Finance Committee Meeting Minutes
Monday, July 28, 2025
(Approved)

1. Call to Order

The July 28, 2025 meeting of the Finance Committee was called to order by Chairperson Bhirdo at 1:00 P.M.

2. Roll Call

Present: Chairperson Denise Bhirdo; Trustees Louise Howson and Brigid White; Citizen Members Mike Laszkiewicz and Andy Woerfel (Woerfel left the meeting at 3:00 PM).

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

3. Approval of the Agenda

Motion to approve the agenda as presented made by Howson, seconded by Laszkiewicz. Motion carried unanimously.

4. Approve Meeting Minutes: June 23, 2025

Committee members reviewed the minutes from the June 23, 2025 meeting. Laszkiewicz inquired about the process for following up on open items from previous meetings. Schmelzer noted that typically they go through the minutes to identify what's left and prepare for the next meeting, but the minutes were approved late this time so there wasn't sufficient time to complete that process. Bhirdo noted errors in the minutes.

Motion to approve the minutes as amended made by Howson, seconded by Laszkiewicz. Motion carried unanimously.

5. Comments, Correspondence and Concerns from the Public

Nick Deviley addressed the committee regarding a proposed development project. He discussed a sewer and water lateral project he has been working on with Megan Barnes, Utilities Director, to bring to his farm, which he estimated would involve about $3 million in infrastructure that he and his wife would be investing in the village between next spring and next fall.

Deviley further discussed his development project, estimating the cost would in total be between $26 million (65 units at $400,000 per unit) and $32.5 million (at $500,000 per unit). He indicated the average home would range from around $275,000 on the low end to whatever a 2,500 square foot house might cost on a quarter acre at the high end. Deviley asked if the village would consider providing any financial assistance for the development project.

Laszkiewicz then made a lengthy commentary on the village's budget planning process. He expressed concern about the substantial surplus ($557,000) reported by the auditor at the end of the previous year, especially considering the near 11% tax increase that had been implemented. He noted that the tax increase had been intended to raise about $400,000 in revenue based on advice from financial experts who believed it was necessary to keep the village financially whole. Bhirdo questioned the accuracy of a statement attributed to Laszkiewicz that "financial experts" had advised raising taxes, noting that financial advisors typically do not tell municipalities whether to raise taxes.

Laszkiewicz explained that he believed the favorable variance came from two areas: $425,000 from the TID (Tax Incremental District) and about $400,000 in underspending by department directors. He emphasized that the budget planning process, which continued through October and November, had made it difficult to forecast the year-end surplus with only two months left in the fiscal year.

Laszkiewicz stressed the need for better forecasting of expenses and revenue for the TID and improved budget forecasting processes for departments. Laszkiewicz noted that the financial expert from Baird had advised increasing taxes because of an anticipated negative impact from the TIDs, but the actual result was positive, which was difficult to understand. He emphasized the importance of better budget management going forward, as residents expect better financial stewardship. Bhirdo questioned whether Baird had specifically advised increasing taxes because of anticipated negative impacts from the TIDs.

Chair Bhirdo suggested this discussion would be more appropriate when discussing the budget later in the meeting rather than during public comments.

6. Discussion/Action Items

a. Update on Sales Tax/Fee Schedule

Gannik explained that not every item on the fee schedule is subject to sales tax. Only reservations, rentals, and concessions are taxable. He noted the current practice is to back out the sales tax from the posted fees rather than adding it on top of the fee.

The committee discussed how this creates inconsistency, particularly for nonprofit organizations. Gannik explained that nonprofits must show documentation that they don't pay tax, but currently, they end up paying slightly more than individuals because the tax is backed out for individuals but nonprofits pay the full amount.

Committee members discussed whether it would be clearer to simply state fees as the base amount and then add tax on top. White suggested this approach would be simpler, noting that nonprofits would just pay the flat rate without tax by using the tax-exempt function during processing. Howson raised a concern about reporting to the state and proper documentation of tax-exempt transactions.

Motion that facility rentals and park and special rentals fees do not include sales tax (with sales tax to be noted separately) made by Howson, seconded by White. Motion carried unanimously.

The committee then discussed how to handle concession sales at the ice rink and marina. They debated whether adding tax to small-dollar transactions (like $1 candy bars) would be practical when dealing with cash transactions, especially when children are involved. Concerns were raised about whether seasonal, part-time staff managing concessions could handle calculating tax and making change.

Motion that Marina and Ice Rink concessions prices will be plus tax made by Bhirdo, seconded by Laszkiewicz. Motion carried unanimously.

b. Update on General Fund Qtr 2, 2025 Actual to Budget

Gannik presented the 2nd quarter budget to actual figures. Laszkiewicz expressed appreciation for the report but suggested improvements, including adding a summary with a variance analysis, calendarizing the budget by month to better track progress and highlighting spending variances. He felt department heads should be able to provide monthly projections.

Bhirdo responded that such detailed forecasting would be difficult without input from all department heads about their planned spending for the remainder of the year.

Laszkiewicz again emphasized that the issue from the previous year was that department heads ended up over 20% under budget, which wasn't known when taxes were raised. He stated the village needed to hold department heads accountable for their projections, so we didn't have a surplus.

Schmelzer explained that given the village's small staff size and multiple responsibilities, monthly forecasting is challenging. She explained the department heads can't provide accurate projections on a monthly basis because much of what is done is contractor contingent, and due to our location, the village is at the mercy of the contractors and staff may not always know in advance when the contractor will be able to provide the service. And, often times, committees will add, or remove projects, which were not budgeted.

The committee discussed the financial reports presented by Gannik. Some confusion arose regarding how to interpret the net revenue over expenditures and the presentation of budget figures versus actuals. Gannik explained that the budget initially had a negative general fund portion of $182,000, meaning expenses were higher than revenue. Additional funds had been transferred from the general fund reserves to balance this.

Laszkiewicz expressed concern about why the village needed to use cash reserves if expenses were under spent and revenue was recognized. He questioned whether they were getting accurate forecasting of TID impact and department expenditures.

The committee also reviewed specific department budgets, noting that the Parks Department was significantly under budget at the midpoint of the year. Schmelzer explained this was partly due to seasonal factors, with more park wages typically occurring in the second half of the year during fall events and the department being down one staff person.

Laszkiewicz spent considerable time questioning last year's processes, which Bhirdo explained had been resolved with new policies. Gannik clarified Laszkiewicz's interpretation of a surplus the past year was incorrect, and explained the budget and details revealing there really wasn't a surplus, as Laszkiewicz alleged.

Schmelzer requested the committee 'get back on track' and noted the agenda item was the Quarter Two Actuals.

c. 2026 Budget: Preliminary Review and Discussion

Gannik presented the preliminary 2026 budget materials. He noted that numbers shown for 2026 were currently placeholders identical to the 2025 budget, pending further refinement.

Chair Bhirdo suggested the committee should aim to reduce the general property tax levy to $2.4 million, which would represent a reduction from the current level. She noted this should be achievable based on her review of the budget.

The committee then reviewed various revenue line items with minimal comment. They did discuss liquor license revenue, building permits, and intergovernmental revenue, noting that some revenue streams are seasonal and won't be evenly distributed throughout the year.

Laszkiewicz expressed alarm over the cost of the Administrator, with staff explaining that category actually encompassed all ‘administration’ functions of the Administrative Offices, so it was not reflective of the cost of an administrator.

The committee also examined various expense categories. They noted some departments like administration were running over budget due to the need for assistance from Baird and the auditor, personnel changes and separation payments for departing employees. The committee discussed electric and gas costs for village buildings and whether the village was securing the best rates through contracts for propane. Schmelzer commented that Gannik was skilled in finding efficiencies and staff would look into whether there was a means for cost savings on propane in the coming year.

Laszkiewicz expressed concern about the Fire Department and whether there might be accumulated bills or unprocessed payables due to leadership changes. Chair Bhirdo assured the committee that the Fire Department’s Clerk Treasurer was very competent and handling finances properly. Schmelzer stated Goldstone, the interim fire chief, was keeping operations going smoothly. A discrepancy in the Fire Department budget was discussed, with Schmelzer explaining there was a difference of about $7,000 between what the department had requested, what was discussed and approved, and what ended up in the final 2025 budget document. The committee recognized the need to address this shortfall.

The committee reviewed Public Works staffing, noting that full-time wages were under budget while part-time wages were over budget. Schmelzer explained this was because a staff person had left and wasn't replaced; instead, existing staff received higher wages for additional duties and more part-time hours were added. She noted the Parks, Property & Streets Committee planned to revisit this staffing approach in November.

Laszkiewicz then questioned the TIDs. He said there was some confusion over them and their numbers. White inquired how the TID monies could be used. Bhirdo explained the basics of a TID and how much money was generally available, and that it is being used to repair roads.

d. 2026 CIP: Preliminary Review and Discussion

The committee reviewed the Capital Improvement Plan (CIP) for 2026. They discussed the beginning fund balance of $3.8 million and potential new funding from bond proceeds ($1 million) and grants ($1 million).

Members questioned whether the beginning fund balance included funds designated for broadband ($3.3 million), and Gannik clarified that only a portion of the broadband funds were included in that balance, as the project spending would be spread over three years. He also added that, as of 2025, the taxpayers were already being taxed for the project. The question arose as to whether the money collected could be used for something else. Gannik explained yes, but it was not advised, with Schmelzer clarifying that the public may see the trustees as unethical to tell the taxpayers we are taxing them for high-speed internet to their door, and then use the monies for something else.

Bhirdo asked for changes or corrections to the CIP, but hearing none she proceeded to identify several formula errors in the spreadsheet and asked Gannik to correct them. Laszkiewicz expressed that due to the length of the meeting, rather than the committee work through the errors, Bhirdo and Gannik could fix them outside of the meeting. Bhirdo objected reminding the committee it was their responsibility to review everything.

They discussed various capital projects including:

- The Administration Building project at $3 million. Chair Bhirdo suggested increasing this amount to account for construction cost increases.
- The broadband project, which would use $1 million in 2026 from the previously authorized bond funds.
- The old Public Works building demolition at $75,000.
- Village Hall future renovations at $150,000.

Laszkiewicz questioned why the village would borrow money if they had money in reserves. White expressed uncertainty with having to bond to get a better credit rating. Bhirdo explained why it was necessary to have restricted funds, and why the village shouldn’t deplete them.

Laszkiewicz commented that it is very difficult to follow along at the meeting since there was a meeting packet with one set of numbers, and an email with more information. He suggested Bhirdo meet with Gannik before the meetings to coordinate on what the meeting attachments will be and what documents will be referenced.

Laszkiewicz felt the committee was ‘wasting a lot of time’ and the village needed an easier budgeting process. He asked Gannik if his software was adequate. Woerfel also questioned whether there was better software available and recommended the village look into tools and processes to make the budgeting process more efficient. Bhirdo stated that everyone must bring a computer.

Howson proposed the committee review what is in the CIP, if it is allocated in the correct year, and if the dollar amount was accurate.

The committee also discussed the current administration building, with Schmelzer emphasizing the need for a decision on whether to tear it down, as this would affect engineering plans for road improvements in that area, which were currently underway and due in August. Chair Bhirdo suggested the engineer design the roads with safety in mind, even if that meant the building needed to be removed, and said what was left may need to be sold to the adjacent neighbor noting it was too small for a parking lot. White suggested the engineer devise several concept plans showing the road with the building, without, and the land being used as a parking lot. The matter was referred to the Parks, Property & Streets Committee for further discussion.

The committee reviewed the Parks Department CIP, with Chair Bhirdo noting that the proposed capital projects levy for 2026 was $1.2 million, which was $147,000 over the changes they had made in early spring, and, this did not reflect the budget directive of a zero percent increase. She identified changes including swapping the trail to Ephraim with the Highway 57 Trail, removing Ava Hope Park, moving a lawnmower to 2027, and moving a 2005 truck replacement from 2027 to 2026.
To reduce the Parks CIP, the committee agreed to:

- Move the 2005 truck ($75,000) back to 2027
- Move robot mowers to 2027

- Reduce the community center warming house funding from $200,000 to $100,000

These changes would bring the Parks & Streets Department CIP to approximately $90,000 less than the previous year.

e. Tax Bill Insert to revise

The committee discussed items to include in the tax bill insert. Suggestions included:

- Information about the Administrative Assistant and Village Clerk's departures from village staff
- Introduction of new staff members
- Information about the new Park Maintenance Building, possibly including an open house event
- Dog license requirements and enforcement
- Request for residents' email addresses to improve communication
- Introduction of elected officials
- New information about the changes in the state's alcohol licensing for clubs, churches and events

Laszkiewicz questioned why the village required dog licenses in that people don't get dog licenses; Bhirdo noted that if more people paid their license, the village would have the money to upgrade the dog park. Howson offered to update the draft tax bill insert based on the committee's input.

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

It was agreed Gannik was to make the necessary changes to the budget and CIP, replace the placeholders with the actual budget data, and the committee meet again in two weeks.

8. Next Meeting

2026 CIP: Review and Discussion

2026 Budget: Review and Discussion

The next meeting was set for August 11, 2025.

9. Adjourn

Motion to adjourn meeting at 4:48 p.m. made by Howson, seconded by Bhirdo. Motion carried unanimously.

[NOTE: The audio of the meeting tape was not functioning from approximately 1:30 to 2:15 PM]

Respectfully submitted, Sue Clarke, Village Clerk