# 04-30 Meeting Notes: Lake District Budget Planning and Grant Management.

---

> Date & Time: 2025-04-30 09:02:52
> Location: Town of Underhill Community Center
> Attendees: Andre Krainik, Steve Heimerman and Tonni Larson

## Overview

This document consolidates and organizes a comprehensive set of meeting notes and planning discussions for a lake district, spanning topics from budget planning, grant management, and financial reporting to annual meeting logistics, and organizational succession. The content, created on 2025-04-30, reflects detailed deliberations on multi-year financial strategies, regulatory compliance, project funding, and community engagement. Action items have been grouped and standardized at the end for clarity and ease of reference. The document is structured to provide both high-level summaries and granular details, supporting transparency and continuity for current and future district leaders.

## Budget Planning and Financial Reporting Structure

- The group discussed the importance of including a "2025 budget" column in the budget sheet, even if there is currently no money allocated, to reflect ongoing and expected expenditures for 2025.
- It was agreed that the budget should clearly show 2025 costs, including major projects and their associated revenues, such as grants and loans.
- There is a need to display a two to three-year window in the budget, as there are two overlapping multi-year projects from a payment standpoint.
    - Example: The comprehensive lake management plan payments in 2025 or 2026, as UW Stevens Point has an expected final payment date in spring 2027.
- The group discussed two ways to represent project costs:
    - Show the total project cost (e.g., $6,000), with a breakdown of funding sources (e.g., $3,000 levy, $3,000 grant).
    - Alternatively, only show the portion directly paid by the group if a grant provider pays the rest directly.

- For clarity to members, the preferred approach is to show the total cost and then subtract the grant, displaying both lines in the budget.
    - Example: "2025 comprehensive 10-year lake management plan: $6,000" and "Oconto County 50% grant for the above 10-year lake plan: $3,000 (credit)."
- The group highlighted the political and practical value of forming the district, which enabled access to cost-sharing opportunities such as the Oconto County grant.
- It was noted that without district status, the group might not have been aware of or eligible for such grants.
- There was discussion about the usefulness of developing a more sophisticated spreadsheet.
    - Example cross-referenced the budget with the ledger, breaking down categories (e.g., invasive species management, insurance, etc.)
    - The ledger tracked expenditures by year, allowing for easy comparison of budgeted versus actual spending.
- Current practice includes:
    - Monthly financial reports with tabs for details, grant funding, and supporting documents.
    - A column for budget versus actual expenditures, updated monthly.
    - Detailed tracking of revenue and expenses, including grant money in and out.
    - All meeting documents, grants, regulations, and organizational information are stored in a central location.
- The budget includes categories such as website, postage, office supplies, memberships, associations, conferences, and Google Workspace.
    - Example: Website renewal is scheduled for July 2025, with an expenditure of $175.
    - Google Workspace is currently $12 per user per month, expected possible to increase to $14 per used plus domain fees.
- The Treasurer's Report must present both expenditures up to the annual meeting or through June 30th and expected expenditures for the second half of the year.
- Anticipated expenses and their timing should be documented.
- The group discussed the need to decide when to activate liability insurance, with a recommendation to do so as soon as funds allow.
    - $5,000 is available as working capital from the Town of Underhill.
- The current financial tracking system is designed to be easy for anyone to take over.
- It was recommended to separate operating costs (e.g., lake treatment, planning) from administrative costs (e.g., office supplies, memberships), grouping administrative costs into a single bucket for clarity.

- The current format, which separates these categories, was preferred over other examples where categories were mixed.

## Budget Communication and Structure

- The group emphasized the importance of clear communication regarding district finances, especially for new or less-experienced members.
- The district was formed primarily to address significant operational needs ("the 800-pound gorilla"), not for minor expenses.
- The recommended approach is to start discussions by outlining:
    - What the district is doing
    - Why these actions are necessary
    - When activities will occur
    - Who is responsible
    - Associated costs
- Administrative and operational expenses are to be clearly listed, followed by an explanation of funding sources and the resulting levy required to cover any shortfall.
- The group agreed on the need for simplicity in presenting financial information, especially given the anticipated audience size.
- High-level summaries should be provided, with detailed breakdowns available only if specifically requested.
- The focus should be on telling a story with the numbers, not just presenting figures. This helps contextualize costs and justify expenditures to stakeholders.
    - Example: Insurance is required by regulatory requirements and in the event of an accident the district could face significant liability.
- There was discussion about the order of presenting financial information:
    - Some formats start with revenue, which can lead to confusion or premature focus on funding before understanding expenditures.
    - The preferred method is to present expenditures first, then explain how these will be funded, and finally show the net levy required.
- Reference was made to Anderson's budget sheet, which follows a similar format but starts with revenue, aligning with typical financial statements (revenues on top, expenditures below).
- The group agreed that while financial professionals may expect a certain format, the message should prioritize simplicity and clarity for the broader audience.

## Multi-Year Financial Planning

- The group discussed the importance of showing actuals for 2025, including:

    - What has been spent so far
    - Remaining expenditures for the year
    - Projected year-end financial position
- Any reallocation or extension of grant funds into 2027 will require approval, but this is expected to be straightforward.
- The lake management plan will be completed in 2026, but full payment may not occur until 2027, and this timeline should be clearly communicated.
- While some future costs (e.g., Google Docs in 2026) are unknown, the focus should be on the known project area and its associated expenses.
- The plan should be adaptable, with updates provided as more information becomes available.

## Audience Considerations and Communication Techniques

- The group recognized that not all stakeholders have a financial background, so explanations must be accessible.
- The goal is to ensure stakeholders understand the necessity of expenditures before discussing the financial impact.
- Previous experiences with other commissioners highlighted the importance of clear structure, as not all participants have the same level of expertise.
- The group agreed that keeping the presentation high-level and only delving into details upon request is the most effective approach.

## Financial Planning and Budget Management

- The primary expense ("800 pound gorilla") is the treatment, which is universally agreed upon as necessary and will be already completed by the annual meeting; thus, the associated costs are non-negotiable and must be paid.
- Insurance is a significant line item ($2,700 or $2,000 discussed), but appears less daunting when compared to the $50,000 treatment cost.
- The grant application required a 25% match, totaling $21,000 plus, with $5,000 from the town and $6,883 from the county, summing to $11,883 as part of the match.
- The recommendation is to use the 2025 $5,000 town contribution for working capital this year, covering insurance, website renewal, annual meeting expenses, mailing, and newspaper notices.
- The Town of Underhill will provide another $5,000 next year at the start of the year, maintaining the $11,883 match for the two-year treatment plan.

- After reimbursement from Oconto County cost share, the town will have a balance of approximately $8,300.
- The 25% disbursement of working capital from the grant is expected to be received soon and will be kept separate in an effort to properly track treatment and control expenses.
- Some billing from Ontario will occur this year, with timelines provided in a referenced document.
- Of the $1,100 from another line item, a portion may be billed this year, but reimbursement will be sought at year-end, capturing at least 75% of that amount.
- In-kind contributions are crucial for meeting the $21,000 match, with $2,595 targeted from volunteer hours.
- Clean Boats, Clean Water program requires 100 hours of volunteer time, credited at $15/hour, totaling $1,500.
- Additional in-kind hours include but is not limited to grant administration, communication, and water sample collection.
- Volunteer activities include staffing the boat landing, shoreline plant removal, and educational outreach.
- Volunteer tracking is facilitated by sign-in sheets available in buckets at the boat landing and will be available on our website.
- The AIS committee meeting and related administrative work also count toward in-kind contributions.
- There is caution against relying on projected in-kind contributions for next year's budget until actual hours are confirmed.
- Financials and volunteer hours should be finalized as close as possible to the annual meeting to ensure accuracy, following advice to update up to the print deadline.

## Documentation and Agreements

- Onterra provided a new document outlining billing and timelines, a first for the organization, moving from verbal to written agreements for clarity and accountability.
- Payment terms specify invoices must be paid within 15 days, with a 1.5% monthly penalty for late payment.
- Before treatment, Onterra must conduct pre-treatment surveys and herbicide concentration monitoring.
- These steps are required before and after the application of treatment by APM.

## Lake Survey Methods and Data Collection

- The point intercept survey involves visiting established GPS points around the lake to sample plant life. This method allows for consistent, repeatable data collection at the same locations over time (e.g., every five or ten years), enabling accurate tracking of changes in plant communities, especially those sensitive to environmental changes like pH or chemical treatments.
- The EWM (Eurasian Watermilfoil) survey specifically targets known EWM spots and similar areas to assess the effectiveness of treatments, rather than providing a comprehensive overview of the entire plant community.
- The point intercept survey provides a holistic view of the lake's plant community health, while the EWM survey is more targeted.
- Brenda Nordine from DNR confirmed they will not address any items already on Onterra's list, as a part of the lake study, deferring those to Ontario. The DNR will use existing data rather than duplicating efforts.
- All collected data, including from Brenda, University of Stevens Point, and Ken Dalotta, will be incorporated into the comprehensive lake management plan.

## Voting Method and Election Procedures

- The group discussed how voting is typically conducted, noting that most vote by show of hands.
- There is contention among neighbors regarding the assessment method: some prefer "mill rate," others "parcel."
- It was agreed that a recommendation of a secret ballot will be used to ensure privacy and fairness.
    - Upon registration, each participant will receive a ballot with options to select either "parcel" or "mill rate."
    - Ballots will be submitted anonymously and counted in front of attendees, but individual choices will remain confidential.
- The session will open with the agenda, followed by committee reports.

## Lake Management Plan and Upcoming Meetings

- A "Meet Your Scientist" Zoom meeting for Berry Lake is scheduled for 7:30 p.m. on the 13th of May.
    - Purpose: To discuss the lake management plan.
    - Attendees will include Ryan from Stevens Point, Brenda, and Ken.
    - All lake residents will receive a postcard with meeting details and instructions for joining.
- The lake management plan is a 10-year plan, developed in partnership with UW-Stevens Point, Oconto County, and Wisconsin DNR.
    - The plan will take a little over two years to complete.

- The meeting notice and updates will be posted on the website once postcards are received.

## Budget Review and Administrative Processes

- The group discussed reviewing administrative items and matching them with other people's budgets to ensure nothing was missed.
- The budget includes categories such as:
    - Insurance
    - General administration
    - Meeting expenses
    - Training, conferences and Memberships
    - Other expenses
- The budget format includes:
    - Actual expenditures for the first six months
    - Estimated expenditures for the second half of the year
    - Year-to-date totals
    - Proposed budgeted amounts for the year

## Comparison with Other Lake Organizations

- Larger lakes have more complex budgets, including items like weed harvesters, dredging permits, site preparation, maintenance, and storage.
    - Example: Nepco Lake's equipment costs are significant, with a harvester blade costing $6,000 and a belt $2,300; a machine can cost $200,000.
- The Anderson sample was provided as a more comparable example due to similar size and challenges.
- The group's operational budget is relatively simple, especially for the first year, with categories such as:
    - Dues and fees
    - General office and mailing (including postage)
    - Insurance
    - Promotional/educational materials (likely minimal or none)
    - Conferences, mileage, website expenses
- Project budgets include items like the lake management plan and AIS (Aquatic Invasive Species) projects.

## Lake Management Planning and Budgeting

- Onterra quoted $38,000 for a 10-year lake management plan and $18,000 for a five-year APM (Aquatic Plant Management) plan, both for the current size of the lake.
- The five-year plan is required, especially if there is an AIS (Aquatic Invasive Species) problem; the 10-year plan is beneficial but not mandatory for grant eligibility.
- If the lake had not done a management plan for 15 years, it would be a significant issue when applying for grants due to lack of current data.
- The last five-year plan was completed in November 2023, so the next would be due in 2028.
- If planning for the full $38,000 cost in 10 years without grant support, the annual budget should be $3,800.
- If expecting a grant that covers $10,000 (maximum grant amount), the remaining $28,000 would require budgeting $2,800 per year.
- If assuming a 50-50 chance of receiving the grant, the annual budget would be split between the two scenarios.
- Funds are non-lapsing and will accrue until needed for the 10-year plan.
- The approach aims to avoid sudden large expenses for taxpayers by spreading costs over multiple years.
- The board emphasized a conservative approach to spending, aiming to avoid unnecessary expenditures and taxpayer shocks.
- The website incurs an annual fee of $175, charged in July.
- General office supplies, including paper, envelopes, and newspaper ads, were budgeted at $600, considered reasonable by the group.
- Statutory requirement to mail annual meeting notices creates additional expense.
- Additional mailings may be required for renters and for public notices in newspapers, estimated at $100 per ad, with two ads required ($200 total).
- Postage for two mailings to 125 properties (after removing duplicates from 159 total parcels) estimated at $100 per mailing.
- Postage budget set at $250 to account for potential increases and additional mailings.
- 1099 NEC forms must be sent by January 31st to any contractor paid $600 or more.
- W-9 forms have been collected from all contractors and stored on Google Docs.
- Filing 1099s costs $4.75 per form, which is cheaper than hiring a CPA or accounting firm.
- No accountant is currently needed, but proposed regulations may require someone with accounting experience for audits in the future.
- CPA services are considered too expensive ($275 per hour); alternative bookkeepers are being considered.

## Audit Process and Alternatives

- Discussion about hiring an external auditor for the district's checking account in January, before the auditor's busy tax season.
- Proposal to create a peer audit system among the nine lake districts in Oconto County.
    - Emphasis on objectivity and mutual learning: "That might be a way to everybody gets it done with an objective individual... and we learn from each other too."
- No immediate need for this system this year, but likely to be discussed for the following year.

## Budget Planning for Associations, Memberships, Conferences, and Related Expenses

- This year, the cost was $80 per person for a one-day conference.
- The first day was considered most valuable, especially for commissioners, as it covered secretary and treasurer responsibilities and new commissioner training. It was noted that even commissioners with five years of experience benefit due to changing regulations.
- For next year, the projected cost is $90 per person. With three attendees, the total would be $270 plus additional cost reimbursement for mileage.
- There was a discussion about including legitimate travel expenses such as gas mileage.
    - The current mileage reimbursement rate mentioned was $0.74 per mile.
    - For three people, estimated additional mileage costs were calculated at $150.
- Google Workspace cost $232 this year; a slightly higher amount was budgeted for a possible increase next year.
- The expense covers domain and email setup.
- Suggestion to combine website and Google Workspace expenses into a single IT bucket for clarity.
- No extra charges for additional email setup; it is included in the website cost.  This is the PUSH notification module that will be beneficial to keeping members informed.

## Insurance

- Only one formal quote received so far: $2,799 from Jeff Rhinelander, covering workers comp, directors and officers (D&O), and general liability.

- The quote protects assets, including coverage for unintentional errors by directors and officers.
- Ongoing outreach to other insurance providers:
    - Amy from The Horton Group was contacted for a formal quote.
    - Jenny was to reach out to Family Insurance Center, which is familiar with the district's needs.
    - Brian Beckman from Family Insurance (Appleton and Green Bay offices) was mentioned as a contact.
- Coordination to avoid duplicating efforts in obtaining quotes.

## Financial Review and Grant Reconciliation

- The team discussed the use of "10-5" for harvest and clarified that "10-5" refers to a specific DASH (Diver Assisted Suction Harvesting) cost.
- Key expense figures identified:
    - $10,500 for DASH
    - $5,370 for Ontario (related cost)
    - $6,000 for the lake management plan, with a $3,000 credit applied, resulting in a net cost of $3000 for this item.
- The grant from DNR covers 75% of eligible treatment costs.
    - For example, of the $15,800 treatment, $11,000 is reimbursed by DNR.
- Oconto County provides a 10% cost share, but this year the application was for the 2025 treatment portion.
- The team noted that they are spending less on chemical treatment than what was budgeted in the grant, approximately $13,156.94 less.
- Grant disbursement schedule:
    - $16,367.81 received as a prepaid amount
    - $25,000 plus to be received as the remaining 75% of this year's treatment
- All major figures and calculations were double-checked and agreed upon by the participants.

## Budget Planning and Unknowns

- The team acknowledged the presence of "unknown unknowns" such as potential regulatory changes, emphasizing the need to include a buffer in the budget to avoid negative balances or the need to borrow unexpectedly.
- Agreement: A placeholder amount of 1,500 was suggested as a contingency, with the rationale that the budget is already in a strong position.

- Decision: No immediate plans to allocate funds to non-lapsing funds for future treatments, but the group agreed to keep these as zeroed line items in the budget for ongoing awareness.
- The group recognized that future treatments (e.g., for milfoil) may require budget allocations if issues arise in the next three years.
    - Example: If no milfoil appears in three years, it would indicate successful treatment; however, most lakes have experienced recurring issues except for a few like Anderson Lake, which had minimal follow-up needs.
    - Explanation: Anderson Lake required only three days of hand harvesting the following year, which was deemed almost unnecessary, but the effort was made to ensure thoroughness.
- The group has requested that Onterra, when conducting two-year programs, provide a quarter-by-quarter breakdown of planned activities and billing to facilitate cash flow management.
- Payment terms have shifted from 30 days to 15 days.

## Action Items

[ ] Update the budget sheet to include a 2025 budget column and a three-year window for project tracking.
[ ] Clearly display total project costs and grant credits as separate lines in the budget.
[ ] Adjust Google Workspace budget line to reflect the increase from $12 to $14 per user per month.
[ ] Decide on the timing for activating liability insurance and allocate funds accordingly.
[ ] Continue organizing financial documents and tracking systems to ensure ease of transition for future treasurers or commissioners.
[ ] Prepare a high-level budget summary for the upcoming meeting, with detailed tabs available for specific questions.
[ ] Include actuals for 2025, projections for 2026, and clearly indicate any grant funds expected.
[ ] [ ] Confirm the process for reallocating or extending grant funds into 2027 and prepare to communicate this to stakeholders.
[ ] Make a board recommendation to use the 2025 $5,000 town contribution for working capital at the next meeting.
[ ] Encourage association members to participate in volunteer activities, especially at the boat landing, to meet in-kind contribution targets.
[ ] Maintain accurate records of volunteer hours, with tracking and volunteer sheets available both online and in physical buckets.
[ ] Finalize financials and volunteer hour reporting as close as possible to the annual meeting print deadline.
[ ] Confirm and clarify which portions of the $1,100 from Onterra will be billed this year.

[ ] Post "Meet Your Scientist" Zoom meeting details on the website upon receipt of postcards.

[ ] Create a new tag for "lake management plan EWM" on the website and update relevant posts.

[ ] Communicate with property owners about the upcoming Zoom meeting and the new lake management plan.

[ ] Announce the initiation of the new lake management plan and related grant details on the website.

[ ] Submit all bills to DNR for grant reimbursement once all expenses for the year are finalized. Planned for late November / early December.

[ ] Call and obtain the cost for newspaper ads required for public notices. line and clarify details.

[ ] Finalize and document the agreed budget allocations for conferences, training, mileage, membership, and IT.

[ ] Update the budget to reflect the actual expenditures and credits, separating costs and income for clarity.

[ ] Monitor the surplus grant funds with the DNR for potential future use.

[ ] Ensure $8,300 owed to the town is included in the tax assessment.

[ ] Prepare and submit required filings to DOR, county, town, and Menominee County as per deadlines per regulatory requirement and following member approval of the proposed budget.

[ ] Decide on the final contingency amount and its basis (administrative costs or total budget).

[ ] Develop a clear, transparent budget presentation showing all revenues and expenses for member understanding.

[ ] Cross-train additional members on grant and regulatory processes to ensure organizational continuity.

[ ] Send the budget spreadsheet to all members for review to meet regulatory requirements.

[ ] Format the budget to match the "lake treatment administrative and expenses" structure.

Meeting adjourned at 11:17am.