

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

(Official Minutes)

Finance Committee Meeting

January 27, 2011

The Finance Committee meeting was called to order at 6:00 pm on Thursday, January 27, 2011 by Village Clerk Dennis Martin.

Members Present: Lou Loenneke, Arlene Patek, Rick McCue, Jim Feeney, Michael Sheyker

Members Absent: Trustee Pat Kenny, Drew Gilchrist

Also Present: Administrator/Treasurer Kelly Hayden, Village Clerk Dennis Martin, Trustee Micki O'Connell, Village President Arvid Petersen

Elect Chairman Pro-Tem

Feeney/Sheyker 2nd made a MOTION to elect Rick McCue as the chairman pro-tem for the meeting, and the MOTION carried without negative vote.

General Business

Approve Minutes for Meetings Held September 30, 2010; October 7, 2010; October 16, 2010; October 18, 2010; & December 6, 2010

Feeney/Loenneke 2nd made a MOTION to approve the minutes as presented, and the MOTION carried without negative vote.

Monthly Review Items

The payables and bank reconciliation reports, revenue/expense statements, balance sheets, vendor report, payroll overtime report, cash flow statements and room tax comparisons were emailed and/or distributed to the members, and reviewed by Sheyker. Hayden stated that the final room tax payments for 2010 are due January 31, 2011. In response to a question from Sheyker, Hayden stated that the Abbey Resort accounts for about 88 percent of all room tax revenue the Village receives.

Loenneke/Sheyker 2nd made a MOTION to accept the monthly reports and to place them on file for the audit, and the MOTION carried without negative vote.

Property Insurance Renewal Direction on Statement of Building Values Inflation Rate

Martin stated that the Village staff is working on the renewal applications for the Village property, automobile, liability and Worker's Compensation insurance policies, and direction is needed on what inflationary rate to use on the construction value of the Village owned buildings. Following a discussion on the economy, the current property values and construction costs, the committee reached a consensus that the building values should be increased by 2 percent again this year, which is the same percentage used in 2010.

Feeney/Sheyker 2nd made a MOTION to direct Village staff to submit the property insurance renewal application with a 2 percent increase in the construction values of the buildings, and the MOTION carried without negative vote.

Resolution Declaring Past Delinquent Personal Property Taxes Uncollectible

Hayden stated that the draft resolution writes off delinquent personal property tax bills, and the total amounts are the Village of Fontana's portion of the unpaid tax bills. Hayden stated that there are a few unpaid bills that weren't included in the draft resolution because the Village will most likely still collect those past due bills. Hayden stated that most of the delinquent bills are for businesses that have closed or have been moved out of the village.

Loenneke/Patek 2nd made a MOTION to recommend approval of the resolution declaring past delinquent personal property uncollectible as presented, and the MOTION carried without negative vote.

Resolution with 2010 Budget Amendments

Hayden stated that the draft resolution amends the approved 2010 budget to account for the \$1,051,728 borrowing and the unbudgeted items that the funds paid for. Hayden stated that the resolution includes the specific budget accounts that were affected and the total amounts include the various expenditures. Hayden stated that the bulk of the budget amendments are for the debt refinancing. Hayden stated that the auditors are completing the annual Village audit and there may be a few more minor items that have to be added to the resolution prior to the Village Board meeting on Monday, February 7, 2011. Hayden stated that if there are additional minor budget amendments required, she will notify the Finance Committee members prior to the February 7, 2011 Village Board meeting. Hayden stated that the budget amendments have to be published and making any necessary amendments all in one resolution at this time of the year is the most cost effective manner to approve budget amendments.

Feeney/Loenneke 2nd made a MOTION to recommend approval of the resolution to amend the 2010 budget as presented, and the MOTION carried without negative vote.

Ordinance Addressing Refund of Certain Overpayments

Hayden stated that because of the slight adjustment in the Village mill rate this year, there were an extraordinary amount of tax bill refund checks that had to be issued, and most were for less than \$5. Hayden stated that she used an ordinance from the Town of Delavan to draft the proposed ordinance that authorizes the Village to retain overpayments of property taxes if the total amount does not exceed \$5. Following discussion, the Finance Committee members reached a consensus that refund checks should not be issued for overpayments on tax bills and mailed out unless the total amount exceeds \$10. If a property owner comes to Village Hall and requests a refund for an amount less than \$10, the Village will still issue a refund; however, checks would no longer be mailed to property owners unless the amount exceeds \$10 if the ordinance is adopted as presented. Following further discussion, the Finance Committee members reached a consensus that the total funds the Village retains for overpayments on property taxes should be allocated to the Public Library for material acquisitions.

Feeney/Sheyker 2nd made a MOTION to recommend Village Board approval of the proposed ordinance relating to refunds of certain overpayments to the village as presented, with the not to exceed amount set at \$10, and that all proceeds the village retains for overpayments on property taxes be allocated to the Public Library for material acquisitions. The MOTION carried without negative vote.

Tax Collection Summary to Date

Hayden stated that with a couple more days of collection before the end of the tax collection period, the Village has taken in about \$9 million. Hayden stated that the payments have been coming in at a slower pace than other years, especially on Saturday mornings. Hayden stated that the village usually takes in \$10.5 to \$12 million by the end of January.

Debt Schedule Review for 2011 and Beyond

Hayden distributed the Village Debt Schedule for 2011 through 2015, and the Principal Balance and P&I Summary for the Village's 10 outstanding loans. Hayden stated that the Village has paid off the outstanding \$178,000 unfunded pension liability to the WRS, which will result in lower payroll contribution this year. After reviewing the documents, Sheyker stated that the Village borrowing will require a total of \$1,043,134 in interest payments in 2011, \$976,665 in 2012, and \$934,185, which will have to be included in the budget. Sheyker stated that 17 percent of the revenue taken in by the Water and Sewer Utilities funds interest payments on loans. Feeney stated that the village may want

to consider raising taxes next year to pay off some of the debt and reduce interest payments. Hayden stated that the budget next year will have to include an allocation of revenue for road projects, especially since none are being undertaken in 2011. Feeney asked if Village Assessor James Danielson could attend a Finance Committee meeting to explain this year's market revaluation and how much he is anticipating the property assessments to decrease. Hayden stated that she will contact Danielson and have him attend an upcoming committee meeting, or to join a meeting via a telephone conference call.

Audit Update

Hayden stated that the auditors from Patrick W. Romenesko, S.C., Certified Public Accountants, have been at the Village Hall since January 25, 2011 and they are scheduled to be done January 28, 2011. Hayden stated that everything has been going well with the audit.

Next Meeting Date

The next meeting date was not scheduled because the audit numbers and other reports may not be completed and there may be no need for a monthly meeting in February 2011. Hayden stated that Chairman Kenny has indicated that Saturday mornings may work out better for his schedule for the monthly meetings of the Finance Committee and she asked the committee members to review their personal schedules to determine if Saturday mornings will work or not.

Adjournment

Loenneke/Patek 2nd made a MOTION to adjourn the finance committee meeting at 6:45 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: 3/22/11