VILLAGE OF EPHRAIM
VILLAGE BOARD MEETING MINUTES
TUESDAY, OCTOBER 20, 2026 – 8:00 AM
9996 WATER STREET- EPHRAIM VILLAGE HALL

Present: Ken Nelson – Chair, Rick Hoyerman, Matt Meacham, Carly Mulliken, Tim Nelson

Staff: Brent Bristol -Village Administrator/Harbormaster, Justin MacDonald-Public Works Manager, Bradley Rasmusson-Wastewater Manager

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1. **Call to Order**: K. Nelson called the meeting to order at 8 AM on Tuesday, October 20, 2026.
2. **Quorum:** A quorum was present for the meeting.
3. **Changes to the agenda:** None
4. **Visitors' Comments:** No visitors' comments were offered.
5. **Administration:**
    a. **Discussion and Consideration regarding the 2027 Budget**

Bristol opened by noting that the 2027 budget document looked different from prior years, explaining that the village's auditors had been pressing the administration to change how debt service is presented. While it was not a statutory requirement, the auditors requested that debt service be pulled out of the General Fund — where it had historically lived within the operating fund of administration — and placed on a new, dedicated debt service page. He acknowledged that this seemingly cosmetic change ultimately impacted approximately 40 different line items, requiring him to redo the formulas throughout the document. He noted that the CLA auditor, Amber Drewieske was very helpful in verifying the math. He emphasized that the underlying numbers did not change, only where they appeared in the budget.

Keith Krist's Property Purchase: Financing Decision

Bristol then transitioned to what he described as a key decision the Board needed to make: whether to reimburse the village's reserves by taking out a loan and placing the principal and interest payments onto the tax roll.

He provided context, explaining that the property was something the Village had been interested in for "many decades," but that the opportunity arose quickly and there was very little time for deliberate financial planning. Initial calls were made to banks to explore lending options, but the Village ultimately paid for the property with cash on hand. He noted that the Village has historically used its fund balance as a measuring stick — particularly in the context of the Streetscape Bonds and the Standard & Poor's credit rating process — and has tried to maintain a stable balance. He acknowledged that neither he nor the village's financial advisor, Drewieske could predict at exactly what threshold a drop in fund balance might trigger a credit rating adjustment, but noted that rating agencies can request financial statements at any time and a reduced cash-on-hand ratio relative to operational levy could have an impact.

He reported that following research calls made by himself and Collak, the Bank of Luxemburg offered the most competitive rates, noting that the bank expressed a desire to do more business with the Village. The rates quoted were 4.65% for a five-year loan and approximately 4.9% for a ten-year loan on $560,000 — described as more than a full percentage point better than what other

institutions were willing to offer. He noted that the Bank of Luxembourg's ten-year rate was better than even the State Trust Fund loan rate, which he described as typically the "low bar standard." He clarified that the favorable rate was not a quid pro quo for moving more business to the bank, but that the bank was "putting their best foot forward." The budget document reflected the ten-year loan scenario with the debt placed on the tax roll.

Bristol explained the tax impact to property owners: at a ten-year term, the effect would be approximately $10 per $100,000 of assessed value, meaning a property assessed at one million dollars would see an annual increase of roughly $100.

He also noted that while the Board had not formally decided at the time of purchase to finance the property via the tax roll, the matter was publicly disclosed when the purchase amount of $560,000 was included in meeting packets, and that no phone calls or emails were received from the public objecting to the purchase.

Board Discussion

K. Nelson opened the floor for Board comments.

T. Nelson stated that the suggestion sounded reasonable. He acknowledged that the $10 per $100,000 of assessed value was reasonable and noted that a five-year term would result in a higher annual impact, though he did not have the exact calculation in hand. He expressed appreciation for the rationale, calling the Krist's property "the sort of thing that would appeal to the public in terms of a valid reason for taking out a loan." He also raised the Marinas and Moorings fund as a potential source of debt reduction, noting that he had promised the Marinas and Moorings Committee he would resist bringing it up but felt it was his responsibility to do so as a board member. He stated clearly that he would oppose using those funds and was simply putting the option on the table for responsible consideration. He concluded by expressing support for the Bank of Luxembourg loan and the prospect of establishing a longer-term banking relationship, noting that competition was benefiting the Village.

Mulliken asked whether there would be any penalty for early repayment of the loan. Bristol confirmed there would not. Mulliken then suggested that if the Board's plans for the Krist's property were to change — such as if it were to become a Marinas and Moorings project — the relevant funds could be accessed to accelerate repayment and shorten the impact on the tax roll. She also noted that an upcoming discussion about capital reserve restructuring might influence her final position and asked whether that conversation would affect the tax roll impact. Bristol confirmed that capital reserves were the next agenda topic.

Meacham raised the question of what return the Village was currently earning on its capital reserves, noting the potential relevance of comparing that return to the 4.9% loan rate. Bristol indicated the Village had earned approximately $90,000 in interest as of the end of September, against a budget of $120,000.

Meacham expressed support for placing the debt on the tax roll rather than drawing down cash reserves, and stated that $10 per $100,000 was an amount that "nobody's gonna sneeze at." He further advocated that the Marinas and Moorings fund should be left entirely intact, given the unpredictable nature of waterfront conditions requiring reserves for repairs.

Hoyerman agreed with the comments made by his colleagues. He noted that the Krist's property was "coveted by the Village for a long, long time and came up really, really fast," and that using the tax roll for such a purpose seemed appropriate. He inquired about the interest rate comparison to the

last loan the Village had taken, recalling a rate somewhere around 6.2% to 6.7% at Nicolet National Bank. He asked whether the more favorable Bank of Luxembourg rate reflected market changes or aggressive positioning by the bank, and whether it was worth soliciting ten banks to potentially find a 4% rate. The Administrator responded that between himself and Collak, they had contacted somewhere between six and eight institutions, and that Bank of Luxembourg's offer was the best.

K. Nelson offered his personal support for placing the debt on the tax roll. He articulated that the Krist's property purchase represented a unique opportunity to "complete our lake shore," and that the Village had been preserving PRAT and Room Tax funds for its capital program — specifically future projects including the administration building. He stated that he wanted to continue to protect those reserves and that the taxpayers would understand the reasoning behind this particular expenditure.

Bristol added that the loan documents with Bank of Luxembourg would need formal Board approval, and that the goal was to align that approval with the Budget Public Hearing to avoid the need for a special meeting, though a special meeting remained possible if necessary.

The Board reached a consensus to proceed with a ten-year loan at approximately 4.9% with the Bank of Luxembourg, placing the debt service on the tax roll.

Debt Service Budget

With the inclusion of the new loan for the property purchase Bristol provided a summary of debt service.

- On the expense side we have approximately **$658,000 in debt service** this year.
- From the income side those payments are made from three sources.
    - **Property Taxes** cover **$420,692**
    - **PRAT** is used to cover **$110,000**
    - **Room Tax** is used to cover **$127,464**

Capital Reserve Discussion

Bristol then transitioned to a discussion of the village's capital reserve structure, noting that this had started as an effort to clean up the budget presentation but evolved into a substantive review of reserve funding levels. He explained that Bristol, K. Nelson, Meacham, MacDonald, and Collak — had met in late August or early September specifically to evaluate maintenance vehicles and equipment reserve contributions.

He described how, in prior years, individual maintenance vehicles had been separately listed in the Capital Reserve but were subsequently pooled into a single line item. He noted that the annual contribution to that account had been $8,700, which was acknowledged as insufficient, and that the proposal before the Board was to increase the contribution to $28,000 per year. He cautioned, however, that even at $28,000 annually, once a vehicle replacement was needed — particularly given that vehicles could run between $150,000 and $175,000 fully outfitted, with an approximate 18-month lead time on orders — the fund would be nearly depleted, requiring the Village to look at supplemental funding from PRAT or Room Tax for the initial purchase before the fund could be rebuilt.

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MacDonald confirmed that the current fleet was aging and that orders for replacement vehicles would likely need to be placed around 2028 to take delivery in 2030 or potentially 2032, given that two trucks were close together in age.

K. Nelson explained the philosophy behind the revised contribution structure: staff had estimated a 15-year vehicle life, calculated average purchase prices, and divided the cost accordingly to arrive at a per-year contribution that would make the fund self-sustaining over time. He acknowledged that there may be a funding shortfall at the time of the first replacement but expressed confidence that PRAT funds could bridge that gap, after which the annual contributions should be sufficient going forward.

Meacham raised the question of whether PRAT money could be used to purchase a maintenance vehicle and suggested using the $40,000 PRAT contribution to cover vehicle replacement rather than directing it into the capital reserve for that purpose. Bristol acknowledged that PRAT funds could be used for maintenance vehicles, as the maintenance department's work directly supports infrastructure. He noted, however, that moving money into a vehicle-specific capital reserve line item reduces flexibility compared to leaving it in the general PRAT fund balance, which can be directed to a wider range of needs.

K. Nelson reiterated the long-term goal: once the fund is established and the first vehicle is purchased — possibly with some PRAT assistance — the ongoing $28,000 annual contributions should make the fund self-sustaining so future vehicles can be purchased without dipping into other reserves.

Anderson Dock Capital Reserve

Mulliken raised the question of the Anderson Dock capital reserve, noting that the current budget showed no new contributions being added to the existing balance of approximately $33,800. She observed that the Anderson Dock had historically been treated as a project funded through other mechanisms — grants, donations, and the like — but noted that as a long-term village asset requiring periodic major rehabilitation, the Board had an obligation to plan financially for the future. She observed that $2,000 per year was a nominal commitment and that $2 million in 50 years would require approximately $40,000 per year, but argued that beginning to save something — particularly in the context of active fundraising — was important both for its own sake and for the optics with donors.

K. Nelson expressed mixed feelings. He distinguished Anderson Dock from wastewater infrastructure, noting that the Dock was more of a tourism and community amenity than a core operational asset. He acknowledged, however, that the Board had made a commitment to the fundraising lead Michael McCutcheon to continue contributing something from the Village, and suggested resuming at least a $2,000 annual contribution as a signal of good faith. He was candid that $2,000 would not meaningfully fund a future $2 million replacement but felt it honored the commitment previously made.

T. Nelson expressed concern about conflating two philosophical approaches: planning methodically for the future versus allowing future boards to deal with future challenges. He noted the cautionary tale of the Wastewater Treatment Plant, where decades of deferral had led to a large, unexpected bill. He suggested a possible compromise — beginning with a modest annual contribution and building in a percentage increase over time — while acknowledging the village's current fiscal constraints.

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Hoyerman inquired about the revenue generated by certain village properties under long-term lease, specifically mentioning the Hardy Gallery as an example of a $500-per-year lease that may be significantly undervalued. He suggested that looking at lease rates across all village properties could potentially yield additional revenue that could be earmarked for funds like Anderson Dock or building maintenance. He acknowledged that competition could make even modest increases meaningful, and asked whether a comprehensive lease review was something the Board should undertake.

T. Nelson agreed that all leases should periodically be reviewed, but noted that increasing any one lease from $500 to $5,000 still did not move the needle significantly in the context of a multi-million dollar infrastructure project. He also cautioned that some of these arrangements — such as the Hardy Gallery — had been established at low rates deliberately to support community-benefit uses, and that the Village should be thoughtful about whether a rate increase would conflict with the original intent.

K. Nelson agreed that a review of all village leases was warranted, noting his personal interest in examining the full portfolio. He acknowledged that many leases were effectively subsidized by the Village and suggested that revenue from such leases could potentially be earmarked for specific funds like Anderson Dock or future building maintenance. He suggested the matter be taken up at a future meeting.

After discussion, the Board reached informal consensus to restore a $2,000 annual contribution to the Anderson Dock fund as a baseline commitment, with the understanding that the conversation would continue in future budget cycles regarding a more meaningful long-term savings strategy.

No other significant changes to the Capital Reserve budget occurred from what was presented.

Mill Rate and Levy Cap

Bristol returned to the overall levy picture, explaining that the Village must remain within its mill rate cap under the levy limits established during the Walker administration, which restrict annual levy increases (excluding debt service) to the dollar value of net new construction. He noted that net new construction this year — approximately $8 million — translated to roughly $12,000 in allowable levy growth. He reported that the current draft budget was approximately $16,759 over the allowable operational levy limit, and that the Board would need to identify that amount in either expense reductions or revenue increases as the budget review continued.

Operational Budgets

- Staffing and benefit package items were deferred to the closed session discussion
- Insurance line items completed by Administrator

Water and Wastewater Utility Budget

Village Wastewater Plan Manager/OIC Brad Rasmusson presented the Water and Wastewater Department budget and walked through the most significant changes.

Water Budget

- No changes to the Water budget with the exception of Water Test Revenue which shows a small increase.

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Wastewater Utility Budget

- With no current Wastewater Debt the annual sewer M&L income line item has gone to $0 for this budget. With a capital project on the horizon this line item could come back in the future but for this coming year there will be no sewer M&L on the property tax bills.

- 7% increase in sewer rates results in approximately $32,000 in additional income this year. This increase comes as a recommendation from the auditors.

T. Nelson raised the topic of expanding water testing services offered through the village lab, noting that recent state requirements for short-term rental operators now included not only bacteria testing but also nitrate testing. He encouraged staff to explore growing the lab's testing revenue, acknowledging that metals testing (lead and arsenic) — required on real estate transfers — would require significant equipment investment of approximately $150,000, but that nitrate testing was a more accessible near-term opportunity.

Rasmusson confirmed that he had recently completed her nitrate testing certification and that the village lab expected to be performing nitrate testing by next year. He noted that sister municipalities, including Sister Bay, had begun offering similar testing services in recent years. T. Nelson expressed encouragement and reiterated his hope that the Village would continue evaluating opportunities to grow lab revenue over time.

Mulliken asked how the village communicates the availability of water testing services to property owners and short-term rental operators, noting that she had not been fully aware of the options. Public Works staff indicated that testing results are submitted directly to the state, and that outreach to property managers or via local plumbing contractors could help grow awareness and utilization.

• Phone was put to $500 and can even be lowered due to switching to Cellcom.

• Internet was lowered by $300 as Starlink lowered prices a little.

• Vehicle Maintenance was raised by $500.

• Training/Conferences lowered to $1,500 to help the budget in other areas.

• Auditing Expenses. Rasmusson would like to raise this account by $400 based on previous years and amount already paid for this year.

• Other Contractual Services account was raised by $1,000 because of the increased permit required PFAS testing.

• Electricity, which also includes fuel for back-up generator. Rasmusson would like to raise the account by $2,000 based on previous years.

• Collection System Maintenance. Lowered by $3,000 because there will be a new account Collection System Inspections for sewer main camera work.

• Collection System Inspections. This is a new account created for sewer televising. WW have used the remainder of the Collection System Maintenance budget for this work in the past but has not been making the recommended 20% or 7,300 feet by the DNR.

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Price is $0.620 per foot x 7,300 feet = $4,526.00 + $850.00 Mobilization = $5,376.00. Thus, the new account was set to $5,400.00

Fire Department Budget

Fire Chief Justin MacDonald presented the Fire Department budget and walked through the most significant changes.

- Law enforcement reduced to $2,000. The only significant historical purchase out of this category was the speed board
- Salaries increased by $2,000 for increases to Assistant Chief and Captain salaries.
- $200 increase to retirement line item
- $500 increase in fuel as a result of the increased cost
- $700 increase in cellphone
- MacDonald proposed a $4,000 decrease in the training category in an effort to find some additional savings in the overall general fund
- Ephraim fire calls increased by $1,800
- Mutual aid calls increased by $1,500
- Equipment purchases for 2027 include: Headset system for boat, 2 sets of turnout gear, new rope rescue equipment, an EV vehicle emergency plug (allows FD to cut power to an EV vehicle in the event of an accident), and some replacement fire hose.

Maintenance Budget

Maintenance Manager Justin MacDonald presented the Maintenance Department budget and walked through the most significant changes.

- Small adjustments made in several categories as shown in the draft budget including training, mowing, sweeping, sewer fees and well water testing that didn't change during the discussion.
- MacDonald proposed a decrease of $7,000 in the snow removal category from what was proposed in looking at past account trends and in a effort to find additional savings in the general fund
- $2,000 reduction in the roads facility maintenance category including surveying
- $2,500 increase in LP gas for the new maintenance garage
- $8,500 increase in mulch expense for tub grinding our brush pile on German Rd reduced to a $5,000 increase for next year as staff will haul piles at the maintenance property out to German Rd.
- $2,000 increase in plumbing expense

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- $1,000 increase in HVAC line item

- Other improvement outlay line item proposed at $33,440 but reduced by MacDonald seeing that we can make the purchase of a new line striper within this years budget. New machine will allow us to paint all parking stalls and cross walks thus reducing this annual expense and providing us the flexibility to paint and freshen up the paint as needed.

  Additional purchases this next year under this line item include the purchase of a sweeper bucket and gutter kit for our skidsteer and improvements at the brush dump entrance that will make the access 2 lanes wide as opposed to 1.

Docks Budget

Village Administrator/Harbormaster Brent Bristol presented the Marina Department budget and walked through the most significant changes.

- No adjustments made to the income side this year. Committee did acknowledge the boards desire to consider inflationary increases for Village fees. While no changes are proposed this year, a note on the budget was made documenting that all fees minus moorings were increased in 2026 and another note to document 3.3% inflation (CPI) for 2027. In future budgets that will serve the committee well in making a decision on when a fee hike is warranted by looking at the total inflation over x number of years.

- The only increase on the expense side of the marina budget is an inflationary increase to the the personel services category of $2,100. This line item is the fees the marina fund pays the general fund for the work performed at that marina by the Harbormaster, Tresurer,and Maintenance staff.

Administration Budget

Village Administrator Brent Bristol presented the Admin Department budget and walked through the most significant changes.

- On the expense side specifically insurance, health insurance went up about 4% and our general insurance for liability and property about 3.5%-4%.

- $1,000 increase in postage offset by a reduction in the office equipment line items.

- A $5,000 increase was made to the computer supplies expense. This is IT category where given the current cyber crime environment we have seen the costs go up dramatically in the past few years.

- A $1,500 increase in professional dues/expenses is shown in the budget.

- $1,400 increase was made to the celebrations expense category. Discussion occurred relative to being over budget in the past on this line item. There were a few addition celebrations in the past years and other event decorations costs also had been expensed here. The new number should be sufficient for the 2027 planned celebrations.

- The principal and interest expense line items go away in the new budget as those expenses now live in their own budget.

- On the income side a few minor changes were made to STR licenses and Leases

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- The offsetting increase for the Personel Services money from the Marina was made.

- State Transportation Aid estimates went up by $15,000 that was increased here as an income and also in our Capital Reserve budget.

- Finally we still need to find approximately $12,000 in the budget either as an increase in revenue or as a decrease in expense relative to our operating budget and mill rate. Decision made to increase our estimated revenue in Room Tax by $10,000 and PRAT by $2,121. This additional revenue would then be used to feed operational expenses but not reduce the amount set aside in either category for future capital projects.

6. **Consideration of adjournment into Closed Session per §19.85(1)(c), considering employment, promotion, compensation, or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises reponsibility: *For the purpose of discussing the 2027 staffing and benefit package.***
The Board considered adjournment into closed session pursuant to Wisconsin Statute §19.85(1)(c) for the purpose of discussing the 2027 staffing and benefit package.

7. Consideration of a motion to reconvene into Open Session Per Wis. Stat. §19.85(2):
The Board considered a motion to reconvene into open session.

8. Discussion and consideration of action from Closed Session, if required:

The Board considered any action required as a result of the closed session discussion.

9. Discussion and consideration regarding setting the 2027 Budget for Public Hearing:

No comments were brought forward. Total levy of $1,465,432 and a Mill Rate of $2.26 an increase of $0.11.

10. Visitor's Comments:

None

11. Adjournment:

T. Nelson moved, Hoyerman seconded to adjourn at 12:30 PM, all ayes. Motion carried.

Recorded by,

Andrea Collak – Clerk/Treasurer & Brent Bristol – Administrator/Harbormaster

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