FINANCE COMMITTEE MEETING MINUTES
Monday, June 23, 2025
Approved Version

Agenda Item No. 1. The June 23, 2025 meeting of the Finance Committee was called to order by Chairperson Bhirdo at 1:08 P.M.

Agenda Item No. 2. Roll Call
Present: Chairperson Bhirdo and members Louise Howson, Brigid White, Mike Laszkiewicz and Andy Woerfel

Staff: Village Administrator Julie Schmelzer, Finance Director/Treasurer Vlad Gannik and Clerk Sue Clarke

Agenda Item No. 3. Approval of the Agenda
A motion was made by Howson, seconded by Laszkiewicz that the Agenda for the June 23, 2025 meeting of the Finance Committee be approved. Motion carried – All ayes.

Agenda Item No. 4. Approval of Minutes
Chair Bhirdo asked if there were any corrections or comments to the March 10, 2025 minutes.

Chair Bhirdo asked Gannik about a follow-up item on page four regarding budget development management policy. The item concerned procedure number ten, which states that funds are committed and released by a resolution, and whether this could be done by any means other than a resolution. Gannik had agreed to inquire with the village's consultants, but no answer had been provided yet. Schmelzer offered to follow up on this inquiry.

Chair Bhirdo sought clarification regarding the discussion about the step system for payroll. Howson clarified that she was not aware of any motion that made the step program an official policy for a defined period. Schmelzer confirmed that while there was no definite time period specified, the employee handbook references annual increases contingent upon successful evaluations according to the compensation schedule.

The committee agreed to amend the minutes to clarify that the village is currently using the step program and that it is referenced in the employee handbook.

A motion was made by Howson, seconded by Laszkiewicz to approve as amended the minutes of the March 10, 2025 meeting of the Finance Committee. Motion carried – all ayes.

Agenda Item No. 5. Comments, correspondence, and concerns from the public
None

Agenda Item No. 6. Discussion/Action Items
a) Update on 2024 Year End/Actual to Budget
Schmelzer explained that Gannik had prepared a year-end actual to budget report as requested. She noted that while 1st Quarter financial data was completed in April, they were only now finalizing those numbers following the auditor's review.

Laszkiewicz expressed surprise that the fiscal year-end surplus was $557,000 when the committee had to increase property taxes by 11% to cover a projected $350,000 shortfall. He questioned why this substantial surplus wasn't anticipated during budget planning.

Gannik explained that a significant portion of the surplus ($440,000) came from TID transfers into the general fund, with $150,000 being an additional transfer due to increased increment in the TID. He also noted that operational expenses were under budget by approximately $400,000, reflecting good budget management by department heads.

Laszkiewicz suggested that the village should produce unaudited pro forma reports more frequently to provide better forecasting for budget planning. He emphasized the importance of having solid numbers and reasonable forecasts before proposing any property tax increases.

Howson pointed out that while the Marina revenue was significantly over budget ($220,000 compared to a budgeted $52,000), there were some expenses that were pushed back or rescheduled. Gannik explained that approximately $35,000 of the overrun was due to changing to hybrid accounts, and some 2025 funds were recorded in 2024.

General Fund and Ice Rink Fund 2024 Year End/Actual to Budget
The committee reviewed the materials provided in the packet, with no specific discussion on this agenda item beyond what was covered in the previous item.

Marina and Utilities 2024 Year End / Actual to Budget
The committee reviewed the Marina and Utilities budget to actuals for 2024.

White questioned the negative $216,000 net revenue in the water fund when it was projected to be negative $55,000. Gannik explained that the utility is split between water, wastewater, and collection, and it's the sum of all that matters.

Laszkiewicz noted that the wastewater fund had a significant positive variance, ending up approximately $170,000 over budget. He inquired whether the additional revenue from recent rate increases (approximately 25%) was being set aside for future infrastructure needs.

Gannik confirmed that the funds remain in their respective utility accounts, either in operational funds (which now earn interest) or in required replacement funds.

Howson expressed concern about the Marina being significantly over budget for net revenue, noting that going way over budget is as concerning as going way under budget.

b) Budget Directives
The committee discussed the budget directive for the upcoming 2026 budget.

Bhirdo explained that the directive is meant to give staff and department heads a target to strive for, though the final budget may differ. She suggested a 0% increase directive for the next year.

Laszkiewicz questioned whether the 0% directive would be based on the 2025 budgeted amount or the 2024 actual spending, which was significantly under budget. Schmelzer clarified that traditionally, it's based on the approved budget for the current year (2025).

Laszkiewicz expressed concern that this approach could lead to unnecessarily high budgets if departments consistently underspend. He emphasized the importance of analyzing 2025 performance before finalizing the 2026 budget, especially if property tax increases might be proposed.

Bhirdo also emphasized the importance of managing the Capital Improvement Program (CIP) levy consistently to help catch up on projects that were previously put on hold. She provided examples of how the CIP levy had been planned to increase and then decrease over the next several years.

A Motion was made by Howson, seconded by White that the budget directive for 2026 will show no increases over the 2025 budget. Motion carried – all ayes.

c) COLA 2026

Schmelzer explained that the Personnel Committee had recommended a 2.75% Cost of Living Adjustment (COLA) for 2026, which is flat compared to the prior two years. The Consumer Price Index update through June would not be available until July 11.

A Motion was made by Laszkiewicz, seconded by Howson to approve the Personnel Committee's recommendation for a 2.75% COLA for 2026. Motion carried – all ayes.

d) Sales Tax/Fee Schedule Impact

Gannik explained that during a recent sales tax filing process, they discovered issues with how sales tax was being handled. Currently, sales tax is included in the charge (e.g., $10 includes tax), but they are not factoring out the sales tax when determining what to remit, which means non-profits are being overcharged. The auditors identified this issue and are working on proper procedures. Starting July 1, 2025, the fee schedule will be updated to clearly indicate whether tax is included or will be added to the listed amount.

e) Personal Property Tax Collection

Schmelzer presented a list of outstanding personal property taxes, noting that one (ABS) had been paid. She asked for direction on how to proceed with the remaining unpaid taxes from three entities, involving six properties.

Bhirdo recommended following the same approach as last year, waiting until February 2026 to address the issue again. The committee noted that sending the accounts to collections would cost more than the amount owed in some cases, and multiple letters had already been sent to the property owners.

f) Tax Collection/Collection Software

The committee discussed whether the village should continue to have Door County collect property taxes or invest in municipal collection software to handle it internally. Bhirdo explained that years ago, the village would collect all property taxes and then distribute funds to other entities like NWTC and the county. Now the county handles this for a small fee, which is increasing by 7%. The committee agreed that the county's service provides good value, saving staff time and avoiding the need to purchase and maintain specialized software.

A Motion was made by White, seconded by Laszkiewicz to continue having Door County collect property taxes rather than implementing municipal collection software. Motion carried – all ayes.

g) Tax Bill Notification

The committee discussed including informational materials with the tax bills that are sent to property owners in December. Last year's notification included information about dog licenses and other timely reminders. The committee agreed to include an update on the fiber optic project with this year's tax bills. White also suggested adding information about any expected changes that would impact tax rates. Schmelzer will bring a draft of the notification back to a future meeting for review.

h) Grant Updates

Howson expressed concern about the CMAQ grant for a shuttle bus, noting that the DOT had claimed the grant application didn't meet qualifications despite having previously approved it. She indicated she would follow up with her contacts at the DOT since the village has a letter confirming the grant approval.

Administrator Schmelzer provided updates on other grants:

- Highway 42 Trail Planning: $90,000, engineering ongoing
- Highway 57: DOT approved the selected consultants
- Concession Stand Restroom Addition: Will be completed by the village
- Safety Grants: Minor annual grants
- Comprehensive Plan: Closed out
- Waterfront Park grants: Closed out except for some municipal reimbursement funds for the counter and benches.

i) Municipal Reimbursement Funds

Schmelzer explained that the village receives municipal reimbursement funds annually that must be used for tourism enhancement. For 2025, the village has $65,200 available. The recommendation is to use these funds for historic signage at Waterfront Park, binoculars on stands, and possibly a bench if needed.

Laszkiewicz spoke in support of the historic signage project, explaining that the Parks Committee has been collaborating with the historical society on professional, ADA-accessible signage that would explain the history of what visitors are seeing at various locations. The binoculars would also be ADA accessible and located near the historical signage.

White suggested additional future uses for municipal reimbursement funds, including a swim ladder on the north side of the public pier, street crossing signs, and improvements to public bathrooms. The committee reached a consensus to use the 2025 municipal reimbursement funds as recommended for historic signage and binoculars.

j) Waterfront Museum Lease

Schmelzer explained that the Marina Committee is proposing to charge the historical society $10,000 per year to lease the boathouse for use as a museum. Since the historical society cannot afford this amount, she asked whether municipal reimbursement funds could be used to cover this expense starting in 2026.

White explained that while the Marina Committee supports the museum project, some members were concerned about giving up potential revenue of $20,000-$30,000 per year that could be generated if the boathouse were rented commercially.

Bhirdo suggested investigating whether the Payment In Lieu of Taxes (PILT) for the marina could be reduced by the value of the boathouse, effectively creating a credit toward the $10,000 lease amount. This approach would avoid using municipal reimbursement funds, wouldn't require the historical society to pay, and would recognize the reduced revenue opportunity for the marina. Gannik agreed to discuss this with the auditor, as the PILT is audited annually. The committee agreed to revisit this issue at a future meeting after learning more about the PILT option.

Agenda Item No. 7. Matters to be Placed on a Future Agenda, or Referred to a Committee, Official or Employee.

The committee discussed the need for improved safety at crosswalks throughout the village. White expressed concern about drivers not stopping for pedestrians, particularly at the intersection at the top of the hill and the intersection by Bhirdo's. Bhirdo suggested organizing a bus tour for committee members to examine all intersections in the village, similar to a previous walking tour. Howson offered to drive the bus for this purpose on a Monday when it's not in service.

Laszkiewicz requested maps of TID 1 and TID 2. Schmelzer indicated these could be found in the appendix of the comprehensive land use plan and offered to email the maps. Bhirdo requested that new committee members receive copies of the proposed CIP that the committee has been working on.

Agenda Item No. 8. Next Meeting
a) 2026 CIP: Preliminary Review and Discussion
b) 2026 Budget: Preliminary

Agenda Item No. 9 Adjournment

At 3:00 p.m. a motion was made by Bhirdo and seconded by White, to adjourn the June 23, 2025 meeting of the Finance Committee. Motion carried – all ayes.

The next meeting of the Finance Committee will be held on July 28, 2025 at 1:00 p.m.

Respectfully submitted,

Sue Clarke
Village Clerk