency funds of upward of \$10,000 to \$20,000 may be required to control the infestation. Follow on funding would be included in the next annual budget.

3. \$30,000 for septic incentives. We currently are awarding three \$2500 septic incentives to owners whose septic systems are nonconforming per the Polk County ordinance. In 2021, we currently have in excess of six properties that are eligible for this award, but only three per year can currently be awarded.

We suggest changing number of \$2500 awards from three per year to unlimited number. This \$30,000 would cover the cost of those septic awards that are in excess of the three incentives that are currently included in our tax levy. When this \$30,000 , equaling 12 additional awards, is used up,, we can increase our tax levy to cover the need for more awards

Discuss how to report projected use of cash on the income statement.

Given the large cash balance, it may be prudent to identify on our income statement how we plan to spend most of the cash from the above approved items. This planned use of the cash can be listed as a non-lapsable fund for each of the above items.

This listing on non-lapsable fund for each of the above categories would be put on the 2022 proposed budget and presented at annual meeting for owner approval. At our April meeting, we will briefly discuss this and then finalize, if needed, at our July meeting.

Approval to spend these designated funds.

Once the Board and owners have approved setting dollars aside for a future expenditure, it still requires Board approval at the time of the expenditure.



Polk County, WI

Property Search

Enter your search criteria below

Owner Information

First Name:

Last Name:

Co-Owner Name:

Property Address

Address:

Tax Information

Parcel Label: XXX-XXXXX-XXXX

Tax Year: 2022

Property Information

Acres Range

Land Value Range

Improvement Value Range

Total Value Range

Fair Market Value Range

Submit

Clear Form

General Map

Dept Maps

Property Search

Street

Aerial

