

# Eagle Lake LID Committee

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# Overview of how we got here

- ELLA Annual Meeting 2018
  - Presentation of Lake Improvement District (LID)
  - Members requested ELLA Board to form Committee to further investigate a LID
  - ELLA Board Meeting August, 2018 formed a committee

# Committee Members

- Tom Athens
- Kelly Hepper (ex-officio-ELLA President)
- Pat Prunty (1)
- Teresa Varney (1)
- Bob Wiedeman
- Maryjane Westra

(1) Co-chair

# What is a LID?

- A local government unit established by resolution of a county board, city council or by the commissioner of the DNR
- Allows for greater local involvement in lake management activities
- Upon establishment, specific authorities are delegated to the LID and the level of authority depends upon existing problems and proposed activities
- LID assumes all legal responsibilities for activities undertaken by the LID

# LIDs in Ottertail County

- Currently 6 LIDs in the county
- The purposes of the LIDs in the county are multi-fold:
  - high water level control
  - maintain water quality and prevent pollution
  - develop water quality monitoring program
  - develop a water management plan
  - work with county and DNR to monitor and protect lake from AIS
  - work with DNR on fish stocking and control of “rough” fish

# How are LID activities funded?

- The LIDs budget as approved by property owners at the annual meeting is sent to the county board for approval and collection through real estate taxes
- LIDs can also be the recipients of federal and state agency grants, and grants from private foundations

# Why is this information about LIDs being presented?

- Currently, limited funds are available to deal with a major issue impacting the lake and property values, e.g. AIS, culvert failure
- Current dues are \$25 annually-treasury limited; not all property owners are ELLA members
- Must rely on donations-not all property owners donate



# Pros and Cons of a LID

- Pros

Ability to finance significant projects on an equitable basis

Formal organizational structure/framework to take on significant projects

Build up a contingency fund to deal with projects within the scope of the LID

# Pros and Cons of a LID (cont)

- Cons

Approved budget projects are a year in arrears

Form of government

Property owners may not approve budget if problem not imminent

Note-No assurance a budget will be approved by property owners

# Committee Activities

- Met 3 times
- 2 meetings with County auditor and several calls
- Discussion with County Commissioner
- Presented our findings to ELLA Board at June, 2019 Meeting
- Deliberated
  - LID Boundaries
  - LID Powers
  - Method of LID Formation
  - Computed what a LID would cost at various funding levels
  - Reached conclusions for your consideration
  - Developed recommended next steps

# Boundaries of Proposed LID

- Boundaries are required to form a LID
- All LID's In OTC exclude ag. Property
- Committee considered
  - Eagle Lake Lakeshore only
  - Eagle Lake Lakeshore plus back lots
  - Broader Watershed (Eagle and Middle)
- Committee recommends
  - Eagle Lake lakeshore only
    - Middle
      - Few property Owners (would be minority)
      - Large portion owned by DNR and state of Mn.
  - Most backlots contain storage versus residences (not significant \$ value)
- 200+ properties within recommended boundaries

# LID Powers

- Committee
  - Reviewed powers of other LID's in County
  - Discussed with County Commissioner
- All LID's in County have all powers a LID can have under the statutes
- Committee recommends broad powers to deal with unforeseen activities
- Note-LID's eligible for grants

# Method of Formation

- Three choices
  - County Board of Commissioners Resolution of Intent
  - By Petition
  - Creation by DNR Commissioner
- All LID's in OTC formed by Resolution of Intent
- Committee recommends formation by resolution of intent
  - Recommendation by County Commissioner
  - County auditor recommendation
  - Past precedent
- Note-Current County Board of Commissioners are in favor of LID formation

# Formation (cont)

## Resolution of Intent Process

- Obtain request for establishment of a LID from as many properties in LID Boundary as possible
- Present request of establishment to County Commissioners
- Commissioners adopt resolution to establish LID
- Commissioners hold public hearing
- If 26% object County Board formation is stayed until special election
- If majority voting in special election vote in favor, then stay lifted, and LID formed
- If no objection by 26% then LID formed

## How does a LID operate

- County Commissioners appoint initial Board of Directors (5-9 directors (Commissioners desire one member who is opposed to a LID))
- Members elect subsequent Board of Directors
- Majority of Directors must be full time residents. Rest must be property owners
- Board calls annual meeting held in July or August
  - Members must approve budget as proposed by the Directors
  - Members elect Directors
  - Members approve or disapprove all projects > \$5000

Key Point-Members are in control of what it costs you-If you don't like the budget or projects proposed- Vote No



# What would it cost you (based on 2019 taxes)

- The approximate 200 properties of Eagle Lake lakeshore
  - Have an estimated market value for tax purposes of \$60 million
  - Have a tax capacity of \$598,000
  - Pay taxes of \$ 434,000
- If LID approved budget was \$10,000 it would increase taxes by (\$10,000/tax capacity of \$600,000) 1.673%
  - Every \$100 of tax capacity would cost \$1.67



# Next Steps

- Obtain request for establishment of a LID from those present
- Talk to your neighbors who aren't here
- ELLA Board of Directors will visit with those not present to obtain request for establishment of a LID
- Committee will present request of establishment of a LID to County Commissioners (if there is enough interest in a LID)



# Q & A