



LNNLRCD Special Meeting Wednesday May 19, 2004 at 7:30PM

- I. **Board Members**

| | | |
|--------------------------------|---|----------------|
| Joe Gargano | - | President |
| Present: Fred Stegbauer | - | Vice President |
| Joe Olliges | - | Secretary |
| Bill Piper | - | Treasurer |
| Herb Hill | - | Personnel |

- II. **Employees:**
Becky Breckenfelder
Mike Schiltz

- III. **Guests:**
Bob Bortman
Ralph Petersen

- IV. **Called to Order:** Joe Gargano called the May 19th LNNLRCD Special Meeting to order at 7:32PM.

- V. **Pledge of Allegiance**

- VI. **Agenda:** Joe G. recommended that the move "treadmill", to the first topic of discussion. Joe O. motioned to amend the agenda to move "treadmill" to the first topic of discussion. Fred seconded the motion. Motion approved unanimously. [05-19-04-01]

- VII. **Treadmill:** Clyde Lytel is moving out here and will not have room in his house for a treadmill that they own. He would like to donate it to the RCD to have at the Lake Court Center and his wife would like to be able to use it from time to time. Becky called the insurance company to ask if there would be an increase in the liability insurance if they had a treadmill at the Lake Court Center. Rick, the insurance representative, said no. He recommended that the RCD post as sign that says that children under the age of 16 should not be on there and keep it unplugged when not in use.

Joe O. said that he would need the phone number to contact Clyde Lytel, the owner of the treadmill. Becky said that Clyde called her today, so she has his number. Joe G. said that Mrs. Lytel would have to coordinate her time to using the machine when the center is open in the mornings for the daily exercise sessions that are held there. Ralph said that the exercise sessions were only held once in the last 3 weeks. Joe G. asked Joe O. to explain to Clyde that if they do accept the treadmill, they would only have it available for his use when the building is open, unless there is a private party going on. Bill motioned to accept the treadmill from Clyde Lytel w/ the restrictions and conditions discussed above. Herb seconded the motion. Motion passed unanimously by roll-call vote. [05-19-04-02]

VIII. **Preliminary Budgetary Review –**

A. Financial Reports - Joe G. said that the RCD is due to receive \$128,632.61 from the county this year. Last year they received \$115,386.51. They had a carry-over from last fiscal year of \$74,869.03. Joe came up with a figure of \$203,501.64 for their 2005 budget as of May 1st, which is the start of their new fiscal year. Part of the reason the carryover was so high was because they renegotiated the loan last year to fund the expanded dredging program. There was money set aside last year to make an \$18,000 payment on the old loan in April, however, since they renegotiated the loan, the next payment is not due until October. There was also some money that is set aside in a reserve fund that accounts for \$30,000 to 35,000 of the carryover and finally, there were about \$8,000 worth of dredging expenditures and \$1,000 for carp removal that was paid in May that should have been on last year's budget. Joe G. commented that the RCD is working with a budget that is almost equivalent to both POA's combined. Ralph said that the New Landing's POA's budget is about \$110,000 and Joe G. said the Lost Nation POA's budget is about \$89,000. Joe G. said that the RCD spent between \$200,000 - 250,000 last year. He complemented the board and Becky on all the work they did last year.

Joe G. also read off that the amount left on the loan that they have out is \$114,695.27. It is scheduled to be paid in 5 payments. Four of the payments will be \$28,610.80, beginning October 2nd of this year, and on the same day each year thereafter, then a fifth balloon payment on October 2nd of 2008 of the remaining balance. The interest will accrue on the unpaid principle balance of the loan at a fixed rate of 5.19%. Bill added that the first annual payment due will be comprised of about \$22,000 in principle and \$6,000 in interest.

B. 2005 Budget Amount- Referring to a paper showing the 2005 Budget, Bill stated that the amount will be \$206,901.64. That amount comes from adding the \$74,869.03 carryover, interest received from their accounts, \$1,600 from the pop machine, \$1,200 from rentals, and the taxes due from the county of \$128,632.61.

Becky said that the numbers are going to be a little different from the numbers that she presented last month because the reports that listed the interest that was accrued in April didn't get mailed to Becky in time for the April meeting. Next month they will have to approve the amended annual treasurer's report and Becky has already sent the corrected numbers to the accountant.

C. Fixed Expenses, Addition of a Lake Preservation Line Item, and Correcting Discrepancies - Bill said that in the report, the darkened numbers are fixed expenses that cannot be lowered like utilities, per diem, insurance premiums, and the payment and interest on the loan. Everything else can be adjusted to fit their needs. One change that Bill would like to implement is the addition of a Lake Preservation fund for them to be able to save up money. There is a discrepancy in the equipment line item – it needs to be updated to reflect the sale of the dredge last year and the addition of the computer and printer.

D. Tracking Overspending & Keeping Track of Spending - Bill said that he will keep track of overspending and take money away from another line item to cover it rather than from the bottom line. Fred asked if they were to go over in one line item, can they pull it out of another line item, and Bill said yes, but it requires board approval. Bill also asked the board members and employees to ensure that they mark any receipts that they turn into Becky to let her know the line item that it should come out of.

D1. Digitizing - Joe G. agreed with Bill that it was good for everyone to show where the money is coming out of and he recommended that they digitize it by assigning line item numbers, Bill said that they (Tina, Bill, and Becky) had discussed that. If the budget was much higher, say in the Millions, then it might be worth the effort, however, it is much easier to read the line items. Bill also wasn't sure that the software was capable of listing that kind of detail.

D2. Wage Breakdown - Joe G. wondered if they should break down the wages and figure out how much money is spent on cleaning the building (Don), mowing (Mike and other mowers). Becky said that she can easily create a report on what work each person's wages are paid out for. Joe G. asked where the line item is on the monthly report that shows wages. Fred said that *Payroll Expenses* is where they show wages at. Joe G wants the *payroll expenses* category to be renamed *wages*. Fred agrees that it would be a good idea to show where the wages are being spent, but it is something that could be generated just once a year.

Fred asked if it would be simpler to write out a separate check for wages and reimbursements, rather than splitting them. Becky said that she could do it that way, however, when she splits the checks, it keeps the expenditures separated anyway so it is not too complicated to figure out what people were paid. Fred asked if there was a way to show the splits on the checkbook registry printout. Becky will look into that.

D3. Account Payout Reporting and Designation - Joe G. asked Becky how she breaks down a bill from an account, say at Menards that has more than one person who purchased something. Becky said that Menards sends itemized printouts of each purchase and she assigns the purchases according to what has been bought. Bill suggested that when purchases are made, board members and employees could bring in their receipts and designate on there where the funds should be taken out. Joe G. agreed. Becky said that it would make things easier for her. Becky will also give Don a copy of the category definitions so that they know where to assign their purchases.

D4. Business Cards and Tax Exempt Purchases - Joe G. asked Joe O. if he could create business cards for Fred, Herb, and Bill. Joe O. said he could do that. Joe G. suggested that if they purchase something from somewhere that they don't have an account at, then they should have a copy of the tax-exempt I.D. number and he usually showed them a business card and his driver's license so that tax is not charged.

Becky will call all the accounts to update the files and get the new board members and Don, Becky, and Mike on the accounts.

Bill wanted the board to be aware that in future months, Becky's hours will show an increase because she has taken on an increasing work load and he has instructed her to turn all of her hours in.

E. Prioritizing Categories – Joe G. would like the board to have all the numbers worked out for the budget to be approved at the June 3 meeting. Bill suggested that they have another special meeting and Joe G. agreed.

E1. Dredging - Joe G. said that he doesn't foresee, for the 2005 fiscal year, the RCD spending anywhere near the \$70,000 that was set aside for dredging, barring an unforeseen disaster. The only dredging he can see doing is cleaning out the Silt basin or Schings Park if a lot of sediment gets deposited there. Fred said that even though they don't plan to dredge this year, they should still keep the funds in another account to have it for future years. Bill said that he has created a Lake

Preservation line item and as long as they identify it as Lake Preservation, then the county will not question it. So they decided to move some of the money that is in *Dredging* and put it in the *Lake Preservation* account. Bob suggested that they could create an itemized reserve fund because other things like roof repair on the building need to be saved for. Joe G. said that Tina had money set aside for the roof repair, it was just never specifically called that. Moreover, some of the stuff that was put on hold may be done this year.

Board Member’s Initial Allocations of \$70,000 that was in Dredging

| | Fred | Herb | Joe O. | Bill | Joe G. |
|--------------------------|----------|----------|----------|----------|----------|
| Lake Preservation | \$40,000 | | \$25,000 | \$25,000 | \$25,000 |
| Dredging | \$20,000 | \$10,000 | \$20,000 | \$20,000 | \$20,000 |
| Building Renovations | \$10,000 | \$60,000 | \$10,000 | \$25,000 | \$25,000 |
| Lake & Beach Maintenance | | | \$13,000 | | |
| Fish Shocking/Stocking | | | \$2,000 | | |

Upon further discussion, they agreed on keeping \$20,000 in *Dredging*, raise the *Building Repairs and Updates* by \$25,000 up to \$39,000, and finally, put \$25,000 in the *Lake Preservation* line item to make it \$43,951.64.

Herb further voiced his concern on the repairs that the building requires and after hearing those, Fred asked if the building was even worth saving. Herb said that the building is pretty well built; it just hasn’t been maintained.

F. Adjusting Fixed Assets Figure - Bill wants to eliminate the hydraulic dredge from their *Equipment* line item.

They discussed further the building and getting an engineer’s opinion and some cost estimates from contractors.

IX. Adjourned: Bill motioned to adjourn the meeting. Herb seconded the motion. Motion approved unanimously. Meeting adjourned at 9:36PM. [05-19-04-03]

May 19th Motion List:

1. Joe O. motioned to amend the agenda to move “treadmill” to the first topic of discussion. Fred seconded the motion. Motion approved unanimously. [05-19-04-01]
2. Bill motioned to accept the treadmill from Clyde Lytel w/ the restrictions and conditions discussed above. Herb seconded the motion. Motion passed unanimously by roll-call vote. [05-19-04-02]
3. Bill motioned to adjourn the meeting. Herb seconded the motion. Motion approved unanimously. Meeting adjourned at 9:36PM. [05-19-04-03]