

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

(Official Minutes)

Finance Committee Meeting

September 24, 2009

The Finance Committee meeting was called to order at 4:00 pm on Thursday, September 24, 2009 by Chairman Patrick Kenny.

Members Present: Trustee Kenny, Drew Gilchrist, Michael Sheyker, Arlene Patek, Rick McCue, Jim Feeney, Lou Loenneke

Member Late: Lou Loenneke (arrived at 4:39 pm)

Also Present: Anne Catlow, Administrator/Treasurer Kelly Hayden, Mary Kay Frazier, Library Director Nancy Krei, Village Clerk Dennis Martin, Genie Murphy, Trustee Micki O'Connell, Fire Chief Wolfgang Nitsch, Sharon O'Brien, Dolly Schneidwind, Jill Wegner

Visitors Heard

None

General Business

Approval of Minutes for Meetings Held August 3, 2009; August 20, 2009; and September 17, 2009

McCue/Patek 2nd made a MOTION to approve the minutes as submitted for the meetings held August 3 and 20, 2009, and September 17, 2009, and the MOTION carried without negative vote.

Sewer Rate Increase Proposal for 2009, 2010 & 2011

Hayden distributed the proposed ordinance that was discussed at last month's meeting. Hayden stated that the proposal will make the Village eligible for a \$2 million Clean Water Fund Program grant that will be used to help fund the wastewater treatment facility improvement project. Hayden stated that the Village has no choice but to raise the sewer rates by 9 percent in 2010 and 9 percent in 2011 in order to meet the requirements of the CWF for the grant. The proposal also includes charging customers for the first 1,000 gallons for sewer beginning in the fourth quarter of 2009. Sheyker stated that the Village should be sure to let the public know that the sewer rate increase is necessary to pay for work that has to be done at the wastewater treatment plant, and in order to qualify for the \$2 million grant.

McCue/Feeney 2nd made a MOTION to recommend Village Board approval of the proposed sewer rate increase ordinance as presented in order for the Village to qualify for the CWF \$2 million grant, and the MOTION carried without negative vote.

Fire and Rescue Services IGA with Town of Walworth

Hayden stated that the Village of Fontana worker's compensation policy field representative was at the Village Hall for a meeting earlier that day, and he verified that the worker's compensation premium would be affected if the Village provides first-response fire and rescue services to a quadrant of Walworth Township. Martin stated that the premium will be increased by a set rate determined by the state that is multiplied by the full-time resident population that is served.

Sheyker/McCue 2nd made a MOTION to direct staff to add a clause to the proposed Intergovernmental Agreement that states the Village will be compensated for the additional worker's compensation insurance premium created by the additional population in the Walworth Township quadrant that will receive first-response fire and rescue services from the Village of Fontana. The MOTION carried without negative vote.

Building and Zoning Services IGA with Village of Sharon

Hayden stated that the Village of Sharon has not provided feedback with regard to the preliminary proposal. Hayden stated that the draft IGA is being reviewed by the Village attorney, and there are a few concerns that the Village of Sharon wants clarified. The proposed IGA is for a one-year trial period.

Deposit Collateralization Agreement to Secure Uninsured Deposits

Hayden stated that she has discussed the issue with Tobias Steivang from Walworth State Bank and there are some government investment account options that could be used to deposit Village funds when the total amount exceeds the insured limits; however, there are two downfalls that affect municipalities. Hayden stated that the cash is not on hand long enough to make the required transactions worth the time and cost, and the interest rates are less than a fraction of 1 percent. Hayden stated that Steivang stated there are not really any other alternatives, and he understands the auditor has to point out the uninsured deposits issue that comes up once or twice a year; however, the Village funds are not really in jeopardy. Hayden stated that a municipality has very few options to deposit funds. Sheker stated that the problem the Village has is that the funds are only on hand for a very short term, and moving the funds around would end of costing the Village money on low interest rates. The Finance Committee directed Hayden to send an email to Village Auditor Patrick Romenesko and the Village Board members stating that the committee looked into the concern and it is still investigating other possible options.

2009 Revenue Projections

Hayden distributed the updated 2009 revenue projections that show an overall shortfall of 28 percent. The current projections show that the 2009 budget will be about \$105,000 short on room tax revenue, and building permit revenue for the Village of Walworth will only total about \$18,000, which is \$17,000 lower than the \$35,000 in the budget. Hayden stated that the permit revenue for the Village of Fontana also is lower than budgeted; however, there may be up to four more permits issued this year for new homes. Hayden stated that court fine proceeds and revenue from interest proceeds are also down this year. Gilchrist stated that revenue also will be down in 2010 and the Village will have to budget accordingly.

2010 Budget Review for Park Commission, Library, Fire Department, Balance of Administration

Sharon O'Brien and Jill Wegner presented the Park Commission's preliminary budget, which calls for no increase from last year; however, the maintenance bid from Blackstone Landscaping has not yet been received and one more area has to be added for the new boat trailer parking lot plantings. O'Brien stated that the capital items include holiday decorations for the new Fontana Boulevard light poles; however, they could be taken out of the budget if necessary. O'Brien stated that the 50 feet of boardwalk for the Hildebrand Nature Conservancy is an item that is required to address a section of the nature trail path that is flooded and muddy. O'Brien stated that the Park Commission also hopes to offset a \$3,000 request for Frisbee golf course baskets with donations, and fund-raising will be initiated for the construction of a new gazebo in Reid Park. Fire Chief Wolf Nitsch presented the Fire Department budget that calls for no increase from last year. Nitsch stated that all the "wants" have been eliminated from the initial budget, and it only contains items that are needed this year. Nitsch warned the Finance Committee that a federal mandate will require the Village to replace its radios and pagers next year for all emergency government personnel, including fire, rescue, police and public works employees. Nitsch stated that the Walworth County Mutual Aid Box Alarm System Division 103 is applying for a possible grant to offset the expenses for all the departments in Walworth County. Nitsch estimated to replace the Fire Department radios and pagers will cost between \$20,000 and \$30,000. Nancy Krei, Genie Murphy and members of the Library Board presented a public opinion survey that was conducted at the library, and the initial library budget. The library budget calls for no increase from last year for general operations; however, the preliminary budget calls for an 11 percent increase for capital outlay items. The library budget includes \$5,180 for

a new Dell computer server and \$650 for new computers. The \$650 for new computers is a requirement of a \$1,950 grant the library secured from Gates Foundation. Feeney asked what the Library Board would recommend cutting if the Finance Committee has to cut 5 or 10 percent from the budget because of revenue concerns. Krei stated that the initial budget is down to the basics and nothing could be cut. Feeney stated that the Village is looking at a possible \$200,000 shortfall on revenue, and if nothing can be cut from the department budgets, there may have to be staffing reductions. The Finance Committee directed the department heads to propose initial budgets with no increase from last year.

Next Meeting Date

The committee directed Martin to schedule the next meeting for Thursday, October 8, 2009 beginning at 4:00 pm.

Adjournment

McCue/Patek 2nd made a MOTION to adjourn the finance committee meeting at 6:17 pm, and the motion carried without negative vote.

Minutes prepared by: Dennis L. Martin, 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: 10/7/09