

2023 Lauderdale Lakes Lake Management District Meeting

JULY 22, 2023, 8:01 AM

Lauderdale Lakes Country Club maintenance building

Meeting was called to order by Dean Bostrom 8:01 am

The commissioners were introduced and recognized.

Dean Bostrom (present)	Chairman – Golf Course
Greg Wisniewski (present)	Treasurer–Aquatic/Plant Management
Jim Kroeplin (present)	Dam and Environmental Projects
John Gilmartin (present)	Piers & Septic’s
Jane Larsen (present)	Secretary – Clean Boats Clean Water
Don Sukala (present)	Town of LaGrange
Brian Holt	Walworth County Representative

Approve agenda for July 22, 2023

Agenda approved by John Gilmartin/Jim Kroeplin

Approval of Minutes of the June 3, 2023, Board Meeting

Minutes were unanimously approved by Greg Wisniewski/Jim Kroeplin

Open Comments:

NO COMMENTS

CLUBHOUSE

Dean Bostrom

Language posted on the ballot will state: Authorizing loan of up to a maximum of \$1.2 million to build a new clubhouse based on the June 3, 2023, board approval of the clubhouse concept design of approximately 2,500 square feet and approval of a levy of a annual irrevocable tax to pay the principle and interest when due.

NOTE: This information was given to us by the LLLMD attorney.

Annual meeting on Saturday September...2023. Registration period where everyone will sign in by a voter registration list of everyone within the lakes management district given to us by Walworth County. Registration is at 9:30 am. The meeting starts at 10:00 am. It will be at the Lutherdale Bible Camp.

NOTE: There were 5 newsletters written and posted on the LLLMD website and were sent to everyone who has sent us their email addresses. If you don't receive an email from us that is because we don't have your email address. The tax records do not have email addresses on them. If you didn't receive anything, then you can go to the website and press the large button that says SUBSCRIBE. You will get updates and a board agenda sent to you. Newsletters are also listed on the website. The last newsletter was sent via US mail. That was sent out this mid-May 2023. The District Dialog letter is a summary of update of the lake district since the last annual meeting. There is a section that will talk about the clubhouse. This will be sent out in August. There will be a section talking about the clubhouse, design features, tax implications. There are some tax implications which have to do with 2 methods of collecting the taxes. We need money upfront to pay for the building. If the vote is approved on September 2, then the architect will make any changes needed and then send out bid documents which are specified. We want to make sure we get competitive bids. The bids will be posted publicly. There is a legal process we must follow. That will happen in Spring 2024. The clubhouse would be demolished in August 2024, the district has funds to pay for the construction documents and bidding process. We have reserves that have been set aside for the construction of the clubhouse. We wouldn't start to draw from the loan until needed. There are other expenses other than the building that we incorporated in this budget. We need a new well, the septic system is old, and we already have bids out there to get this down. There are minor issues with the parking lot repairs, the golf carts are in a gravel area, we are adding a pergola and patio, etc. These calculations are based on an 8% interest rate which is a conservative rate. This takes the worst-case scenario. **Based on the trend, the interest rates are coming down. Inflation is starting to go down. We are still using the highest number but when it equates to the tax part that is directly tied into it. If we pay 6% interest instead of 8% interest, that lowers the cost for everyone.** So, with construction we are conservative, with the interest rates, conservative, and we are taking the worst-case scenario. Things are starting to ease up and the federal government is looking at lowering the prime rate. Most people feel that it will decrease in 2024, and we are looking at the later part of 2024 till we start using the money. We are looking at the bulk of the money late 2024 and early 2025. Our goal is to have the clubhouse open for the start of the 2025 season. Maybe a soft opening in April and grand opening in May.

Side Note: With having a building open year-round, we can be open longer especially when you get warmer weather in March and November. Evergreen Golf Course has been able to keep their courses open if the weather is good because their buildings are winterized. We don't have that ability. The EAST part of Lauderdale's building was built in 1921 and sits on cinder blocks. The water lines run under the floorboards which means they are exposed to the elements. One deep freeze overnight and, and we have a huge mess which will cost us money to fix. We must shut down not knowing what the weather will be like in October and can't open until April because of the same weather consideration. By having a new winterized building, we can extend the golf season both ways which in turn will generate more income, which will make the golf course more viable.

ON THE WEBSITE: LLLMD has all the budgets dating back many years and if you look at the numbers you will see that the **GOLF COURSE SUPPORTS ITSELF. None of the lake district residents tax dollars go towards the golf course.** We have 2 full-time employees which get paid out of golf course funds. The surplus that we have generated goes towards maintaining the golf course itself. **THIS IS ALL FACTUAL.** The LLLMD residents **DO NOT PAY** to maintain the golf course. With the tax implications, there are 2 methods of generating the revenue to pay back the line of credit which includes principal and interest.

1. **Equalized Assessments: EAV** – Equalized Assessed Value. This assessment is what is used to calculate property taxes. **EVALUATION** and **MARKET VALUE** are **NOT** the same. If you sell your house for 1 million dollars, that is called **Market Value**. Although you sold it for \$1M, your equalized assessed value (**EAV**) may be \$800,000. **Market Value** is what people are willing to pay you. Your **EAV** can be found on your tax records. That is how taxes are computed. 3.1% of your tax bill goes to the lakes district. IF you look at your tax bill, 70% of it goes to Elkhorn schools. Regardless of if you have kids in the school district or not, you still must pay the tax. One of the benefits of the lake district is that if you live in the district you can vote, even if your permanent residence is outside of Wisconsin. By state statutes (chapter 33) it will enable everyone that owns property within the lake district to vote on lake issues. It is on our website under **DOCUMENTS**. There is a whole document on voting. 1 vote, 1 property.

As far as the tax implications. **EXAMPLE:** If we take the \$1.2 million dollar budget it will come out to be \$19 per \$100,000 assessed valuation. If your **EAV** is \$100,000 then you pay \$19 per year. If your **EAV** is \$500,000 then you would pay \$95.00. If your **EAV** is \$1M, then you would pay \$190.00 per year. **Equalized Assessed Value** is how properties within the lakes management district get taxed.

IMPORTANT NOTE: When you have a **Capital Project**, which is different from **Operating Funds**, there is a separate line for that tax on your tax bill (**similar to**

when a school has to pass a referendum). In the case of the golf course, the project was the tax stopped after 18 years because it was paid off early.

- 2. Equal rate for all properties:** That is written such that when you have a capital project, you go by the benefit. It provides equal benefit regardless of how much your house is worth. If you take the properties on our tax rolls that we list, we have a total of 1,781. But there are several properties that have zero assessment, including the Town of LaGrange. There is a property in Gladstone that is used for water retention which filters the water. It is vacant property owned by the LLLMD but it is not taxed. There are 41 properties within our boundary that are not taxed because the nature of property – Lutherdale Bible Camp is one of them. If you take those out of the equation, we have just over 1700 properties. If you take 1700 properties and divide it by the principal and interest payments based on the scenario of \$1.2 million at 8% interest over 20 years, it comes to approximately \$120,000 a year. If you take 120,000 divided by 1700 and come up with \$71.00 per property. Everyone pays the same. If you have 2 properties, then you pay \$142.00 per year. We need to make the decision on which way the tax is going to go before the district dialog. We are planning on mailing out the District Dialog out first class because when you do bulk mail it takes longer, and it doesn't get forwarded. If we do first class mail, it will get forwarded.

Questions / Comments:

Richard Howard: Richard is a Lauderdale Resident that read the letter that was sent out to all residents regarding the club house. After looking at the finances, he read the Wisconsin Statutes chapter 33 entitled PUBLIC LAND AND WATERS. Section 33.21 – 33.37 talks about public inland lakes and rehabilitation districts. He did not find anything about allowing the board to assess a tax based on the assessed value of a property. Richard contacted Chairman Bostrom regarding this issue. Dean Bostrom said he would call the attorney to find out more information. After talking to the attorney Dean was sure that assessing each property based on the assessed value was correct. Richard asked if he could contact the attorney to discuss the situation and Dean said yes. Richard and the attorney (Russ Devitt) discussed the subject in length and concluded that Chairman Bostrom was incorrect and the only way the board can assess each property is by equalizing the assessment over every property. The same tax amount for everyone which is noted in the State of Wisconsin Legislature Chapter 33.30.4. There is a distinction between a an operating and capital assessment. Because everyone benefits equally then everyone will pay the same assessment. Richard asked if Dean Bostrom would mail out a new letter stating the facts about assessing each property based on the equalized assessed value. Dean replied by stating that he is going to talk with Russ Devitt and make sure that what the law is stating. If it says

that it is on a per property basis, then that is how we will be assessing the tax for this project. Dean will verify that this is the proper way to do it. Because this is a

Capital/Special Project and not part of **Operating Costs**. There is a distinction between the two. A capital project such as the golf club provides equal value to each property. Dean will be talking to the attorney to justify the information given to the board by Richard.

Dean Bostrom: Dean would like to have the amount of the loan lowered, but he feels that he was conservative and with the prime rate at 5.25% he sees that amount of the loan to be less if the golf club project passes and we apply for the loan. We started a fundraising committee, and we are going to do some fundraising. We will be looking at events, raffles, single donations to raise money. If this project passes, we won't be drawing money from the loan until next September 2024. We have the money in reserve funds for the clubhouse that we have collected over the last several years that will pay for the construction document. If the bids come in lower, then we won't have to take as much money out. The lower interest rates should lower that amount as well. A small golf club storage building that will be located adjacent to the parking lot is also included in the bid. The well and septic are also included. The new loan will be set up so that there will be **NO PRE-PAYMENT PENALTY CLAUSE**. When the LL Golf course was purchased, it was paid for out of the typical budget. **The golf course was funding 8 of the 12 payments per year towards the golf course loan.** Greg is proposing 6 payments be made by the golf course and the other 6 payments be paid by the Lakes District.

Jane Larsen: There is a lot of talk on Nextdoor.com about this project just being about golf. There is so much more that we will be able to offer with the new club. A full-sized basement where we can hold meetings, extra storage, etc. We can utilize the east end of the property for pickleball courts, tennis, etc. With the new building, we can offer cross-country skiing and other winter sports.

Dean: The basement will not be finished. We will be rough in the plumbing for the basement which will be around 10'. The entire building will be AD accessible. Jim Kroepflin makes a motion to approve the ballot language as stated before. Dean motions 2nd.

Approved: **Motion Carried**

Fundraising committee:

The committee is starting to put their ideas together. Currently we have 5 people on this committee and would like other people that are interested in joining. There are a lot of ideas that are being talked about and more to come after the election.

PIER: LL 648

Proposed amendment to our pier ordinance: The pier at LL 648 decapitated and fell into the lake. Back in 2021, the town approved a pier ordinance. The enforcement does not include that if the pier is dilapidated. The Wisconsin DNR makes the rules and regulations. Regulation 30.13 section 5M states that if the cost of repair to a pier is in the town's estimate is going to exceed 50% of the replacement value, then the repair is deemed unreasonable and a public nuisance. The town can make the decision to remove it. Dean would like to recommend that we amend our pier ordinance. The board would amend the pier ordinance and then send our recommendations to the town. The town would make the decision to amend the pier ordinance or not. This would enable them to address public nuisances. Dean would like to propose replicating the language that's within the DNR regulations that would address public nuisance. That it would be approved at this board, and we present to the town of LaGrange, and they make the determination at that point. Cathy Fregeau spoke and is the neighbor who has the complaint about this property. She is stating that the neighbor at LL 648 is not keeping the area clean and that there is garbage, recycling, buckets, etc. falling into the lake. The neighbors all work together to keep the water area. They have worked with the DNR who have allowed them to utilize aerators to get the stagnant water flowing. There are fish now coming back. The issue is how can they be allowed to let something decay into the lake. Cathy wants to see something done about these residents cleaning up their property with the help of the Lakes Management District. We will then forward to the town of LaGrange for consideration.

Greg Wisnewski to make a motion to adopt the language as stipulated above. Jane Larsen 2nd. **Motion Carried**

ZOOM Meetings

Dean Bostrom: At the last meeting we talked about purchasing an OWL system which is like ZOOM, for our meetings. We talked about purchasing this after our annual meeting. All the meetings will be on a TV screen and residents will be able to log in to view the meetings remotely. We want to make the meetings available. There are several choices regarding the OWL program that we will address before we purchase the system. The meeting will be recorded for residents to view later. The board is agreeing to option 3 which is VIEW and LISTEN. We can always reconsider and choose a different program if the view and listen program doesn't work for the board. Motion to purchase the OWL: **Brian Holt** motioned to purchase the OWL. **John Gilmarten** 2nd. All in favor.

Motion Carried

PROJECT REPORTS

John Gilmarten

The well and pressure tank has been replaced with the help of Don Sukala at the community center. The air conditioning was out, and Kristy helped get that taken care of. We will be going to bid next year regarding the 3-year septic tank pump. We will be getting 3 bids.

Don Sukala

Priority for road repairs: Pleasant Lake Road will be the first repair. The 2nd priority will be on Westshore and Westshore near the Landings. We have no time frame for when it will be done. It will be milled out by section. Complete pavement replacement.

Fire Department: The Town of LaGrange and Whitewater always had a fundraiser which they do in the spring. This spring they raised \$50,000. The Steak Fry is in the third week in July.

Jim Kroeplin:

The Dam inspection will be sometime this fall. The DNR requires.

The Water Shed Study: Jim is waiting to hear back from the consultant and Sugar Creek. They are trying to apply for federal funds – Plantation Road. They are talking about infiltration ditches, etc. Everyone on board, just trying to get together to decide.

LLIA: They contacted us regarding working together on the Don Jean Bay weed problem at the wetlands. We don't have money in our budget and the bids came in high. They have had volunteers doing it in the past. It would cost around \$15-\$20,000 to do weed control.

Water Safety Control: WE hired a new patrol officer. We have another going through a final interview. We have had 156 contacts, 42 citations, 28 written warnings. 3 OWI's, 60 safety inspections, 7 persons assisted, and 5 vessels assisted. Primary citations have primarily been safety issues which include slow no wake, speeding, PWC violations, etc. No significant accidents.

Clean Boats Clean Waters

Jane Larsen

The program has been going well this year and we have a lot more coverage than we have had in the past. We are keeping the launches clean and making sure people are paying their fees. We are looking to get new signs that are worn. There are new red signs that have been put along Westshore stating the ordinance for not parking cars and trailers. The parking problem has been better since these

signs were put up. The sheriff's police non-emergency can be called if someone is parking in front of your house or on your property. They will issue a ticket which is expensive. The garbage bins at the lunches are overflowing by personal dumping. We are looking to remove and replace them with regular garbage cans. Anyone caught dumping their personal garbage will get fined. Boat clubs are starting to come to Lauderdale Lakes, which will add more boats on the lake. Something we will need to address in the future.

Greg Wisnewski

Weed Harvesting

We went into the sensitive areas which can only be cut after June 30. It has been a heavy year with weeds. We utilized both weed machines. Milfoil has been dissipating. We will need to be ordering a new plant management study. It happens every 5 years.

Dean Bostrom

Golf Course

We are up over 900 pounds from last year. We were up 30% up in 2022 and 2021. The golf course looks great. We work with limited staff and a budget which keeps the expenses down. The forward T box at # 3 will be completed shortly. Revenues are UP!

Greg Wisnewski

Treasure Report (GREG PLEASE put your.

Nothing has changed since the last meeting. The 2023 and 2024 budgets are basically the same. The 2024 reserve account expenditures are at the bottom of the bank balances sheet. We must have a reserve account for equipment we want to purchase. Some of the bigger ticket items are we will need to replace radios and a WSP boat. Capital projects: we have some site improvements, septic, etc. that would come out of that capital projects fund.

Line 50, \$80,000 is what the district would be paying for the new clubhouse. The golf course bank accounts are about \$200,000. Greg proposes that we have a levy of \$307,155 and if the clubhouse is approved then the tax levy would be \$380,155. The \$80,000 goes into the clubhouse principal and interest capital fund and not OPERATING. When we purchased the golf course, the district paid 4 payments a year towards the loan repayment and the golf course paid 8. Greg proposes the same for the clubhouse if it passes. If the golf course continues to do well then, the lakes district can keep the money in the clubhouse principal and interest capital fund. Years ago, there was a general operating money market account in case something happened; We are not allowed to do that anymore. We must have an Operating fund and then a reserve accounts for specific categories.

Kristy Dowling: When we purchased the golf course, part of the tax levy was helping the golf course at that time. Up until a few years ago there was money put aside for the golf course, including equipment. We stopped doing that and the golf course is self-sustaining. If the golf course is making a substantial amount of these payments and we have equipment failures and there is no more reserve, how are we going to function.

Greg: That will be evaluated over the years.

We have money for equipment now and that will need to be evaluated over the years as we go forward.

Jane Larsen: Is there a way that we can raise the launch fees to pay for some of the clubhouse rebuild? **Don Sukala:** No, we do not have a full-time attendant with water to wash off boats, etc. We have a small number of parking spots with no water hose access and wouldn't be able to raise the fees. The golf has around \$200,000 in reserves right now that we will be used to pay for architectural fees, some cart path we would like to be put in. There is a plan to use some of that money to go into the golf course.

Jim Kroeplin: Motion to approve the budget as presented: \$307,155. With the building if approved, \$387,155.00 **John Gilmartin 2nd.**

All approved – **Motion Carried.**

Other business

Don Jean Bay: Boats are getting close to the bog. The bog is getting smaller. Is there a way to get a slow no wake buoy placed inside the channel on Don Jean Bay to slow boats down? **Don Sukala** If we put a slow no wake buoy in the area then we must put an ordinance in place. We have placed new buoys on the lake which are unfortunately defective. We have tried to call the vendor but have had no success. We will be looking for a new vendor for buoys.

Motion to adjourn the meeting: Dean motioned, Jim Kroeplin 2nd.

All in favor-

Meeting Adjourned: 10:22 am

Next Meeting: Sept 2, 2023 10:00 am Lutherdale Bible Camp.

Next meeting June 4th 8AM.

Motion to adjourn the meeting:

Greg Wisniewski #1 – Jim Kroeplin #2

Meeting adjourned 9:53 am