

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

MONTHLY MEETING of the FINANCE COMMITTEE

Thursday, March 25, 2010

Chairman Patrick Kenny called the monthly meeting of the Finance Committee to order at 5:00 pm in the Village Hall, 175 Valley View Drive, Fontana, Wisconsin.

Finance Committee members present: Chairman Pat Kenny, Jim Feeney, Arlene Patek, Drew Gilchrist, Rick McCue, Lou Loenneke

Finance Committee member absent: Mike Sheyker,

Also present: Administrator/Treasurer Kelly Hayden, Village Clerk Dennis Martin, Trustee Micki O'Connell

General Business

Approve Minutes for Meeting Held February 18, 2010

McCue/Feeney 2nd made a MOTION to approve the minutes as submitted for the meeting held February 18, 2010, 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, and cash flow statements were emailed and/or distributed to the members, and reviewed by Gilchrist, Feeney and Trustee O'Connell.

Gilchrist/Feeney 2nd made a MOTION to acknowledge the review of the items and to place them on file for the annual audit, and the MOTION carried without negative vote.

LWMMI Liability, Worker's Compensation & Property Insurance Renewal Proposal

Hayden stated that due to a 26 percent increase in the Worker's Compensation insurance premium, the total premium for the renewal is proposed to increase by 12 percent from last year. Hayden stated that the total estimated premium for all the policies is about \$113,318, and there is \$128,000 in the Village and Utility budgets. Following discussion, the Finance Committee members were in consensus that the Property Insurance building construction values should be increased by 2 percent from last year, that the optional terrorism insurance should be rejected, and that the optional supplemental policy submitted by Provident for broader coverage for the Fire Department and Rescue Squad members be approved for a one-year term at \$1,166. In response to a question about the Village's policy for worker's compensation, Hayden stated that when Village employees are on worker's compensation, they are paid their regular salary by the Village and the worker's compensation funds received by the employee are reimbursed to the Village. Hayden stated that the Village's policy is not a state regulation or statute, but it may be required in the union contracts. The Finance Committee members requested Hayden to review the policy for next month's meeting.

Feeney/McCue 2nd made a MOTION to recommend Village Board approval of the League of Wisconsin Municipalities Mutual Insurance renewal proposal as submitted, with a 2 percent increase in the building construction values from 2009; with the terrorism insurance rejected; and with a one-year term approved for the Provident accident and health supplemental insurance policy for the Fire Department and Rescue Squad members. The MOTION carried without negative vote.

Working Capital Policy Commencement

Hayden stated that she and Jim Mann are working on a draft of a formal policy that will require the Village to maintain a working capital balance of at least 25 percent of the annual Village budget. Hayden stated that the proposed resolution will establish parameters for the Finance Committee and Village Board to insure that the working capital balance is maintained at the minimum recommended level. Hayden stated that the policy will help the Village secure a better bond rating. Hayden stated that the first draft of the policy will be presented at the next monthly meeting. Feeney stated that a policy will not be effective unless it is adhered to by the Village Board members.

Working Capital Refund \$525,000 Loan from Walworth State Bank

Hayden stated that the Village Board approved a motion to authorize borrowing \$525,000 from Walworth State Bank for a 10-year term at 3.8 percent interest, subject to review by the Finance Committee. Hayden stated that the borrowing proposal is related to the Village bond rating and addresses the Village Board's decision to not borrow funds last year to settle the Wilkinson claims. Hayden stated that the Village's bond rating was recently dropped to a Baa1 level, and with the working capital fund replenished, the rating could go back up to a A1 level. Gilchrist stated that the borrowing is actually to fund the property purchase of the Wilkinson lots, which will result in the increase of the working capital balance. Gilchrist stated that the Village should consider selling the property and paying off the note as soon as possible.

Feeney/McCue 2nd made a MOTION to authorize the \$525,000 loan from Walworth State Bank for a 10-year term at 3.8 percent interest, and the MOTION carried without negative vote.

Debt Recap

Final 2009 Report

Hayden stated that the two agenda items are related. Five-year profit and loss comparison spreadsheets and a summary were distributed for all the Village departments. Hayden stated that the spreadsheets include the final figures for 2009, and all the departments were reviewed on a profit/loss basis. Hayden stated that the only village department that was established on a profit/loss basis is the Building and Zoning Department; however, the figures were still provided for all the departments. The committee requested that Hayden provide a further breakdown of the figures for the Street Department, with trucks and equipment, Village project costs and stormwater project costs separated. At the end of the meeting, Feeney stated that despite rumors that he has heard, he did not initiate a proposal to have non-union employees laid off and he is satisfied at the present time with the Village budget. Feeney stated that the budget was reviewed and adjusted for many months by the Finance Committee prior to being presented to the Village Board. Feeney stated that the Finance Committee will complete the same budget work this year. Feeney stated that the Village Board members should attend Finance Committee meetings, especially during budget planning.

Refinancing Update and Board Action

Hayden stated that the Village Board approved the refinancing plan totaling \$3,035,000, with the total savings generated by the lower interest rates totaling \$125,000. Hayden stated that the Village already received the funds, which will generate interest from March 23, 2010 through April 8, 2010. Hayden stated that the Village also will have other loans completely paid off in 2011 and 2012.

Abbey Resort Letter of Credit Update

Hayden stated the Letter of Credit the Abbey Resort is required to the file with the Village for the TIF loan it received for its spa renovation project has been in question since Park National Bank was taken over by the FDIC and U.S. Bank. Hayden stated that as part of a refinancing plan, the Abbey is having Walworth State Bank issue a new Letter of Credit to replace the initial Letter of Credit.

RFPs for 2011 Village Service Contracts

Hayden stated that the last time the Village put out requests for proposals for the contracted services was in 2007. Hayden stated that the RFPs were put out late in the year in 2007, so the process is being initiated earlier in the year this time. Hayden presented a list of the contracted services and asked the committee members if they wanted all the services bid again this year. Following discussion, the committee members were in consensus that all the services should be put out for RFPs, but at a minimum expense. The committee members stated that the RFPs should be posted on the Village website, in the League of Wisconsin Municipalities monthly magazine and on other website that do not require an extra fee.

Loenneke/McCue 2nd made a MOTION to direct staff to proceed with drafting RFPs for all the Village's contracted services, with the draft RFPs to be presented at the monthly meeting in April, and with a submittal date in August or September. The MOTION carried without negative vote.

Next Meeting Date

The committee directed Martin to schedule the next monthly meeting for Thursday, April 22, 2010

beginning at 5:00 pm.

Adjournment

Gilchrist/Feeney 2nd made a MOTION to adjourn the monthly meeting of the Finance Committee at 5:57 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: 4/22/10