

VILLAGE BOARD OF TRUSTEES
SPECIAL MEETING AND BUDGET WORKSHOP
AUGUST 25, 2025

Opening prayer by Custer.

Peterson called the Special Meeting to order at 6:00 PM in the Ceresco Community Room. Board Members had been given the agenda and supporting documents. Notices were posted at the Village Office, Ceresco Post Office and CerescoBank. Peterson pointed out the Open Meeting Law Act posted on the wall of the Community Room. Answering roll call: Peterson, Burklund, Custer, and Johnson. Absent: Ruble. Also present: Shaelynn Jensen, Tyler Heyen, Brian Roland, Cheryl Pester, Lynn Maxson and Joan Lindgren.

The Pledge of Allegiance was recited.

The VRBA claims were discussed. Roland reviewed issues with the sewer main at 224 Elm. The line was broken prior to the work being done. The service line break and the sewer main were two different issues. In his opinion the break had nothing to do with the service. The service had problems, but the break in the main caused by VRBA stopped the flow, but they repaired and added a double clean out.

Burklund made a motion to pay the VRBA claims in the amount of \$35,124.85. Custer seconded. Voting Yeas: Burklund, Custer, Johnson, and Peterson.

Cheryl Pester with Erickson and Brooks was present to review the budget worksheets for the 2025/2026 fiscal year budget as follows:

A. General

- 1) Changed the allocations based on the other special revenue funds. More allocation given to funds needing more property tax.
- 2) When looking at the budget, she looks at the trend using the last 3 years, and what we know may happen in the future.
- 3) Sales tax was increased, because the trend was a little more than budgeted in the past.
- 4) Reserves are held in Capital Outlay.
- 5) There is a rule in the Budget Act that says your ending cash cannot be more than 50% of the operating expenses. When she says reserves, it is to get cash below the 50% of the operating expenses.
- 6) There is \$140,000 in reserves, which means that is extra on hand for any future projects, or emergencies.
- 7) There is \$20,000 budgeted for capital outlay.
- 8) The last couple years there were no reserves because there was nothing extra. It was used.
- 9) Unused budget stays in the fund balance. If it is part of the property tax allocations coming in and it is not spent, it goes to the ending fund balance then that will start the new year in the new budget.
- 10) Each year the budget starts new. Ending budget does not get added as additional funds. Even though there is an ending \$50,000, next year you start new, so it is \$140,000 reserves, not \$190,000. The \$140,000 reserves can be spent.
- 11) The task ask is the same. The village has allocations, because of MFO.
- 12) Last year \$43,000 was allocated. This year \$66,000 was allocated because the other special revenue funds didn't need as much this year so more is going back to general. When one of the other funds needs money, it can be transferred from general.

B. Street

- 1) Street is a reserve fund. Street can be spent on street and street only. It cannot go anywhere else.
- 2) Street reserves are going to be higher. There is \$575,000 in capital outlay, with \$418,000 of that being reserves for future big street projects or multiple little ones.
- 3) The reason to have reserves is so you can build them up every year, so you don't have to bond.
- 4) This money is certified highway allocation from the state.
- 5) The \$418,000 is estimated reserves based on an estimated number, because we don't know how the end of the fiscal year is going to be.

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- 6) Included in the \$575,000 capital outlay is \$60,000 for Hunter Subdivision, and \$97,000 for Elm Street.
- 7) Pester said the \$418,000 could be used if there is a street project, but it shouldn't be used, just to use it. The funds should be used with the One and Six Year Plan in mind.

Burklund questioned if the \$478,000 in 2024/2025 budget could have been used. Pester said \$373,000 could be used for street projects. Pester noted there were two major street projects around 2022 that were bonded. Lindgren noted even though Elm Street was talked about, the water main project had to be done before the street. No money was budgeted for a street project.

Johnson questioned where the expenses to fix the street are charged if there is a water main break. Lindgren noted if is a small amount, such as a couple thousand, it goes in streets, because water is always negative. If there is more to do, it could be taken out of the street reserves. Pester stated you can spend it out of reserves, it just isn't earmarked.

Burklund asked how much of the reserve could be spent. Pester stated that was the board's decision, but she would always recommend that your ending cash is at least 50% of the operating costs. Street is different. It is funded by highway allocations not property taxes, so there are monthly payments, instead of two big payments a year.

C. Police

- 1) More is needed in the budget that is why the allocation is a little bit higher than last year.
- 2) About \$10,000 budgeted for radios, so when it comes to capital outlay that is being transferred from general.
- 3) The ending cash balance is the same as last year. Johnson stated it doesn't look like the police went over budget last year. Pester stated no, it is pretty much spot on. There is a little bit more allocation. She bumped it up \$5,000. We're still hoping to get the miscellaneous \$10,000 for the police car.

Burklund asked why allocation was started in 2022. Pester stated for MFO. In the interlocal agreement it states you have to have a 4 cent levy for the fire department. It is easier to prove that we are doing it this way. It was done in the past, but it was transferred. Burklund asked why we were allocating to police. Pester stated we have to allocate the 4 cents for fire, so we are just allocating to all the funds, instead of doing it with transfers. Pester pointed the reserves were reduced from \$14,000 to \$10,000 for the radios.

Johnson commented that one of the things that keeps going up is insurance. Pester stated insurance has went up across the board. She has seen it in all the villages. Huge increases.

D. Fire

- 1) Fire has a 4 cent levy per the interlocal agreement. More is being transferred from general because of the radios. There isn't enough in fire with the 4 cent levy to cover operating costs and all the expenses.

Burklund stated Pester said it only had to be done every three years, and asked why it is being done every year. Pester stated that is correct, because they needed it in fire every year and we are leaving it at 4 cents every year. With the radios the 4 cents isn't covering the operating cost and what is needed. Bunker gear and boots are also under capital outlay because of the \$5,000 capitalization threshold.

Custer noted the talks about purchasing land for a fire barn, and stated it doesn't look like there is any way to put anything in the budget to even start putting aside. Pester answered you are going to have to bond it.

Johnson asked Fire Chief Tyler Heyen if it's a state requirement to upgrade all the radios. Heyen answered it's not so much a requirement, as to the systems they are running will no longer work with any of the radios. We can still have the radios that we have, they just won't work at all. Johnson asked if they are going to get a different frequencies. Heyen answered all the CAD systems and everything is getting upgraded. Johnson asked

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if we were getting credit for old radios. Heyen stated they aren't worth anything. The ones we bought 6 years ago are not worth anything.

Burklund asked if everyone was using the radios that were bought 6 years ago. Heyen stated no. They have 5 radios that were bought 6 years ago and those are the ones that work the best. A couple years before that, 6 were bought that kind of work for now, but as soon as they switch over to the Orion System they won't work, and as soon as they switch everything over they won't work on their digital side either. Burklund asked what everyone else is using for a radio, if there are only 11 radios. Heyen answered that is what we have. We don't have enough working radios. Burklund asked how the other people get informed that don't have a radio. Heyen stated either through a page or cell phone, but that works about 70% of the time.

Heyen said they were planning on buying 6 radios for the \$39,000, but the price went up in the last two months, and they can only get 5 radios from the current budget year. More will be needed in the next budget. Thirty-two radios are needed.

Burklund asked about the grant. Heyen said the grant got every truck radio, 5 handhelds, and a station radio. Burklund asked if Lancaster County was going to have a grant. Heyen said they were pager side, so they all got new pagers. If there is any money left over, it can be spent on either pagers or radios, but we are going to push for radios. It could be two years from now or six months.

Pester noted there isn't much going on in Library. She did reduce the allocation of property taxes because the needs went down. We are budgeting \$11,500 in capital outlay but \$10,000 of that is hopefully coming from grants. Custer noted we got that grant last year and asked if they were going to try to get that grant this year. Lindgren noted they are hoping to get \$10,000 worth of grants but are not sure they will get that much. Pester noted we didn't budget for any grant money last year. Custer stated correct but they got one last year. Lindgren stated they got \$2,000 but she hadn't seen any of it yet. Pester noted it is in the estimated actual. Other than that she doesn't have much to say about library.

E. Park

- 1) Park has had some issues the last two or three years with the stream stabilization and some other capital outlay, and the Splash Pad.
- 2) Now that Park has calmed down, she drastically reduced the property tax allocation to get it to a more normal level.

Paying off the stream stabilization loan was discussed. The interest rate is good. To pay down \$80,000, it would be a transfer from general, which would reduce the \$140,000 in reserves. Discussion held.

Lindgren noted the Tree Board requested an additional \$3,000 for trimming and taking another tree out, which was taken from the loan payment.

Burklund stated there is cash in the bank that we are getting zero on. Pester noted you actually have about 15 CD's that you are getting lots of interest on. Burklund asked if the CD's could be used to pay the loan off. Pester stated you have to look at the ending cash per fund. Don't look at the cash that is in the bank, because it is all in individual funds. If you pay that off, you are going to reduce the general reserves for any future projects, or any emergencies. A couple years ago there were emergencies and there were no funds because all the reserves were gone.

Custer noted her opinion was to leave it at the \$20,000. Pester noted they should not deplete everything, because then you are in the same boat you were a couple years ago. If something happens it's very stressful. Peterson noted he would like to leave it right where it is at and see where we are next year to make a bigger payment. No change made.

F. Keno

- 1) Nothing in keno, so nothing to talk about.

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G. Water

- 1) It was hard to get a positive balance last year, but some of the projects came in under, so that has helped.
- 2) Need to work on getting a little bit more cash and a more reserves.
- 3) Reduced the bond amount. Had budgeted \$610,000, but only took \$450,000.
- 4) Starting with reserves of \$24,000, which isn't a lot. One emergency could use it.
- 5) Water rates were raised, and will be again. There will need to be another rate study next year. Discussion held.

H. Sewer

- 1) Sewer has a reserve of \$30,000. Roland noted he is waiting on prices for repairs at the sewer plant.
- 2) The \$8,000 for the front door could be used for some other expense.

I. Garbage

- 1) There is \$10,000 added to capital outlay for rock at the compost site.
- 2) There was \$12,000 needed for water to get reserves built up.

J. Debt Service

- 1) Is according to the amortization schedule given by the bonding agent.
- 2) Want to keep the bond amounts as consistent as possible.
- 3) The 25% charged to sewer, is part of about four or five rebondings. It was a 2009 refunding bond that consisted of an existing sewer bond and an existing refunding street bond. The street bond was in existence before 2009. The original 2009 refunding bond was 2.1 million. Discussion held.
- 4) There are new bonds, so the bond payment went up.
- 5) The Precinct Road assessment was discussed.
- 6) No intention of increasing bond fund for next three years, so we can use reserves in the bond fund.
- 7) The last big payment will be paid off in three years. After that the debt payment goes down \$111,000.
- 8) Bonding can be done for a fire barn in 2029/2030 in order to keep the tax ask consistent, with a payment due that year.
- 9) Trying to eliminate the levy from going up and down in the bond fund.
- 10) The tax request authorization is the state trying to limit the amount of tax that can increase this year.
- 11) Pester noted in prior years there are times when the growth outweighed the increase in taxes so there are many years there was no increase even though there was valuation increase.

No changes were made to the proposed budget. Pester will get the budget forms done and the budget hearing published in the paper by September 4th for the September 16th meeting.

Peterson moved to close the meeting at 8:01 pm. Custer seconded. Voting Yeas: Peterson, Custer, Johnson and Burklund. Nays: none. Motion carried.

Scott Peterson, Chair
Joan Lindgren, Clerk