

**VILLAGE OF FONTANA ON GENEVA LAKE
WALWORTH COUNTY, WISCONSIN**
(Official Minutes)

JOINT REVIEW BOARD – TID NO. 1
PROJECT PLAN AMENDMENT AND DISTRESSED DESIGNATION
Wednesday, May 28, 2014

Fontana Village President Arvid Petersen called the meeting of the Village of Fontana Tax Incremental District No. 1 Joint Review Board to order at 5:13 pm in the Village Hall, 175 Valley View Drive, Fontana, Wisconsin.

Joint Review Board members present: Village of Fontana President Arvid Petersen, Gateway Technical College District representative Bane Thomey, Walworth County representative Jessica Conley, Citizen Representative Peg Pollitt, Big Foot High School District representative Dorothy Kaufmann (arrived at 5:20 pm)

Joint Review Board member absent: Fontana Joint 8 School District representative

Also present: Jade Bolack, Library Director Nancy Krei, Jim Mann, Village Clerk/Administrator Dennis Martin, Micki O’Connell, Trustee Rick Pappas, Maureen Schiel, Village Attorney Dale Thorpe

General Business

Minutes from Joint Review Board April 17, 2014 Meeting

Jessica Conley stated that the fifth sentence from the end of the “Further Review of TID No. 1 Project Plan Amendment” item incorrectly references a specific section of the Walworth County tax incremental financing district ordinance.

Pollitt/Conley 2nd made a MOTION to approve the minutes for the April 17, 2014 meeting, with one correction as stated by Conley, and the MOTION carried without negative vote.

Review the Public Record, Planning Documents, CDA Resolution Adopting Amendment to Project Plan, and Resolutions Passed by Village Board Approving the Amendment

Ehlers and Associates Senior Financial Advisor Jim Mann stated that the items were distributed for review. Mann stated that the cash flow statement on page 16 of the project plan amendment demonstrates the distressed state of the TID, and if approved the only change to the currently approved TID project plan is that the Village would be allowed to keep the district open for up to 10 additional years. Mann stated that once the Village has received enough increment to retire the debt service for the TID borrowing, and to reimburse the Village’s General Fund for the ongoing debt service payments, the TID will have to be retired. Conley asked Mann if the Village has until December 2015 to have the TID declared distressed, and Mann replied that the required project plan amendment would have to be approved by October 1, 2015 in order to comply with the current state deadline. Mann also verified that if the project plan amendment is approved to authorize the TID distressed designation, the Village cannot amend the project plan again. Mann stated that if a project is not in the approved plan, it can’t be added following a distressed designation. Mann stated that the Village will not be authorized to initiate any further TIF spending for items that are in the project plan after 2024 regardless of the distressed designation proposal. Conley stated that she is concerned that if approved, the TID project plan will be in effect for 24 years, and the wording of the project plan budget is vague. Conley stated that the budget information for the approved projects is too broad and it does not contain enough details on potential spending proposals. Conley stated that she also has concerns with the annual financial reports and the 2013 audit report did not include enough details. Conley stated that one item is labeled “miscellaneous” on the annual reports, and she wants more details on those expenditures. Conley stated that she could suggest two changes to the proposed amended project plan that would address her concerns. Mann stated that the approved project plan budget, which is not

being altered with the distressed designation proposal, allows the Village to consider unknown potential projects that could be part of future negotiations for an economically beneficial development. Mann stated that the Village officials would hate to be in position to lose a development that could generate additional TID valuation. Mann stated that the specific financial details approved in the initial TID Project Plan and subsequent amendments are not being changed with the distressed proposal. Mann stated that the Village does not want to have to rewrite the entire project plan, it just wants authorization for about four additional years of increment collection to settle the debt service and pay back the General Fund. Conley stated that as well as adding more detailed budget information for the potential items remaining on the approved project plan, she would support the amendment if a provision is added that would require the Joint Review Board to authorize any future TIF spending for non-administrative purposes. Petersen stated that the Village has not undertaken any new projects since 2008 and there are no plans being considered at this time. Petersen stated that there is no requirement for the additional Joint Review Board review or approval of the items already included in the project plan, and the Village does not want to include that provision in the distressed proposal.

Consideration to Disband/Remain a Standing Joint Review Board

Conley stated that she requested that the item be listed on the agenda prior to the items to consider the resolutions to approve the project plan amendment and the distressed designation. Conley stated that the Walworth County TIF ordinance requires that the Joint Review Board remain a standing board in order for her to be authorized to vote yes on the resolutions. Conley stated that if the Joint Review Board remains standing, then the board would not have to be reorganized just to call an informational meeting, and the citizen representative, Peg Pollitt, would not have to be reappointed by the Joint Review Board if another meeting is called in the future.

Conley/Kaufmann 2nd made a MOTION to have the Joint Review Board remain standing, and the Roll Call vote was as follows:

Bane Thomey – Aye

Jessica Conley – Aye

Dorothy Kaufmann – Aye

Peg Pollitt – Aye

Arvid Petersen – Aye

The MOTION carried on a 4.5-0 vote, with the Joint 8 School District representative absent.

Consideration of Resolution Approving Tax Incremental District No. 1 Amendment to Project Plan

Petersen made a motion to approve the resolution as presented, the motion was seconded by Pollitt, and Petersen opened the floor for discussion. Conley asked if the Joint Review Board could vote to deny the proposed project plan amendment or if it could vote to send the amendment back to the CDA and Village Board to consider the addition of the items requested in the Walworth County TIF ordinance. Mann stated that the amendment as presented has been approved by the CDA and Village Board and the Joint Review Board has to act on the proposal within 30 days. Mann stated that if denied by the Joint Review Board, the Village would have to start the amendment approval process over again in order to have the TID distressed designation authorized. Petersen stated that the Village doesn't know if a favorable development proposal could be presented prior to the end of the TIF spending period, but a proposal will only be approved if it is going to generate additional value in the TID. Petersen stated that the Village pulled the plug on the remaining capital projects since the economic downturn, and the distressed proposal is only seeking authorization for the Village to recoup its losses. Conley stated that she would have liked the Village to consider adding the detailed financial items to the project plan amendment and a requirement for Joint Review Board approval of any future capital spending proposals.

Petersen/Pollitt 2nd made a MOTION to approve Joint Review Board Resolution No. 05-28-14-01, approving the project plan amendment of Tax Incremental District No. 1, Village of Fontana, as presented, and the Roll Call vote was as follows:

Jessica Conley – No

Dorothy Kaufmann – No

Peg Pollitt – Aye

Arvid Petersen – Aye

Bane Thomey – Aye

The MOTION carried on a 3-1.5 vote, with the Joint 8 School District representative absent.

Consideration of Resolution Approving the Designation of Tax Incremental District No. 1 as Distressed

Petersen made a motion to approve the resolution as presented, the motion was seconded by Pollitt, and Petersen opened the floor for discussion. Mann stated that the state statutes require the approval of resolutions to authorize a project plan amendment and for the distressed designation, even though the project plan is not actually being changed other than authorizing the distressed designation. Conley asked if another item could be added to the resolution that states that standing Joint Review Board will be convened for an informational meeting if the Village is considering undertaking new capital expenditures, and Petersen and Pollitt agreed to amend the motion on the floor.

Petersen/Pollitt 2nd made a MOTION to approve Joint Review Board Resolution No. 05-28-14-02, approving the designation of Tax Incremental District No. 1, Village of Fontana, as distressed, with the condition that an additional clause is added to the resolution that states the standing Joint Review Board will be convened for an informational meeting if the Village of Fontana is considering approval of a new capital expenditure item. The Roll Call vote was as follows:

Dorothy Kaufmann – Aye

Peg Pollitt – Aye

Arvid Petersen – Aye

Bane Thomey – Aye

Jessica Conley – Aye

The MOTION carried on a 4.5-0 vote, with the Joint 8 School District representative absent.

Adjournment

Thomey/Pollitt 2nd made a MOTION to adjourn the meeting at 6:05 pm, and the MOTION carried without negative vote.

Minutes prepared by: Dennis L. Martin, Village Clerk/Administrator

Note: These minutes are subject to further editing. Once approved by the Joint Review Board, the official minutes will be on file at the Village Hall.

Approved: _____