

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

**(Official Minutes)**

**Finance Committee Meeting**

September 30, 2013

The Finance Committee meeting was called to order at 5:02 pm on Monday, September 30, 2013 by Village Clerk Dennis Martin. Chairman Pat Kenny arrived at the meeting at 5:40 pm.

**Members Present:** Arlene Patek, Michael Sheyker, Rick McCue, Scott Vilona, Trustee Pat Kenny (arrived at 5:40 pm)

**Member Absent:** Jim Feeney

**Also Present:** Director of Streets Ron Adams, Municipal Court Clerk Jan Armonda, Director of Utilities Dennis Barr, Ann Catlow, Administrator/Treasurer Kelly Hayden, Library Director Nancy Krei, Village Clerk Dennis Martin, Trustee Tom McGreevy, Genie Murphy, Fire Chief Wolfgang Nitsch, Police Chief Steve Olson, Trustee Rick Pappas, President Arvid Petersen, Scott Peterson, Dolly Schneidwind, Trustee Cindy Wilson

**General Business**

**Approve Minutes for Meetings Held August 15, 2013 and September 5, 2013**

Vilona/Sheyker 2<sup>nd</sup> made a MOTION to approve the minutes as submitted for the August 15 and September 5, 2013 meetings, and the MOTION carried without negative vote.

**2014 Budget Planning: Public Works Department, Utility Budget, Police Department, Library, Municipal Court, Fire and Rescue, Park Commission, Administration**

Adams presented the preliminary budget for the Public Works Department. Hayden stated that she will enter the figures for the DPW electric, heat and communication expenses and the salary and benefit figures. Adams stated that two of the capital items for the DPW site are a new roof for the upper storage building, which will cost about \$8,500; and enclosing the concrete storage bins for about \$31,700. The Public Works Committee recommended paying for the concrete storage building enclosure project with 2013 budgeted funds that will not be used for street chip sealing projects this year. Trustee McGreevy stated that the Public Works Committee would also like to allocate some of the \$65,000 in unused 2013 budgeted personnel funds to pay for other necessary infrastructure projects this year. Adams stated that there is also a proposal to purchase a \$15,000 backup generator for the DPW garage and the SCADA radio equipment. Hayden stated that the DPW and Utility budgets are two separate entities and the unused budgeted funds and the proposed projects have to be allocated accordingly. Hayden stated that the purchase of a new generator for the DPW garage would be allocated with \$7,500 to the General Fund and \$7,500 to the Utility Fund. Adams stated that the Street Department budget proposal includes a new truck for \$71,896 to replace the 2002 F-550 five-yard dump truck, and a new Ford F-250 for \$35,821. Barr stated that the Utility Fund 2014 budget proposal also includes a new Ford F-250 truck for \$35,821. McGreevy stated that he talked to someone at Walworth State Bank, and the \$142,000 needed to purchase and equip the three new vehicles could be borrowed this year and paid back at about \$35,000 per year over the next five years. Hayden stated that a new F-550 truck and one of the F-250 trucks would have to be allocated evenly between the General Fund and the Utility Fund, and the second F-250 could be entirely funded by the Utility budget. Hayden stated that the entire cost to purchase the new vehicles and the proceeds from borrowing have to be included in the budget the year they are purchased and the year the funds are borrowed. Pappas asked if the Village was planning to borrow funds in 2014 for street reconstruction, and if any of the storm water management plan "hot spots" are going to be included in the budget. The preliminary budget presented by Adams only includes \$733,637 for highway maintenance capital

improvement expenses for projects on Church Drive and Van Slyke Road. Adams stated that the expenses for the reconstruction of Mohr Road also have to be estimated, and the neighboring property owners have offered to help fund the project. Adams stated that he also still has to figure out what to do with the leaves and branches that are collected from residences by the DPW crew as the \$15,000 cost of renting a tub grinder is no longer being offset with the sale of ground mulch and ground leaves. Adams stated that it may be more cost effective to have the leaves and branches dumped at Stewart Excavating, but he is still negotiating the fees. The ongoing project to sandblast and repaint the North Lakeshore Drive also has to be added to 2014 budget. Adams stated that the project is scheduled to commence this year by using funds available in the 2013 budget, but it will have to be completed in segments and funds also will have to be included in the 2014 budget. The committee directed Barr and Adams to put together for the next budget planning meeting two lists for the Street Department budget and for the Utility Department budget of the projects to be completed and funded in 2013 and the projects proposed for 2014. Barr and McGreevy started to present the preliminary budget for the Utility Account and a lengthy discussion ensued on new chlorinators for Well Nos. 2 and 4 to be purchased in 2013, and the chlorinators for Well Nos. 1 and 3 that are proposed to be purchased in 2014; however, many of the other budget line items were estimated or not yet completed. Kenny asked McGreevy, Barr and Adams if they would meet with Hayden and complete the preliminary budgets with all the road projects to be included in the proposed borrowing plan incorporated and to present the updated budgets at the next committee meeting on Thursday, October 3, 2013 beginning at 6:00 pm. Chief Olson then presented the preliminary budgets for the Safety Building and the Police Department. The Safety Building budget is proposed to be increased from \$32,500 in 2013 to \$43,200 in 2014 due to repair and maintenance projects to paint the walls, remove the old carpeting and install a laminate floor, and repair two doors and a door combination lock. Olson stated that he also wanted to make his annual pitch for a salary increase to bring him up to the same level as the police chiefs in other local municipalities. Olson stated that the only big increase in the Police Department budget is for the purchase of a new squad car to replace the 2005 Ford Crown Victoria, which will be sold for about \$4,000. The police department also has a seized automobile that could be sold this year for about \$800. Olson stated that a new 2014 Ford Utility Interceptor squad car will cost about \$34,000 including equipment, and the vehicle has a 6-cylinder engine versus an 8-cylinder engine in the Crown Victoria, so it will save on gas expenses. Library Director Nancy Krei and Library Board Chairman Genie Murphy presented the preliminary budget. Murphy stated that there are two line items that are calling for an increase from last year; for material acquisitions, and for maintenance and repairs. Murphy stated that the proposed \$32,000 to purchase new library materials is the same amount that was budgeted back in 2005. Over the years, the line item has been reduced down to \$24,450 in 2010, but it has been increased yearly since then to \$25,603 in 2011, \$26,240 in 2012, and \$27,500 in 2013. Krei stated that the repairs and maintenance expenses line item has been increased to \$4,000 to pay for the quarterly alarm fee, plumbing, electrical and miscellaneous items such as the pest control contract. The anticipated revenue from Walworth County for library services to county residents who reside in a municipality without a library is estimated to be \$38,470. Municipal Court Clerk Jan Armonda stated that the only change in the preliminary department budget for 2014 is the judge proposed a \$1,500 increase in his salary. The Village Board has to authorize salary increases for the municipal court judge and the nonunion employees. Hayden stated that the revenue received from municipal citation fines has increased quite a bit this year, but the associated expenses for prosecution also will increase slightly and offset some of the increased revenue. Fire and Rescue Chief Wolfgang Nitsch presented the preliminary department budget, which is almost completely new from last year because of the merger of the departments and the \$200,000 estimated expenses for the contracted Paratech Ambulance EMS services. Hayden stated that Fund 200 was used to supplement the Rescue Squad budget in previous years, but the majority of the budget was funded by the fees revenue. Hayden stated that the Rescue Squad

expenses are now completely tracked in the General Fund budget, including the \$200,000 for the Paratech contract. Nitsch stated that he is recommending to the Protection Committee that the Village approve an increase in its extremely low rates for emergency medical services. Nitsch is recommending increases of \$100 to \$300 for the rates which are currently between \$450 and \$825 for the various levels of service. A lengthy discussion ensued on the contracted services with Paratech, how the rate is determined, and the current trend of having a limited number of volunteers available for Rescue Squad services. Scott Peterson also addressed the ISO insurance rating on the Fire Department vehicles and Nitsch presented information on the upcoming requirement to replace the 1989 Pierce ladder truck and the 2000 Lance pumper engine. Nitsch stated that the ladder truck must be replaced within 30 years according to the ISO standards, and the pumper engine has to be replaced within 20 years. Nitsch stated that both vehicle purchases could fall in the same year without advanced planning. Trustee Wilson presented the preliminary Park Commission budget which is a couple thousand dollars lower than 2013. Hayden stated that the \$3,000 line item for Tree and Brush Control for tree trimming services has to be increased to \$5,500 to cover other tree and brush control expenses incurred by the DPW. The supplies expense line item will be reduced from \$5,500 to \$2,000 to cover the purchase of new playground mulch for the Duck Pond Recreation Area; and the Park House repair and maintenance expenses line item was increased from \$300 to \$1,200 to cover the purchase of a window awning for the north side of the building. Hayden stated that she had the preliminary budgets ready to present for the administration; however, since it was already after 7:30 pm, Kenny stated that the preliminary budget could be presented at the October 3, 2013 committee meeting with the updated DPW and Utility budgets and the finalized Fire and Rescue budget.

#### **2014 Payroll**

Hayden stated that Act 10 calls for public employee raises to be equal or less than the annual CPI increase, which is 1.66 percent for 2014. Following discussion, the committee members reached the consensus that a 1.66 percent pay increase should be recommended for nonunion employees. Vilona/Trustee Kenny 2<sup>nd</sup> made a MOTION to recommend a 1.66 percent pay increase for the nonunion employees in 2014, and the MOTION carried without negative vote.

#### **2014 Bonding**

Hayden stated that the proposed bonding amount can't be determined until the DPW and Utility budgets are updated to include all the road reconstruction and storm water management projects proposed for 2014.

#### **Monthly Review Items**

Vilona reviewed the items for July and August, 2013.

Vilona/Sheyker 2<sup>nd</sup> made a MOTION to acknowledge the receipt of the reports and to place them on file for the annual audit. The MOTION carried without negative vote.

#### **PNC Banking**

None of the members have reviewed the proposal in depth since it was presented at the July 25, 2013 committee meeting. Kenny stated that the committee should wait until after the 2014 budget has been planned to revisit the proposal for the Utility Fund accounts.

#### **2013 Wage Increase for Nonunion Employees**

Hayden stated that the Village Board included funds in the 2013 budget for a 2 percent wage increase for nonunion employees, but decided to wait and consider final approval in the fall to make sure the funds were not reallocated for an emergency or unforeseen expense. Hayden stated that the 2 percent falls within the 2013 CPI increase and the funds are still available in the budget. Pappas asked and Hayden confirmed that the funds were included in the final 2013 budget.

Vilona asked if it was appropriate and the proper time to recommend an increase in Chief Olson's salary to bring him in line with the other local municipality police chiefs. Vilona stated that Olson currently is paid less per year at \$60,998 than Sgt. Jeff Cates and at least one of the other police officers earn in one year. Following discussion, Hayden stated that Olson submitted a survey he completed last year that showed the salaries of the other police chiefs were quite a bit higher than his salary. Hayden stated that staff is currently compiling a salary survey from the other local municipalities and the police chief salaries can be incorporated for review.

Vilona/Sheyker 2<sup>nd</sup> made a MOTION to recommend approval of the 2 percent salary increases for the nonunion employees as budgeted for 2013, and to direct staff to complete its salary survey of the other area municipalities for the Finance Committee to review and determine if future increases in salaries are warranted. The MOTION carried without negative vote.

#### **Next Meeting Date**

The next meeting is another 2014 budget planning meeting scheduled for Thursday, October 3, 2013 beginning at 6:00 pm.

#### **Adjournment**

McCue/Patek 2<sup>nd</sup> made a MOTION to adjourn the meeting at 7:49 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: 10/3/2013