

**VILLAGE OF FONTANA ON GENEVA LAKE
WALWORTH COUNTY, WISCONSIN**

**(Official Minutes)
Finance Committee
January 11, 2018**

The Finance Committee meeting was called to order by Chairman Pat Kenny at 6:00 pm on Thursday, January 11, 2018.

Members Present: Village President Pat Kenny, Duane Ratay, Mike Sheyker, Karl Floody, Tom Freytag, Jim Feeney

Members Absent: Mike Sheyker, Tom Marek

Also Present: Theresa Loomer, Treasurer Scott Vilona

Visitors Heard

None

General Business

Approve Minutes for Meeting Held October 12, October 26 and November 6, 2017

Feeney/Freytag 2nd made a MOTION to approve the minutes from the meeting held on October 12, October 26 and November 6, 2017, as presented, and the MOTION carried without negative vote.

Approve the 2018 Utility Budget

Treasurer Vilona presented different facets that directly affect or are affected by the Utility budget. Some of these items included:

-There is no major infrastructure work planned for 2018. The Village has bonded the past two years and it is important to take time off to help keep debt service within the historical range the VOF has tried to keep it in.

-The only two non-operating, Capital expenditures for the Utility budget planned for 2018 are to keep up with the Meter and Hydrant replacement plan that is in place. There has been \$20,000.00 allocated towards each.

-PSC Rate study- In the 2016 VOF Audit presentation by the Village Auditor Pat Romenesko it was stated that the Water Utility Fund is depleted and a “Simple” or “Conventional” rate increase is needed. Treasurer Vilona investigated and it was understood that the VOF could no longer do a simple rate increase and the only option available was a full Conventional Rate Increase Study. This is an extensive process and required the hiring of an outside CPA firm to handle the job. Auditor Romenesko had done the last Conventional Rate Study for the VOF in 2008. Vilona had solicited two bids for the study and the VOF picked Wegner CPA. Vilona stated that Wegner had just emailed the preliminary results of its study and those results were presented in their very raw form, with the understanding that these were not final numbers and many changes were likely to occur. Wegner presented that preliminarily it looks like a 53% increase in the water usage rate would be required to meet the PSC’s formulaic expectations.

There was discussion on how such a large increase could be needed. Vilona reiterated that these were very preliminary numbers and that the VOF has done extensive required water infrastructure improvements over the past few years and that our scenario of a smaller user base but very large fixed cost for Capital improvements and maintenance of our water system creates a situation where the rate will be higher than a municipality with more users.

The process on how the PSC decides the increase was discussed and Vilona stated he would report back with further information once it has been received from Wegner CPA firm.

The process on how the rate will be implemented was discussed and there will be a telephonic public hearing with the VOF and PSC to go over the rate increase. Wegner CPA’s stated that if all goes well the rate increase could go into effect by the 3rd quarter of 2018. It was discussed that the VOF wants to be open about the process and that we may do mailings and have a town hall

meeting to discuss and educate the residents on the process and importance to maintain our water utilities infrastructure.

It was then discussed if we should put into the Utility budget the current projected increase for the 3rd and 4th quarters of 2018. It was decided that it was important to keep the water utility properly funded and to use the projected numbers.

Feeney/Ratay 2nd made a motion for the recommend the Utility budget as presented with the discussed amendments to the Village board for approval. MOTION carried without negative vote.

Next Scheduled Meeting Date:

The next scheduled meeting date is February 22nd beginning at 6:00 pm.

Adjournment

Freytag/Floody 2nd made a MOTION to adjourn the meeting at 6:22 pm, and the motion carried without negative vote.

Minutes prepared by: Scott Vilona, Village Treasurer

Note: These minutes are subject to further editing. Once approved by the Finance Committee, the official minutes will be kept on file at the Village Hall.

APPROVED: 02/12/18