



LNNLRCD Meeting

Date: January 06, 2005 Time: 7:00PM

I. **Call to Order and Roll Call** – Joe called the November 4th RCD meeting to order at 7:04PM.

Board Member Present:	Joe Olliges	-	Acting President
	Herb Hill	-	Personnel
	Bill Piper	-	Treasurer
	Jerry Sellers	-	Member at Large

Guests:	Mary Anne Bortman	Bob Bortman
	Frank Durkin	Chuck Jolicoeur
	John Mulholland	Lorraine Murray
	Ray Murray	Daniel J. Nicolini
	Ralph Petersen	Vivian Schings
	Robert Spencer	Barb Stewart

Employees: Becky Breckenfelder
Mike Schiltz

II. **Pledge of Allegiance**

III. **Approval of Agenda:** (Any guests wishing to speak will be considered at this time) Bill motioned to approve the agenda. Jerry seconded the motion. Motion approved unanimously by roll-call vote. [01-05-01].

IV. **Approval of Minutes:** Jerry motioned to approve the December 02, 2004 minutes. Herb seconded the motion. Motion approved unanimously by roll-call vote. [01-05-02]

Jerry motioned to accept the special and executive meetings that took place on November 17, 2004, starting at 10:00AM. Bill seconded the motion. Motion approved unanimously by roll-call vote. [01-05-03]

V. **Treasurer's Report: Balance sheet** – the checking account has \$26,568.34, the money market has \$27,154.07, and the CD's have a total of \$17,287.44, making liquid assets \$71,009.85. The fixed assets indicate \$8650 for equipment and \$545,099 for land. This makes the total assets \$624,758.85. Liabilities and equity – combining the opening balance of \$585,109.07, plus retained earnings of \$43,577.62 and a net income of \$-3927.84 results in a total equity of \$624,758.85. Bill explained the negative net income money by saying that it was the amount of money that they spent this year over the amount of money that they had as income this year. Going into the year, they had a surplus of about \$70,000 that is now reduced to approximately \$66,000.

Profit and Loss, Budget vs. Actual – it shows where they moved some budgeted monies around from budgeted line items to needed line items. They needed \$20,000 moved into the *acquisition and construction*, making it a total of \$33,000 instead of \$13,000. To do this, they took \$10,000 out of *dredging*, \$5,000 out of *lake erosion and siltation*, and \$5,000 out of *Repairs and Updates*. In *interest paid* (which is the annual interest paid on the loan), it came out as \$6,875.86.

Next year they may need to increase that budget to \$7,000, or \$6,000 may cover it since the principal amount will be lower.

Check Register - Major bills paid out this month – annual insurance coverage consisting of \$6968 for commercial and employer liability of workman's comp. at \$1532.33. Officer's liability and bonding has not been billed yet. \$535 was paid to the accountant for the annual report that was filed with the Comptroller. A third payout was made to the contractor for the renovations on the building, this time in the amount of \$5483.10. There is one holdback left that will be paid when the landscaping is finished in the spring.

Joe asked about the \$3,927.84 and whether it was a combination of separate items and Bill said yes. Joe asked if there was a report that showed where they went over on each item and Becky explained that they didn't go over budget on each item, rather, that number reflects the amount of money that they spent over the amount of income that they brought in for the year.

Jerry asked how the fixed assets listing the property and equipment were derived, for example, is it an appraised value or an estimated market value. Becky said that part of the figure was generated before she took over the paperwork and she added the amount they paid for the 23 acres in 2002 and the value that was listed on the tax bill for the two lots on Oak Lane that were purchased in 2003. The equipment was adjusted earlier this year to reflect the sale of the dredge in 2003.

Herb asked how the RCD handles profits from the sale of land or equipment and Bill explained that we are a non-profit organization and the money would be identified and fed back into the budget. Herb asked how the IRS would treat it and Becky said that the RCD doesn't file income tax like a profiting corporation would.

Frank Durkin asked what the total net assets of the RCD are and Bill said Fixed assets are \$624,758.85 and the liabilities consist of the loan that they took to cover the cost of purchasing the 23 acres and the extra money they spent on dredging last year. Frank asked if the loan was almost paid off and Bill said that it will be in four more years – they make \$28,000 annual payments on it, with \$6,875 of it being interest on the loan this year. Each year the principal will go down because it is based on the remaining principle. Bill said that he doesn't know exactly what the RCD is worth and he doesn't know if anyone could put that together. Frank asked if the worth was established when they went out for their loan and Bill said that that is possible, however, Joe said that he thinks when they originally went for that loan, it was based on the property itself. Jerry said that when you go into a bank for a loan, they need to know what their credit is and what they will secure the loan with. He doesn't know if they secured it by showing their tax warrants, indicating their cash stream, or if they indicated their net worth. Bill said that because most of the RCD's assets are in land, which is usually always appreciating, it would be very difficult for someone to tell what the RCD is actually worth, because like anything it is worth what you can sell it for. Jerry asked Chuck Jolicoeur how they would gauge the net worth of the RCD for purposes of constructing an accurate balance sheet. Chuck said that, without even knowing the value of the property, the value of the land assets listed on the balance sheet is way under what it would be on the market, given the fact that they own the 90 acre lake itself, the campground, the lake court center, and a number of waterfront properties, it is probably well in excess of \$1,000,000. Chuck said that when the RCD goes out for a loan, they are not going to encounter the same problems as an individual because we have a steady stream of tax income coming in. Bob said that he said that he doesn't think that law allows banks to loan against land anyway because, since the 1930's, banking laws prohibit banks from this. Joe thinks that for loan purposes, the RCD is valued on what they get from the taxpayers mainly, which is an on-going cash flow.

Bill said that his job is to ensure that there is enough liquid funds available to cover various bills including the building renovations and the upcoming kitchen renovations and also to build up a reserve fund to cover future needs of upstream erosion control, lake dredging, etc. Jerry

motioned to accept the treasurer's report. Herb seconded the motion. Motion approved unanimously by roll-call vote. [01-05-04]

VI. Board Member Reports

A. Joe Olliges – No Report

B. Bill Piper – No Report

C. Herb Hill – Kitchen Renovations – They have a window of opportunity to start and complete the kitchen remodel the last two weeks of February. He got some information from Blackhawk Lumber who said that they could get the cabinets in time and so far they are the only ones that would be able to commit to getting them on time, if he ordered them by Monday. The next step is putting a list together of what they need to get done and to get quotes from contractors. He also wants to find out how much of the changes suggested by the fire department would be added to the kitchen remodel job. He'll be getting the figures together by next weekend on electrical, carpentry, the new exit door, and some of the fire code changes, etc. So some of the other things may have to wait. Joe asked about the panic bar on one of the exit doors. Herb said that that may have to wait, depending on the amount of money they have to work with. Herb originally thought that they had a \$10,000 spending cap on the project, however, Joe said that he hoped the renovation was no where near that amount and Bill and Joe recalled that they only had \$5,000 budgeted to spend on it. Joe said that they can go up to \$10,000 without going out to bid, however, they elected last month to spend up to \$5,000. He said that they would have to vote for more money if the cost of bringing the building up to code made the total go over \$5,000. Joe asked if Don Bluemel was able to do any on this work and Herb said that he hasn't asked yet. Joe asked Herb when he would anticipate having the figures and Herb said that he hoped to start meeting with contractors on Monday. The next meeting is on February 3rd, and they Herb said he should have all the information by then. Bill recalled that they had decided at the last meeting that if the job was going to run over \$5,000, then they would not do it at this point. Joe said that since then, there has been new things added to the job like the door and the fire safety updates. Herb said that he will get the numbers and if it goes over the amount that they are comfortable with, then they can decide not to do it.

D. Jerry Sellers – LMC Report – They had their first meeting on December 21st. Frank Durkin, Dan Dummett, Tim Spelde, and Jerry were the members that were able to attend the meeting as well as two guests - Don Finch and Ralph Petersen. Each member explained what their working background was so that they could establish what types of contributions each member could make with respect to marketing and PR, contacts, etc. Jerry also asked each member why he or she joined and what their interest in the LMC was. Jerry felt that there were a number of positive responses and that the members had an overall genuine passion for the lake and the environment.

Major Goals – Jerry distributed a lot of information to the members on lake management and watershed committee. He asked the members to review the information and he figures there will be another meeting either on the 18th or the 25th of January. Some of the tentative major goals of the committee were: upstream stabilization of Clear Creek and Babbling Brook, the fishing club's concerns with water clarity and their willingness to supply manpower for various activities in concert with the LMC and the RCD, Goose Control, and finding out the boundary lines of the watershed and how it is ascertained (although everyone is in agreement that it is approximately \$10,000 acres, Jerry hasn't been able to find a map that shows the watershed). Chuck said that he has a map of the watershed and Jerry asked where it runs and Chuck said that it runs all the way up by the s-curve on Lowden, it goes down past Daysville and encompasses another stream just this side of the Rock River. Chuck will either get some copies distributed to the members or get it to Jerry to make copies. Jerry said that Bill Hulbert, who had been a member of a

LMC committee that the fishing club had established in the 1980's, said that there had been a list generated of all the upstream property owners. Jerry called Becky and asked if she had ever seen anything in the files indicating property owners and she said no, although there are still files that she needs to go through. Jerry asked the soil conservationist the same question and hasn't gotten a response from him yet. Jerry would also like to have the soil conservationist say what they consider to be the watershed. He said that the LNNLRCD is not registered with Illinois as being a watershed and he would like to get the legislative clout that says that it really is a watershed with a lake that has problems that need to be addressed. Jerry said that they are not here just because the lake sells property – which is some of the responses that they have gotten in the past – saying that it was a man-made lake created to sell some property and so isn't natural (he added that we need to overcome that notion. Bill said that the assistant director of water resources for the state of Illinois out of Springfield called him the other day and she told him that there are less than half a dozen RCD's in the state and they don't know information on them down there so she called the LNNLRCD to find out more about them because they are starting to think that they need more RCD's. Bob Bortman said that if you investigate the internet, it will tell you the law that governs the RCD's and it lists the three in Illinois that are out there which are the LNNLRCD, Wren Lake, and one by Champaigne.

ILAC & ILMA – Jerry asked Becky to look into information on joining ILMA and ILAC, which he feels are both very worthwhile organizations. He had a conversation with Joe Rush, out of Lake Carroll, who is the program chairman for ILMA. They are going to have an extensive seminar in the quad cities on March 3rd – 5th. Joe Rush highly recommends both organizations, which Lake Carroll is a member of. Jerry said that he is probably going to recommend that the RCD join both organizations.

Herb asked if ILAC has a lobbying force in Springfield because he has a feeling that initially, they may be fighting against the agricultural industry of this state, although if the programs they condone are done correctly, they will help everyone and won't force the farmers to do something that needs to be done without help. Herb felt that they should do whatever it takes to get these streams cleared up. Jerry said that he doesn't know the answer to Herb's question, although he felt it was a good one to ask the organizations if they do decide to sign up for them. Bob said that at every ILAC meeting there is a representative of the State of Illinois DNR and he had talked about the effect of lobbying, and although ILAC itself does not lobby, he could be very effective in telling the RCD how to make an end run into some areas.

Subcommittees of LMC - Another issue that the LMC is going to think about is an effective way to develop subcommittees of the LMC, which Jerry feels are going to be necessary to develop because of all the things that they want to accomplish. No other RCD members can chair the subcommittees because the rules will cause it to become a quorum of the RCD rather than an LMC meeting. They may have to have someone else other than a board member chair the committee, although Jerry said that he feels that someone from the RCD should be responsible for that committee if it is sanctioned by the RCD. Bill suggested that the LMC could be expanded and that although the LMC has to be chaired by an RCD member, the subcommittees could be chaired by anybody. Jerry agreed.

Frank said that the only way the LMC is going to be effective is if it determines what it's short and long term goals are. For example, establishing the fact that they are a watershed – once that is done, then they need to find out what kind of legal and marketing tools are necessary to get the legislative clout in order to establish their watershed goals. Jerry said that at the next meeting they will establish what their goals as the LMC are. Joe said that the group may have look at shorter goals in the beginning

to allow the committee to be able to get some things done with the small amount of volunteers that they have.

VII. Employee Reports

A. Becky

1. Virginia Insurance Workman's Comp Renewed

Coverage effective February 2, 2005

2. End of Year Taxes Filed with Accountant for W-3's and W-3

- 14 page document faxed to accountant so that they may process and review
- \$16,670.95 was paid out last year to employees
- IL and Federal 941's, Federal 940, IL UI-1 were all filed

3. 2005 Dam Inspection

Joe found the inspection packet that was done in 2000 by Hanson Engineers and asked Becky to look into when it needs to be inspected. Becky spoke with Chris Cooper of Hanson Engineers out of Rockford and he was very informative. He told Becky that the dam needs to be inspected every 5 years (the last time it was inspected was in 2000 by Chris of Hanson) and that spring is the best time to do it. The agency that does the inspection files the necessary paperwork with the DNR. He gave Becky an estimated cost of \$2,000-3,000 (although that is not an official quote). He also gave Becky the name of another outfit that inspects dams – McClurr and Assoc. – if they wanted to go out for quotes. Joe asked what the lead-time was to schedule the inspection and Becky said 2 weeks. Bill asked if the dam was required to be inspected every five years or if it was just suggested that it be inspected that often and Joe said that it is required that it be inspected every 5 years. Joe said that he will follow up on it.

4. Filed Levy Confirmation with the County Clerk and got it stamped – Becky

filed the levy confirmation with the county clerk and got it stamped. Also, on December 27, Mary from the clerk's office called and said that they didn't have the tax levy, treasurer's report, or budget on file and that they needed it by the next day or there would be no money next year and Becky explained that she did file the paperwork back in September and had it stamped at that time. They found the paperwork, however, their copy of the tax levy wasn't signed by the treasurer, so Becky faxed a copy of the signed report to them and received confirmation by fax that they got it.

5. Certificate of Status of Exempt Property sent to the Supervisor of

Assessment office Joe signed the form that indicates all the property that the RCD has that is of exempt status and Becky mailed it in.

B. Don

Mud in the LCC Foyer – Don had to spend a couple hours cleaning up a large amount of mud that was tracked into the foyer one morning a couple of days ago. Don is ready to lock the doors if it keeps up. Herb said that he did discuss this and they may have to either lock the doors or give whoever is doing it a second chance by posting signs asking not to track mud in. Herb said that they don't know who did it, however, from the time frame that it happened, they think it might have been some of the kids who wait for the buses in the morning. Joe asked if Don would be available in the mornings to police the area and Herb said that done works nights so it would probably be too early for him. Mike Schiltz said that Don doesn't get up until 9:00 or 9:30. The early bus comes at 6:45 and the later bus comes at 7:45. Herb said that the time to come is when it is muddy and Joe suggested that maybe Herb could go down there on Monday and talk to the kids to ask them to try not to track in the mud or the foyer will be locked up.

VIII. Old Business

A. Lake Court Center Renovations – Herb doesn't have anymore to report, they are withholding \$2,500 until the contractor corrects the grade in the spring. They have the paint for the posts. Herb is not happy with connections they made on the downspouts so they will be correcting that.

IX. New Business

A. Art Group Requesting to Meet Weekly – Barbara Stewart requested that an art group of about 15 people from the community be allowed to meet for three hours in the afternoon once a week for a couple months trial basis. Bill asked what day of the week they wanted to meet and Barb said that Becky had told her over the phone that Tuesdays were generally available in the afternoon. Bill asked if it was similar to what Sharon Fannin does and Barb said that it is different in that it is a teacher-less group. Jerry asked what type of medium would be used and Barb said that various types of paints would be used, however, the artists would have the understanding that they need to wash up their brushes and supplies at home – Jerry and Herb said that that was crucial that they not wash up at the building, especially with some of the solvents that may be used, because they can damage the grinder pump. Joe asked if it would be seasonal or all-year-round and Barb said that she would like it to be a pretty regularly scheduled event, however, they would discontinue the group if Sharon Fannin started her art classes again, while classes were in session. Nights are pretty full for the building, however, the time that Barb wants to meet, during the afternoon, are usually available. Jerry and Joe said that if Barb is the one requesting the time for the group then she is the one who will be responsible for the group and for ensuring that the building is cleaned up afterwards – she said she may have someone else to help her if there should be days that she is not there. Joe said that he is sure that they can accommodate the class and he would review the book with Becky to ensure that there are no conflicts with the schedule and let her know.

Jerry said that with all the extra usage of the building, an analysis of the cost to the RCD to run the building needs to be done, taking into consideration all of the activities that take place, to ensure that they can continue to offer the building free of charge for the many activities that take place. Ralph said that he thought that the building was set up as a community center and he realizes that they do charge for private events, however, are they going to start charging for public community events like Senior Focus? Jerry said he didn't say that, he just wants to do the cost analysis. Ralph said that if they did start charging for community events, they would have to charge everyone – the Fishing Club, the Bunco club, the Card club, the Social Committee etc. – not single anyone out and Jerry agreed. Bill said that they would have to make the decision, but it is not up for grabs right now and Joe said that it's not to say that they are going to do it.

B. Golf Cart Incident – On December 24, John Kaminski was out on the lake with his dog on his electric golf cart and it ended up breaking through the ice. Fortunately, Ralph Petersen's son rescued him and his dog and everyone is okay. The RCD notified the IDNR and the IEPA about the incident and the EPA indicated that the lake is a large enough body of water that they didn't consider the battery acid from the golf cart to be an immediate threat to the lake, however, they said that it should be removed as soon as it is safe to do so. John will be responsible for removing the cart at his own expense (probably in the spring) The RCD sent a letter to him indicating that and requesting that he notify the RCD when he does schedule to remove it so that they can be on hand when it happens.

Joe said that he did some research on ice safety and, according to the Minnesota DNR, no ice is "safe". One area could be 10 inches thick with an area 20 feet away being only one inch thick. Joe would like to put in an article on ice safety in the next newsletter and the board agreed. Ralph said that in the Chana lakes, if you have a vehicle that goes in the water, they'll charge you \$10 a day until it comes out.

Joe said that they are not looking to charge anyone, and they don't have any way of keeping people off of the ice anyway. Herb said that they don't have to keep people off of the lake; they just don't want a tragedy. The subject of prohibiting motorized vehicles from the lake had been mentioned to Bill and Bill said that anyone who takes a machine out on the lake or even walks out onto the lake does so under his or her own recognizance. He felt that it would be very hard to police a rule like that, and that it doesn't need to be made.

Ralph said that the area that John went through had in past years always been the first to freeze. Becky said that Herb had speculated that perhaps the earthquake that we had earlier in the year might've opened up an underwater spring there that didn't allow it to freeze. The rest of the ice surrounding the area was about 6-8 inches thick. It was suggested that a caution sign be put up at the gates indicating that persons going out onto the ice would be doing so at their own risk. Frank said that when the fishing club has their annual ice-fishing event they gave participants a paper to review and sign that stated that neither the RCD, the POAs, nor the Fishing Club were responsible.

C. RCD Exempt Property #22-09-328-001 – Joe motioned to table the issue until next month. Jerry seconded the motion. Motion approved unanimously by roll-call vote. [01-05-05]

X. Guests/Public Opinion

(Limit 10 minutes per guest/group. Please hold all comments until this time)

A. Chuck Jolicoeur – He gave the RCD a written request to use a portion of Schings Park behind his house at the same time that he is renting the building for a wedding. Joe motioned to allow Chuck to add an addendum to his rental of the building on April 23 to allow him to use the area at Schings Park behind his house at the same time as the rental. Jerry seconded the motion. Motion approved unanimously by roll-call vote. [01-05-06]

B. John Mulholland – Asked if the RCD would be able to spare some concrete for the structures that the fishing club made – Jerry estimates that there is enough concrete there to fill 1 – 1 ½ of the cribs (John said that they need about 6 cubic yards). He asked if the RCD could use as riprap some of the bigger rock that they have (as a trade off). Jerry said that the concrete taken out of this building site was put at the silt basin to eventually create longer fingers for the dredging contractors to maneuver further out into the lake. He said that he and Joe would have to take a look to determine if the RCD has a use for it.

C. Bill Piper – Bill would like to do something to recognize Ralph's son, Gary, for his heroism in saving John Kaminski. Ralph explained his son's side of the story. Bill said he would look into it and Joe suggested they could bring it to next month's meeting. Vivian Schings suggested that all three associations could be involved in doing something. Joe motioned to add recognizing Ralph's son to next month's agenda. Jerry seconded the motion. Motion approved unanimously by roll-call vote. [01-05-07]

XI. Adjourn: Bill motioned to adjourn the meeting at 8:45PM. Jerry seconded the motion. Motion approved unanimously by roll-call vote. [01-05-08]

Next Scheduled Date: February 3, 2005

January 06, 2005 Motion List

1. Bill motioned to approve the agenda. Jerry seconded the motion. Motion approved unanimously by roll-call vote. [01-05-01].
2. Jerry motioned to approve the December 02, 2004 minutes. Herb seconded the motion. Motion approved unanimously by roll-call vote. [01-05-02]
3. Jerry motioned to accept the special and executive meetings that took place on November 17, 2004, starting at 10:00AM. Bill seconded the motion. Motion approved unanimously by roll-call vote. [01-05-03]
4. Jerry motioned to accept the treasurer's report. Herb seconded the motion. Motion approved unanimously by roll-call vote. [01-05-04]
5. Joe motioned to table the issue until next month. Jerry seconded the motion. Motion approved unanimously by roll-call vote. [01-05-05]
6. Joe motioned to allow Chuck to add an addendum to his rental of the building on April 23 to allow him to use the area at Schings Park behind his house at the same time as the rental. Jerry seconded the motion. Motion approved unanimously by roll-call vote. [01-05-06] .
7. Joe motioned to add recognizing Ralph's son to next month's agenda. Jerry seconded the motion. Motion approved unanimously by roll-call vote. [01-05-07]
8. Bill motioned to adjourn the meeting at 8:45PM. Jerry seconded the motion. Motion approved unanimously by roll-call vote. [01-05-08]