

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

(Official Minutes)

Finance Committee Monthly Meeting

January 29, 2015

The Finance Committee meeting was called to order by Chairman Pat Kenny at 6:00 pm on Thursday, January 29, 2015.

Members Present: Trustee Pat Kenny, Jim Feeney, Karl Floody, Thomas Freytag, Rick McCue, Craig Workman

Member Absent: Peg Pollitt

Also Present: Clerk Theresa Linneman, Administrator Dennis Martin, Trustee Rick Pappas, Treasurer Scott Vilona

Visitors Heard

None

General Business

Approve Minutes for Meeting Held July 24, 2014

McCue/Feeney 2nd made a MOTION to approve the minutes as submitted for the October 23, 2014 meeting, and the MOTION carried without negative vote.

2014 Village Audit Update

The 2014 audit was completed late in January this year, which is on par with previous years. Last year the audit was delayed, but that was because of staff changes that were occurring. Vilona stated everything went very well this year; however, because it was done early in the new year, additional adjustments may be required because not all accounts have been reconciled for the 2014 calendar year.

Ehlers Continuing Disclosure Contract Approval

Martin provided an overview of the financial disclosure services Ehlers provides to the village. Due to recent changes by the SEC and MSRB including enhanced requirements in continuing disclosure, Ehlers deems it is necessary to increase their internal process to meet the new conditions. In an email submitted by Jim Mann, a representative from Ehlers, he recants two items that Ehlers did not disclose in a timely manner; an audit was filed two weeks late in 2006 and the Moody's bond rating recalibration that was done in 2010 was not disclosed until 2014. Both items were deemed minor; however, Mann informed Martin that Ehlers has established a new division to ensure compliance with the SEC disclosure requirements. Mann submitted a new fee schedule broken down by the number of issuer continuing disclosure undertakings. Fontana has six (6) to eight (8) which carries an annual fee of \$3,300 to \$3,800, more than twice last year's fee of \$1,400. Discussion ensued on the different avenues the village could take since the fees jumped so substantially. The service could be put out to bid but because of the history and cost involved in bringing in a new company, the committee thought it is probably best to stick with Ehlers. Kenny mentioned if it is the SEC that is tightening regulations, it is probably affecting all financial firms and they are all likely raising their rates. Feeney pointed out the service by Ehlers is a relatively low expense when you consider the hundreds of thousands of dollars spent every year on other Village services, such as attorney and engineering fees.

Feeney/McCue 2nd made a MOTION to recommend Village Board Approval of the Ehlers Continuing Disclosure Contract as presented, and the MOTION carried without negative vote.

2015 Utility Budget Recommendation

The preliminary 2015 Utility Budget was reviewed by the Finance Committee in October 2014. Martin stated that staff has two proposed water main projects to add to the previously presented 2015 Water Utility Budget. The Abbey Spring water main loop connection project on St.

Andrews Trail east of Madinah Lane has an estimated cost of \$23,640; and the installation of a new water main relay line from Second Avenue to Third Avenue, between Valley View Drive and Douglas Street, has an estimated cost of \$164,515. The Second Avenue water main project is recommended to accommodate the proposed Shodeen Construction Company townhomes development, which is advancing through the Planned Development approval process. It was recommended by the committee that Shodeen pay for a portion of the work since the water main work is mainly for their development. Martin stated that the Village engineer informed staff at a recent meeting that the updated water main loop has not been completed on Douglas Street in the area of the Shodeen development, and the Village will need to complete the project sometime in the future; however, the preliminary 2015 Utility Budget does not include the water main project, and the Shodeen townhome development is the reason it is proposed to be completed in 2015. Workman suggested having a private water main at that location, but due to engineering issues discussed at the previous staff meeting, connecting the water main is the best option. Pappas suggested including the water main fee in the developer's agreement as it will be a cost to the village, thus the reason it was not added to the budget at the beginning. Since Fontana currently does not have development impact fees like most other municipalities in the area, the committee members reached the consensus during discussion that it would be appropriate to recommend that the developer pay the cost for the water main project. The committee also directed staff to research the proposal to establish development impact fees and to add an item to the agenda for the next monthly meeting.

Feeney/McCue 2nd made a MOTION to recommend approval of the addition to the 2015 Utility Budget the Second/Third Avenue water main relay project, as presented, and to recommend that the Plan Commission add as a condition for approval of the developer's agreement for the Shodeen Construction Company Planned Development that the Shodeen Construction Company has to pay for the cost of the project. The MOTION carried without negative vote.

Workman/Freytag 2nd made a MOTION to approve the addition to the 2015 Utility Budget the Abbey Springs water main loop connection project, as presented, and the MOTION carried without negative vote.

SIB Loan Update and Walworth State Bank Loan Direction

The SIB loan was approved for \$1,500,000 on January 5, 2015 for repairs and reconstruction of the South Lakeshore Drive Bridge. Martin stated that the Village Board is planning to fund the rest of the \$1.9 million bridge project and the purchase of the new fire truck with a loan from Walworth State Bank. Martin stated that following Village Board approval of the plans for the construction of the new bridge, the project can be put out for competitive bids. The SIB funds will be released to the Village following the submission of a 45-day notice that ground has been broken on the project. Martin stated that the Village has been informed by Collins Engineers, LLC that there are three major firms in the state that typically bid on Tom Collins' projects, and Collins is fairly certain two of the three firms will bid on the Fontana project. Vilona questioned why other entities and businesses that profit from the bridge are not contributing to reconstruction costs. Several committee members felt that because no agreement was in place prior to the initial construction of the bridge and it is now a part of the municipal street infrastructure, it is not appropriate to ask any businesses or associations for money at this point.

CDA 2015 Budget and 2014 Audit

Martin stated that the 2015 CDA budget and audit report are scheduled to be presented at the CDA meeting scheduled for Wednesday, February 4, 2015. Martin stated that since the TIF District is distressed, the 2015 budget will only contain debt service and administrative fees.

TPS Parking Citations Processing Contract Renewal

The agenda item should have stated "COMPLUS" Parking Citations Processing Contract, not "TPS." COMPLUS Data Innovations, Inc., is used by the Police Department to process parking citations and the current contract expired in 2014. Martin stated that Chief Steve Olson is recommending approval of a renewed contract for a three-year term. The company provides and maintains the necessary equipment and handles most aspects of parking tickets. Martin stated the

village is currently making more money on the fees paid for the Pay for Park machines, and the parking citations are declining. The majority of people put extra money in the pay stations to make sure they do not get ticketed. In answer to a question posed by Feeney, the Finance Committee acted on the agenda item because the Protection Committee has not met in the last several months.

Feeney/McCue 2nd made a MOTION to recommend Village Board approval of the renewed contract with COMPLUS Data Innovations, Inc., and the MOTION carried without negative vote.

Next Meeting Date

The next meeting was scheduled for Thursday, February 19, 2015 at 6:00 pm.

Adjournment

Floody/Freytag 2nd made a MOTION to adjourn the meeting at 6:41 pm, and the motion carried without negative vote.

Minutes prepared by: Theresa Linneman, Village Clerk

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: 03/26/15