

**VILLAGE OF DRESSER
FINANCE/PERSONNEL COMMITTEE MEETING
MONDAY, OCTOBER 27, 2025**

The meeting was called to order by Darren Petereson at 6:00 PM. Roll Call was taken: Darren Peterson, Joe Peterson, and Mark Kuhl were present. Also present was Jodi Gilbert – Clerk/Treasurer, Sarah Kobs – CliftonLarsonAllen LLP, Brock Geyen – CliftonLarsonAllen LLP, and Nikki Froehlich arrived late. No other public or press was in attendance. This meeting was posted that a majority of Dresser Board members may be present to gather information about a subject over which they have decision-making responsibility.

The purpose of this meeting is to finalize the proposed 2026 Budget with Sarah Kobs and Brock Geyen – CliftonLarsonAllen LLP. The committee was presented with 5 handouts as the meeting's starting point. Geyen stated the Village is within about \$6,500.00 to meet all of the requirements. We have a little work to do. We need to figure out how to get within the Levy Limit and meet the Expenditure Restraint Limit.

Handout 1 – Budget Summary. Geyen stated this Budget Summary is your starting point and if you adopted your budget as is these would be the numbers. The 2026 Levy has been reduced by 5.2%. You had a slight increase in assessed value. Taxes would be going down by \$40.14 per \$100,000.00 of value. The issue is that you don't meet the Levy Limit requirement and you also don't meet the Expenditure Restraint Percentage.

Handout 2 – Levy Limit Calculation. You may ask why is the levy going down. You have taken on new taxable property. You have net new construction of \$2,487.00. The main reason the levy is going down is because the debt service is going down. The State says that if you take out debt you can levy taxes to pay the principal and interest on the debt. See Row 10 – last year you levied to pay debt in the amount of \$99,514.00. This was claimed as an adjustment last year. At this point this year you only have \$62,433.00 in debt. On the bottom of page 2 you can see what debt service is funded with taxes and what debt is funded with other revenues. The Water and Sewer Utilities are paying their own way. If you recall from last year, you did some debt prefunding for the 1st and 2nd Street Project in the amount of \$41,500.00 and that project is now done and behind us. No new debt in 2026. This is why it went down and the levy went down. We want to increase the levy to equal things out. You don't want to go negative.

Handout 3 – Carryover funds. The carryover funds start with the numbers from the end of the 2024 audit/beginning of 2025. You then have your adopted 2025 budget numbers. You look at what you spent – you did purchase a new squad for the Police Department. You can then see the 2026 Budget numbers for these items. We may have to reduce one of these line items. You do have money to spend for things.

Handout 4 – ERP Calculation. If you meet the Expenditure Restraint Payment Calculation the State gives you aid. They are trying to limit increases in budgets overall. Your limit for 2026 is 3%. You need to round down and be below that number. The dollar increase is \$22,995.88. Right now, you are over by \$6079.12. So, to meet the ERP Calculation and the Levy Limit you need to reduce the budget by \$6,441.00 to be in compliance. Like we have done in the past debt would also be a way to put the numbers into compliance.

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Handout 5 - Budget Detail. The committee reviewed the budget detail page by page. Page 1 & 2 are the revenues. No changes these numbers are all set. Page 3 Line 233 Special Accounting/Audit/Budgeting is increasing by \$303.00. Page 4 no changes. Page 5 Line 316 police vehicle replacement account increased by \$500.00. The next vehicle will probably require new equipment also. Page 6 Line 386 lawn mower replacement account stayed the same at \$1,300.00 since we have not seen an estimate from Boyd's Outdoor to trade in the zero-turn lawn mower. Page 7 line 499 \$2,000.00 was put in for CDBG Revolving Loan Fund Administration. The Capital Outlay Accounts were reviewed on page 8. Line 559 Library Building Doors – what does the committee want to put on this line item or leave it at zero. Currently you have \$1,000.00 Library Building at the LGIP and \$1,000.00 in the Building Outlay account. Darren Peterson stated I did take a look at it. Do you put \$1,000.00 aside for the inside door? Gilbert stated if we roll the dollars set aside for the Village Office building in 2026 and look to redo the outside of the Cold Storage/Library Building in 2027 the outside doors could be redone at that time. The Village is not looking into any new buildings. Kuhl stated we do have to watch and see if Polk County would cut the Act 150 monies in the future. The current inside door is around 26 inches and to be ADA compliant you need to be at 32 inches. Joe Peterson stated I don't understand spending money to be complaint when you can't make the building any bigger. I just don't know if I agree with this. Kuhl stated do we want to keep improving our buildings. Joe Peterson stated you may never get the building to a point that it is totally wheel chair accessible. Darren Peterson stated I believe every other door is OK but just this one door needs to be widened. We don't have any quotes on this. Darren Peterson stated set aside \$1,000.00 and if can be done with that money great if not it would have to wait.

Gilbert asked is the Village better off taking out debt of \$6,500.00 or cutting \$6,500.00 from the budget. Geyen stated you need to maintain the budget. The advantage to doing the debt service is that you can take the adjustment. Darren Peterson stated it can hurt you the following year if the levy goes down. Geyen stated we won't let you go below the base level - that would for certain hurt you. Geyen stated another option is prepaying some of the debt – you could afford to do that. You could prefund debt. Darren Peterson stated I would like to see us keep taxes even and if we could prepay some debt that would be great. Geyen stated when you look at the 2018 Bonds you are paying \$50,000.00 in principal plus interest. It would not hurt you this year to prepay some of this debt and keep taxes the same. Geyen clarified so looking at Handout #1 the objective would be to have taxes at a zero increase or slightly under. Row 14 change in dollars. If you did a debt principal reduction around \$27,000.00 that would put taxes at a reduction of \$2.92 per \$100,000.00 of value. That would keep the overall levy right around that \$541,000.00 mark. For the 2018 Bonds you collect money to make the payment in 2026 and there is a call date. There should not be a timing issue with cash flow. March 1 2026 you pay your principal and interest and you can then start prepaying. You added \$1,000.00 to the budget so you would need to change the amount to borrow to \$7,500.00.

Look at borrowing from the local bank a portion of line 538 – State Street Striping moving \$7,500.00 to the Capital Projects Fund. This puts debt on the books. Add \$27,000.00 to line 633 General Property Taxes and make a prepayment on the principal on the 2018 Bonds. Still make your principal and interest payment on the 2018 Bonds. By doing these two things you now

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meet the Expenditure Restraint Payment Calculation and the Levy Limit. Handout #1 the change in levy is -.03% – row 15. The taxes are going down -2.92 per \$100,000.00 of value. Darren Peterson stated this also keeps your debt service adjustment right around \$100,000.00. New handouts were printed for the committee.

Motion Darren Peterson/Joe Peterson to recommend to the board that they adopt the 2026 proposed budget. All in Favor. Motion Carried. A special board meeting to adopt the 2026 budget and set the levy is set for Thursday, November 20, 2025 at 6:30 PM.

No other items were discussed.

Motion Darren Peterson/Joe Peterson to adjourn at 7:02 PM. All in Favor. Motion Carried.
Jodi A Gilbert, Clerk/Treasurer

These minutes have not been approved.