

## 2023 Lauderdale Lakes Lake Management District Meeting

June 2, 2023, 8:02 AM

Lauderdale Lakes Country Club maintenance building

Meeting was called to order by Dean Bostrom 8am

### **The commissioners were introduced and recognized.**

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

### **Approve agenda for June 3, 2023**

Agenda approved by Don Sukala 1<sup>st</sup> /Brian Holt 2<sup>nd</sup>

### **Approval of Minutes of the April 15<sup>th</sup> Board Meeting**

Minutes were unanimously approved by Brian Holt 1<sup>st</sup> /Jane Larsen 2<sup>nd</sup>.

### **Open Comments:**

None

### **Municipal Land Planning Committee**

#### ***Jack Sorenson***

Committee: Scott Ryhan, Jake Jacobson, Linda Johnson, Andy Brown, Paul Lopardo, Jack Sorenson, and Jim Kroeplin.

The land plan considerations were to not change the golf course layout. We are considering other sports activities like pickle ball and tennis and are looking at an area just east of the community center. We came up with the clubhouse building in its original location which will keep our costs at a reasonable level. Our committee has been receiving comments by phone and email. Some of the comments mentioned: The clubhouse is not large enough to hold multiple events. The project may be too expensive, it could be more efficiently designed. We tried to keep the current

ambiance and designed it to be able to be run by one person. We are not changing the golf course or the parking lot. The building has been moved about 15' from the 9<sup>th</sup> green. The building would be smaller than the current clubhouse. The current building is about 3100 square feet. The new building would be under 2500 square feet and all on one floor and more efficient use of a smaller space. The shell design is rectangular and easy to frame and is more efficient from a cost expensive. We will be handicap accessible. The building will have a full basement that will house all the mechanicals, as well as being used for meetings, storage, etc. The bar registration will be like how it is today. The door for the staff, a door for guests to come in. The south wall will have plenty of windows. We plan on enhancing the patio bar relationship. Some form of a service window or countertop protruding so people can get drinks outside. The kitchen will be a little larger than it is now but will be used as a catering kitchen and will have enough storage for beer, wine, tables, etc. The building will include a small space for the golf course manager with a window. We want to keep the ambiance of the current building which includes the vaulted cottage looking wood ceilings and beams and added dormer windows for more light. We talked about making the front door a single door. We think the building is a reasonable size and that it will be able to be used year-round. The outside patio will be larger than it is now and will have a pergola that will have a cover that will be able to be pulled back for sun or out for shade. The current patio is about 15' out from the building and the new building would be 18' out.

**Financial:** We had developed a budget of \$1.2 million dollars. One million for the building and \$200,000 for the outside ground improvements. Because the building will be on one level, we will have a little bit of a retaining wall on the western end where the grade naturally drops off. There are different walk configurations and the resurfacing of the parking lot. This is just an estimate. We gave our plans to Premier Homes to help give us a sense of what the building will cost. And BK Landscape will give us an estimate for the retaining wall and the outside finishes. As for the 1.2 million, if that is approved the effect of that per \$100,000 of assessed property value would be about \$19 per 1000. The quote from First Citizens bank in Whitewater at the time the prime was 8% with a 20 year note adjustable every 3 years. T and the principal and interest on \$1.2 million would be \$120,000. That number is divided by the total assessed value of the lake district. \$632,504,600.00. That \$120,00 of additional expense comes to \$18.97 per \$100,000 of assessed valuation.

We feel that we are right on track regarding the location of the building as well as the size. If this doesn't pass, the anticipated cost of that will just go up in price. The building needs exterior siding. The structure is not the strongest. There are still a lot of weaknesses. We updated it for safety a few years ago just to keep it safe. Its structure is worn beyond its use. Even if we patch the problems, those patches won't address the existing floor plan, which is not handicap accessible and is up off the ground with no real foundation. We must shut the clubhouse down every winter so that the pipes don't freeze. With a permanent structure it can be winterized, it can be used in the

winter and can also extend our early and late golf season so that we can generate more revenue. With the existing building we can't use it during the winter months because we must shut everything down. Thank you to the committee.

Dean wants to add that people are asking about the scheduling and financing. We have attempted to minimize the expenses upfront until Sept 2 if the vote goes through. At this point we want a concept design so that we can develop cost estimates. That is where Jack talked about the finite details that would be worked out in construction documents. We wouldn't proceed in that unless the vote was successful on Sept 2.

Dean Bostrom: If the board approves this today, the vote will be on September 2<sup>nd</sup>. If successful we would go out for construction documents. The architect would develop all the construction documents that would be sent out to bid. In the bid would contain:

1. **Their projected schedule.** That would determine the date that we would demolish the building. Depending on the date, we would still have the golf course open but move everything to the maintenance building.
2. **Finances:** The debt that they are looking for would be \$1.2 million. That debt does not include any fundraising. The committee would be involved in a fundraising effort. Those amounts will lower the 1.2. The district has in reserve \$160,000; set has been set aside. This too will lower the \$1.2 million. The board would vote on not to exceed \$1.2 million.
3. **QUESTIONS:** Will the amount of the loan be over a 20-year span?

**DEAN BOSTROM:** Yes, if we borrowed the full amount of \$1.2 million upfront the repayment will take \$120,000 a year including principal and interest. The district issued the same amount when they purchased the golf course. They were able to refinance and cut the number of years they had to pay it back. If we were able to do some fundraising, we wouldn't do the whole amount of 1.2 and if we continue to generate money through the golf course which has had a surplus of \$45,000 a year. We reinvested in some equipment and projects last year. There have been several improvements we have been able to reinvest. So, the tax dollars that are paid to the district on your tax bill has not gone to the golf course and our intent is not to. The question has come up, what are the ongoing expenses of this building. If you purchased a building that was 102 years old, or a new building which would have higher operating costs? The 102-year-old building has not been maintained or updated to the level it should be because it has come to its useful life. Even with the mechanical systems, it will be more efficient to run a new building instead of a 102-year-old building.

**Greg Wisniewski:** I have a suggestion that we open the southeast corner of the building. Greg thinks that the main entrance should be relocated to that side of the building and not the North Side. Utilize the south windows when you enter and use that area as a gathering area instead of putting an office on that side. Use the north door as a service entrance. We should have a layout for the basement since we will be using it for storage, meetings, etc. I would like to see some different layouts

before this gets approved. We can tweak the plans. We want to make sure that the plans we make.

**Dean Bostrom:** Asking for a motion based on the concept design that the concept will be tweaked that the board present to the lakes management on September 2<sup>nd</sup> an amount not to exceed \$1.2 million. That number may come down before that but at this point not to exceed \$1.2 million loan amount.

Motion: Jane Larsen 1st / Greg Wisniewski 2nd

### **Motion Approved**

**Dean Bostrom:** On September 2<sup>nd</sup> we will present this proposal at the annual meeting. Hopefully we will be able to get the amount down below 1.2 million. In the meantime, we will be doing some fundraising and try to make presentations to the women's and men's golf league at the LLIA on Saturday. We want to make sure that everyone is aware of what is going on and the cost implications that go along with this project. We want to be as transparent as possible.

### **Suggestion to have an Email blast or a mailing. (Audience)**

Dean and Jack have sent out 4 emails already. Dean said that they don't have all the lake management residents email addresses. There are around 1400 lake residents, but we don't have everyone's email addresses. We only have around 800 email addresses. We ask that people please subscribe. Residents need to go to the Lakes Management District email if they can get updates. We will be putting out more emails soon. In our next mailing, we are going to put that if you want future updates and the district dialog, please subscribe to the LLLMD website. It is not efficient for us to mail it out by US mail.

**Greg Wisniewski:** We contracted "Concept Design" for a total of \$20,000. Greg initially paid for a \$1500 retainer. We have also paid out \$8000 to the architect. Greg will pay the 2<sup>nd</sup> \$8000 when he receives the invoice. \$2500 will then be remaining to be paid. So further revisions will be made in the construction documents phase.

**Motion made to pay the 2<sup>nd</sup> \$8000.** Dean 1st/Greg 2nd.

**Motion passed.**

### **Easement Request**

We Energies of Wisconsin Electric and Power Company are requesting an easement agreement for the customer at N7491 House adjacent to the clubhouse. Hamilton Residence. The easement is for an underground cable and pedestal which will be located on the Northeast utility pole owned by the district. That land owned by the district is where our irrigation comes from. We pump water from the lake, and we own 15-20' wide piece of property that extends down to the lake. The Hamilton's

are asking for an easement that is 6' wide by 9' long. In the easement they will put everything back together once this gets done. They would hand dig and not touch any of our irrigation piping.

**MOTION to approve the easement request:** Greg 1st/Jane 2nd.

**Motion passed.**

### **Meeting Owl**

***Dean Bostrom:*** At our last meeting we discussed using "Meeting Owl" which is a similar concept to a ZOOM Meeting. Dean and Kristy went to a demonstration. Basically a 360-degree camera would be placed in the middle of a table at the board meeting. Once the meeting starts, you will be able to see a panoramic view of all the board members. As each board members talk, their faces will immediately show up in another view on the computer screen. Residents who are not able to physically attend the meeting will be able to log in by obtaining a link. Once logged in to the meeting, you are automatically muted. If you wish to speak, you will need to be recognized and the chairman will unmute. The meeting would stay on our website for 30 days so that anyone who wasn't able to attend the meeting will be able to view it. After 30 days it will be deleted from the site. The cost implications to purchase from Owl Labs for their center of the room camera, which zooms in on faces in addition to the panoramic view of the board members would be \$1049. We would then purchase an OWL business plan for \$199.90 per year which will allow up to 300 people to sign in. We would purchase a 65" TV so that everyone can view who was speaking. That would be \$749.99. We would have a mobile TV stand that would hold the TV at a 6' level so that everyone at the meeting would be able to hear and see the meeting a little more clearly. The price for the stand would be \$199.89 through amazon. Board members can use their laptops or look at the TV screen to view the live meeting. This also would work for board members not able to attend. Right now, this is not in the budget. If you are signed into the meeting, it is considered an extension of the meeting. Because holding a live meeting could add up to 100+ people, not everyone will be able to speak their peace. The board will have to put a policy on how the future meetings with The Owl will be handled.

**Motion to purchase and establish policies:** Brian/Jim

**Motion passed.**

## Project Reports

### *Jim Kroepin*

Water patrol issued 5 citations and 1 OWI on Memorial Day Weekend.

Don Jean Bay shoreline, the contractors came out and did 1 small repair and plan to meet with them in the next few weeks.

Water shed study. Working with Sugar Creek regarding repairs on Plantation Road.

### *Don Sukala*

Boat Launch: Don continues to collect at the launch ramp which has been very full. Emptying the box twice a week.

Buoys: 10 brand new buoys are lying flat on the water. There is a defect, and we need them to be replaced as soon as possible. Don called the vendor and hasn't heard back from them yet.

### *Jane Larsen*

#### Clean Boats Clean Waters

We have 4 part-time people this year so that we can have all the boat ramps covered. I worked Memorial Day weekend at the Westshore Drive ramp and had to call the sheriff's office because there were cars parking on the side of Westshore where there are posted no parking signs. The yellow parking stripes have not been done yet. We are making sure that the boat inspectors clean up around the launch areas as well as hand each person launching a payment envelope.

### *Greg Wisniewski*

Aquatic Plant Management: The equipment is in the water. Repairs have been done, new and old. We need new people to work as the weed cutter. Preferably mature, someone who is a boat person, and a good mechanic. We have enhanced the railings, so everything is safe. We will be starting after Memorial Day which is approved by the DNR. Can't get into the sensitive areas until after June 30<sup>th</sup>.

Lake District property along Country Club Drive will be cleaned.

Treasurers report: Everything in the 2022 budget has been funded including the reserve accounts. The capital\_fund is minus the \$16,000 payment for the architect; Also, the surveyor and septic, were paid out of that fund as well.

Budget Review: The 2022 budget was approved last September. Next month I will be giving you another column of expenses through June 30<sup>th</sup>. This will update you on what we have spent to date.

Water Patrol is getting more expensive, Boats, cameras, gasoline, salaries etc. Aquatic Plant Management, we went a bit over due to the hours to design equipment. We have a harvester that is cutting edge. The other projects like the dam, the septic, and the

environmental projects are not changing. The Water Shed, we had \$5,000 and we had the same last year to be put into the reserve account. Jim was talking about putting \$20,000 in there, is something we will discuss. We usually get a grant from around 6- \$8000 from Clean Boats Clean Waters every year. Pier inspections, that project is a break even. Our pier fees equal our inspection costs. Insurance, we must have and has been growing through the years. We put a little more money in that account last year. Professional fees we are fine.

**Water safety patrol:** There are several things we must deal with. We need new radios and has been discussed in the last several meetings. That is about \$27,000. We will need to respond to that when the time comes. Same thing with Boats, the water patrol boats will need to be replaced. The water patrol operating budget in 2022 was \$53,000. The water safety patrol equipment reserve is \$86,000.

2023 budget has funding to reserve accounts for a total of \$30,000, for aquatic plant management equipment, water safety patrol equipment and the capital projects reserve fund. I will transfer these funds when I have money at year end. As for 2024 I will have the same amounts going into these budget reserves. Some things Jim brought up is that we will be spraying for the invasive species purple loosestrife. This expense would go into environmental projects. There is usually money in that budget because we have not spent the full amount in previous years.

**Water shed reserves** stands at \$23,000, we must fund the \$5000 from the 2023 budget and so that number will go up; Jim's will be providing input on this budget item.

**Aquatic Plant Management:** We have \$10,000 to go into that budget, we shouldn't have to buy anything, we have new and old equipment and would love to keep the money in there in case we need to use it as a backup. We are looking to eventually purchase a newer used truck. Currently, our truck is a 2000.

**Water safety patrol:** We are at \$86,000 and will put in another \$10,000 for next year's budget which will make that \$96,000. Would like Jim's input on whether we need more or not for next year's budget.

**Golf equipment Reserve:** We have upgraded all the pumps and purchased lightly used equipment. We purchased another mower so if one of our other mowers breaks, we have a backup. We have \$42,000 in that account.

**Capital Project fund:** We spent \$20,000 and have a commitment to another \$4000. The plat of survey at \$3000 and boring at \$5000.

The capital projects reserve: Funding for 2023 budget is \$10,000 and another budget funding of \$10,000 for 2024.

The maintenance building heater we just approved but this will not come out of this fund.

**New clubhouse/district building:** Line 52 is how we will handle this. (In 1996 When we purchased the golf course for \$1.2 million dollars, the golf course typically made 8 payments per year and the lakes district made 4 payments per year). A similar scenario is that \$80,000 is what the golf course would pay and \$40,000 is what the LLLMD pay. For next year, the proposed budget I have shown \$40,000. Most likely the golf course could make about \$60,000 per year in payments to the repayment of this loan.

**Real estate tax affects:** In the town of LaGrange 2022 assessed property values shows Lauderdale Lakes Lake management District with a total assessed value of \$639,000,000. For a Million dollar assessed house, for the building loan a

- A \$40,000 budget increase would raise your taxes \$62.54.
- A \$60,000 budget increase would raise your taxes \$93.80.
- A \$120,000 budget increase would raise your taxes \$187.62.

**Building Loan Comments:** If the golf club project passes, the construction loan/mortgage will begin, and it gets funded when needed. We will decide how the payments will be divided between the district and the Golf course.

**2024 Budget Comments:**

- The 2024 budget is like 2023; we have a \$301,000 tax levy assessment.
- Greg would have to calculate what cash we would have at year end and adjust levy accordingly.
- If an additional \$60,000 is added to the budget for the building, it would be another \$60,000 we would have a levy for; That would be \$361,000.
- The expenses we spent up to June 30 will be posted at the next meeting.
- If the building goes through, the schedule is to knock down the clubhouse in fall of 2024 and the clubhouse to be ready 2025. We would have about 8 months of construction time.
- If both the LLLMD and the golf course equally fund the \$60,000 each per year, it would be a 20-year loan, and hopefully get lower interest rates so that we would be able to pay it down early.
- Typically, Lakes Management districts do not take care of all the projects we do like septic pumping, weed harvesting, and have a golf course.
- We used to keep general money market accounts, however, and we are not allowed to do that. We must have reserve accounts to handle equipment purchases and special projects.

## *Dean Bostrom*

**Golf Course:** Through the end of May last year, we had 2290 rounds. This year so far, we are at 3075 rounds which is a 30% increase from last year. We are doing well at the golf course. The weather has been nice, and the course looks great.

**Next meeting: Saturday July 22, 2023.**

**Motion to adjourn: Dean 1<sup>st</sup> / Jane 2<sup>nd</sup>.**