FINANCE COMMITTEE MEETING MINUTES
Monday, March 10, 2025
(Approved)

Agenda Item No. 1. The March 10, 2025, meeting of the Finance Committee was called to order by Chairperson Denise Bhirdo at 2:30 P.M.

Agenda Item No. 2. Roll Call

Present: Chairperson Bhirdo and members Louise Howson and Nate Bell.

Staff: Village Administrator Julie Schmelzer, Finance Director/Treasurer Vlad Gannik and Clerk Heidi Teich

Others: Myles Dannhausen, Jr.

Agenda Item No. 3. Approval of the Agenda
A motion was made by Bell, seconded by Howson that the Agenda for the March 10, 2025, meeting of the Finance Committee be approved. Motion carried – All ayes.

Agenda Item No. 4. Approval of Minutes
A motion was made by Bell, seconded by Howson to approve the minutes of the January 7, 2025, meeting of the Finance Committee as amended to correct a typo in the date. Motion carried – all ayes.

Agenda Item No. 5. Comments, correspondence, and concerns from the public

Bhirdo noted that Myles Dannhausen had contacted her to participate in this meeting, and therefore she will be moving discussion item 6d to the top of the discussion.

No other public was in attendance to comment. Howson asked Teich why the confidentiality statement in her email address was different from other administrative staff, and whether the language was appropriate. She would like to explore this further at another time.

Agenda Item No. 6. Discussion/Action Items
d) Discussion on Delinquent Tax Notices

An advertisement was slated to be published in the local newspaper two weeks ago listing delinquent taxpayer names. The ad never appeared, and Bell explained that he had taken steps to remove the ad after being contacted by staff at the newspaper that the content of the ad did not match with minutes of the Finance Committee meeting at which it was originally discussed. The discrepancies noted involved the inclusion of delinquent real property taxpayer names and the omission of taxpayer addresses. Bell felt this warranted another review by the committee before being published. Howson also felt that this issue needed further discussion as real property tax is collected by the county, so it is their responsibility to act on it.

Bhirdo asked what authority Bell had to act outside of the committee decision, as that exceeded his authority. Bhirdo asked why village staff had not been contacted, and questioned the actions of the newspaper staff to screen paid submissions to the paper and personally contact the individuals named in the submission to provide them notice. As a result of this action, village staff and the county treasurer began receiving calls from taxpayers before the ad was placed.

Teich shared that she contacted the county treasurer's office after January 31, 2025, as instructed by the committee at their December 10, 2025, meeting, and requested a list of delinquent taxpayers. She prepared a list of delinquent taxpayers, of both real and personal property, which was formatted for publication. The ad included directions that real property taxes were to be paid to the county treasurer and personal property taxes paid to the village. Schmelzer added that addresses were removed from the ad in contrast to the committee's direction as the IRS does not include addresses in their notifications. This was done to protect the property owners.

Dannhausen spoke, and stated that his actions were not taken nefariously, as he simply had a conversation with two individuals he was acquainted with, as he felt it was unusual for their names to appear on such a list. He noted that the action he should have taken was to first contact the village and ask them to reach out to the property owners and suggest that an advertisement be only a measure of last resort.

Bhirdo asked the committee how they would like to proceed.

A motion was made by Bell, seconded by Howson to publish an updated list of delinquent personal property taxpayers in the local paper, removing all references to delinquent real property taxes. Motion carried – all ayes.

a) Review Financial Policies and Procedures

Gannik shared that Sister Bay has some financial policies, but they were never kept together in one place. He prepared a draft document containing all existing policies, as well as newly proposed policies which were included in the meeting packet for the members to review. Input on the policies presented was offered by administrative staff, the village's financial advisor, Baird & Associates, and CliftonLarsonAllen, the village's auditor.

Bell inquired if there should be a more specific timeline included in the document for gathering budget data from the various departments, which references the month of July. Gannik responded that labor and benefits are difficult to calculate earlier than July, as that is when premiums are recalculated, and rates change. He stated that he would have better estimates of those costs in August. Howson briefly reviewed the budget timeline used last year, and felt that it was reasonable. She did ask if two public hearings should be scheduled just for the budget, as in 2024 only one public meeting was held for the budget and one for the CIP.

Bhirdo raised a number of points on the policies, including the following:

-Budget Development and Management Policy, Development Procedures #9 and #11 discuss two different methods of determining board majority votes concerning the budget. Bell would prefer that a 2/3 votes be applied in both situations, and Bhirdo agreed.

-Budget Development and Management Policy, Management Procedure #5 which states that the board shall be notified when capital purchases made with budgeted funds are more than $15,000.

Gannik indicated that this notice is provided on the monthly appropriations reports shared with the board. Bell suggested adjusting the dollar amount to $50,000 before notice is required, and the members agreed.

-Budget Development and Management Policy, Management Procedure #10 which states that funds are committed and released via resolution. Bhirdo asked if this could be done by a means other than resolution, and Gannik will inquire with the village's consultants.

-Budget Development and Management Policy, Management Procedure #13 which concerns budgeting for employee wage increases utilizing a step system. Bhirdo asked if the step system has been discussed any further by the Personnel Committee and if it is going to continue. Bell stated that it is continuing for the time being and Howson added that it is not necessarily a procedure that will continue forever. The committee requested changing the text to read *"The Village Board will budget for proposed increases for employees per the approved compensation schedule…"*

Schmelzer added that the use of the wage schedule currently matches the language of the Personnel (Employee) Handbook. She felt that the Cost-of-Living (COLA) increase is the factor that is not guaranteed and could be revised by adding language to this same procedure step along the lines of *"…Cost of Living Adjustment wage increases for its employees as per the Employee Handbook."* Bell stated that ultimately the Personnel Committee should be making wage decisions, particularly about the grant of a COLA. Those annual discussions, along with annual review of financial policies by this committee, will need to be coordinated should adjustments be made.

Schmelzer felt that this policy, which states that a wage increase and COLA will be budgeted annually, does not guarantee an increase but instead ensures that the budget is not underfunded should a COLA be granted.

-Purchasing Policy. Bhirdo inquired about the monthly payment report provided to the Board, and whether the purpose of each payment will be made clearer to avoid the need to call the office for further clarification. Gannik indicated that he is working on a new report format.

-Local Preference Purchasing Policy #2 shall be revised to read *"…if the local vendor has the lowest bid/price, it will receive the contract subject to the Department Head's approval; if over $25,000, the Board's approval is required upon referral from the oversight committee."*

-Debt Management Policy #2 shall remove the bracketed text.

-Debt Management Policy #5 discusses the limits of general obligation debt. Bhirdo asked who determines what is an emergency, as the village may have surpassed the 75% threshold in the past. Bell suggested revising the last sentence to read *"…in the case of emergencies and extenuating circumstances as determined by the Village Board."* Bhirdo stated she would also be fine with the word "necessities" in that sentence.

-Debt Management Policy – Refunding. Bhirdo suggested leaving the refunding amount at 2% as 3% seems high.

-Capital Asset Policy: Inventory shall read *"The Finance Director shall maintain an inventory of all long-term assets and it should be reviewed and updated annually."*

-Investment Policy: Internal Controls shall reference "their" in place of "his/her"

-Investment Policy: Pooling of Cash shall reference "their" in place of "his/her"

Schmelzer noted that this document is intended to replace any and all prior policies which may exist.

A motion was made by Howson, seconded by Bell to recommend to the Village Board approval of the Financial Policies as presented and amended at this meeting. Motion carried – all ayes.

Procedurally, after adoption this document will be posted on the Village's website and linked to the Finance Director/Treasurer's page for future use.

b) Review Draft CIP

A link to a revised draft of the Capital Improvement Plan (CIP) was included in the meeting packet. During review of the draft, the following changes were highlighted and comments shared:

- $350,000 was removed from 2027 under the heading "General Government & Administration".
- Bell proposed selling the administration building and using the proceeds to fund renovations at the village hall, if those funds could be committed through the CIP. Bhirdo recalled that sales of property in the past were used to offset debt, but they can certainly choose to act differently. However, she felt that they could create a placeholder page in the CIP that explores the sale of the administration building and includes a note that potential revenues may be used for the village hall.
- The "Capital Projects Levy" for 2027 is roughly $250,000 - $300,000 more than what it should be due to the $500,000 scheduled for village hall renovations that year.
- The Mill Road project has yet to be engineered by Robert E. Lee. That engineering could reveal that the road needs to go through the admin building property or proceeds from the sale of the building may be needed to pay for any shortfalls on the road project. Only $2 million has been planned to complete the road.
- The total Capital Projects Levy for 2025 is approximately $1.1 million. Bhirdo believes that the total levies in 2026 and 2027 should not exceed that amount and asked if additional cuts could be made.
- The $500,000 for village hall renovations is in the CIP as proof of available funds in order to apply for a Community Development Block Grant (CDBG) for that facility. Bhirdo suggested that if the grant funding does not come through, that money could be used elsewhere or reallocated to a future time after Loan 58 is paid off as the village hall project does not need to be done immediately.
- The $150,000 earmarked for the village hall in 2026 is needed to create the engineering drawings to accompany the CDBG application. More will be learned about that application in the fall.
- Bell suggested that any donations made as sponsorships for village projects should be in the form of matching funds.

- Bhirdo asked the others how to proceed with the plans to order a new dump truck for 2026 as the money has already been levied and will not affect next year's tax rate. With the possibility of price increases dues to tariffs, it may be best to order the truck now. Howson and Bell agreed, and staff was directed to inform Linczmaier that the truck should be ordered. However, the chipping box and snowplow attachment are not approved at this time.

c) Review 2024 Tax Bill Notification

Howson prepared a draft letter to taxpayers regarding the decision to not refund the 2024 tax bill overage, which was included in the meeting packets. With the decision to move forward with the purchase of a new dump truck, the total amount shown in the letter in deferred 2025 projects as $330,341 will need to be reduced.

Howson offered to make the necessary changes to the notification letter and will forward it to staff when completed. Office staff will email the letter to all individuals on the meeting notice distribution list and sent as a press release to the newspaper.

Agenda Item No. 7.

Discussion Regarding Matters to be Placed on a Future Agenda, or Referred to a Committee, Official or Employee.

It was the consensus of the committee that the following recommendations be made:

- Revised Financial Policies will be forwarded to the Village Board for approval
- The 2024 Audit presentation by CliftonLarsonAllen will be made to the Village Board

Agenda Item No. 8. Next Meeting

The next meeting of the Finance Committee has yet to be determined.

Agenda Item No. 9 Adjournment

At 4:15 P.M. a motion was made by Howson, seconded by Bell to adjourn the March 10, 2025, meeting of the Finance Committee. Motion carried – all ayes.

Respectfully submitted,

Heidi Teich

Heidi Teich,
Village Clerk