

Minutes of the 2023 Special Meeting of the Potter Lake Protection and Rehabilitation District held May 31st, 2023, at Town Hall, East Troy, Wisconsin.

Present: Commissioners Christine Celley, Bill Roeber, Bob Rice, Liz Sanders, MaryJo Jones, and 4 constituents from the district were in attendance.

Chairman Christine Celley called the meeting to order at 6:05 pm

Christine updated the attendees on the Michels dam bid. She has been in contact with them, and they are willing to work with us on a rate with a potential discount of \$25,000-\$40,000 (depending on dewatering and completion date of project). Christine received an estimate from McMullen & Pitz for \$220,410. She gave them a \$50,000 leeway in the estimate so this number could come in higher. They are well versed in these smaller projects and were very easy to talk to when answering questions. They would like a larger window of time for completion as the gate would take 20 plus weeks to manufacture. It was briefly discussed about us possibly ordering the gate prior to contract and having it installed. It was determined that this would not be something the board would pursue. If there would be problems with the gate it would be hard to determine if it was the gate or the installer. Janke was also contacted and did not supply an estimate but were very interested in doing the project if we put it out to bid. JF Brennan passed on the project as it was too small for them. Bob received an estimate from CW Purpero for \$179,000 but that estimate excluded an amount for flow diversion. Ballard Marine was also contacted and is interested in the project but had not provided an estimate. Nordic Group and AW Oaks were both contacted but did not return calls. Bob also talked to Janke prior, and they were interested in dealing with us directly. Liz commented that what we received were estimates and they are likely to go up but still less than Michels. Christine has been in contact with Ayres and they estimate a cost of \$500---\$1,000 to send this back out to bid. Christine stated that Bob is the one managing this project and she is just helping to process along because she doesn't want to lose the investment we have in this. Bob also talked to Adam about rebidding and was told there would be a cost to do so. He expressed to Adam his concerns about the original estimates he had given us for the project and the bids coming in almost 3 times that estimate as well as only receiving 1 bid. Bob thinks that Ayres should eat the fee for the rebid. Liz commented that the deadline for completion should have been extended out further since our permit allowed for the additional time. She also thought that they should eat the cost to rebid.

Christine asked how the project would be paid for. The total approved budget for the project was for \$200,000 and we will have \$45,000 into Ayres which leaves us quite a bit short even with our lowest estimate. Bob suggested that the budget should be amended to \$300,000 for the project because that is the only hard number we have. MaryJo stated that we are not able to do that because we do not have enough cash on hand to balance the budget and that would have to be done at the annual meeting. Christine asked the company's she talked to about payment options and was told that no payment would need to be made until the gate is done. This buys about 6 months' time where we could renew our current CDs into a higher yielding 6 month CD. Provided this is all approved by the constituents. She also stated that we should budget on the higher side because there is a disconnect with engineers and the contractors. The engineers are

providing us with an estimate and often the actual cost exceeds those estimates. Last year we thought we budgeted enough based on estimates and the one bid we received came in much higher than expected. The board agreed that we should send this out for rebid.

MaryJo presented some projections. We currently levy at \$11,300. If we borrowed \$150,000 @ 5.25% for a 10-year term, payments would be just under \$20,000 a year. The district does have the power to finance and is able to do an assessment to cover those payments. Chapter 33.31 spells this out. Bob put together an amortization chart for the above loan which showed the amount that went to principal and interest each year as well as a 10 year look back on the district finances. The district has spent \$36,094.41 more than they have collected since 2012 (that amount excludes what has been spent on the dam). He has concerns about the districts ability to service a loan and provide the same level of services without increasing the assessments. Christine talked to a few banks and suggested that we seek out a longer-term loan, if possible, to keep the payments down. Bill commented that the LPL Financial will come due Dec of 2028 (if not called before). Bob explained that at the end of 5 years it would be an option to use the funds from LPL to payoff the remaining balance of the loan. Bill asked if we could base the needed increase in levy on the frontage and not on the total assessed value. MaryJo said no because the frontage tax is for weed control. Liz stated that we have not had a levy increase in at least the past 15years. Bob commented that we should continue to save for projects. We have a berm that will need to be addressed in the future, an older harvester and truck (repairs and upkeep), dredging was looked at years ago and could come up again sometime. MaryJo stated that we need to be frugal with our money because there will be unforeseen things that will come up. Christine suggested that we come up with a plan and a few options for the constituents to decide on. Bob reiterated that the new budget should allow for \$300,000 for the project as that is the only bid we received. It may also be worst case scenario. MaryJo said that if we did that we would need to add a loan line to the budget increasing our money in order to balance the new budget. Christine said that we have \$130,000 in CDs and we looked at a loan amount of \$170,000 that would get us to the \$300,000 desired amount. Bob commented that he felt uncomfortable using all the money in the CDs and thought that the district should hold back \$30,000 of it for their operating expenses. MaryJo said that we should look at all of our true expenses and see what we bring in excluding the transfer from savings. Christine said that we also need to take into consideration that we don't have whole lake treatments or 5 year plans every year. Christine asked if the board felt comfortable investing the \$130,000 in a 6 month CD to earn a higher rate, all were in favor.

For the June 10th meeting there will be a slide show presentation. Liz and MaryJo offered to help put this together. We will have a few different options for the constituents to decide on. One option will be for a loan and an increase in assessment to cover the P&I payments. Another option will be for a onetime special assessment based on assessed property value. The last option will be a onetime special charge split evenly amongst all tax parcels. We will also have an option to increase the levy by \$5,000.

Christine will be leaving after her term expires at the end of December. The election at the annual meeting will be to fill the vacant board position not necessarily the chairman spot. It will be up to the board to decide what positions they will serve once the new board member is elected. Bob stated that he was not interested in changing positions as he is also going to be done at the end of his term (end of 2024). MaryJo asked how we would be advertising it at the

annual meeting (open board position or chair?) MaryJo would consider stepping up but would like to see if someone else is willing to step forward. Christine suggested that all correspondence that goes out should include a reminder that we are seeking an individual for an open board position.

Christine said that parking in the district lot was looked at and insurance did not cover the Lake District if an incident occurred. If we were going to consider allowing parking at the district lot it should be put out to the constituents and decided on at a meeting. Bob was asked if our insurance policy would cover us in the event something happened. He said that he was 90% sure that it would be covered but would have to check the policy. There was a request for 1 day parking from a resident on Shorewood Dr which would not be an ongoing thing. Christine stated that they had a lot at the end of Shorewood they could use that was owned by the subdivision. She said that this is something that cannot be decided by sending out an email and that doesn't fall under Roberts Rules and needs to be decided at a regular meeting for all to vote on. If we are going to do that we need to find out if our insurance would cover us. An email will be sent rescinding our prior decision approving the original request.

MaryJo made a motion to adjourn and was seconded by Liz. Meeting was adjourned at 8:00pm

Respectfully submitted,

Robert C Rice
Secretary