

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

(Official Minutes)

Finance Committee Meeting

April 21, 2011

The Finance Committee meeting was called to order at 6:00 pm on Thursday, April 21, 2011 by Chairman Pat Kenny.

Members Present: Trustee Pat Kenny, Drew Gilchrist, Rick McCue, Michael Sheyker, Jim Feeney, Scott Vilona

Member Absent: Arlene Patek

Also Present: Administrator/Treasurer Kelly Hayden, Village Clerk Dennis Martin

General Business

Approve Minutes for Meeting Held March 22, 2011

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

Monthly Review Items

Hayden stated that Mike Sheyker reviewed the payables and bank reconciliation reports, revenue/expense statements, balance sheets, vendor report, payroll overtime report, cash flow statements and room tax comparisons. Hayden stated that she also emailed the reports to the members, and that quarterly reviews of the departmental budgets will commence next month. The committee also discussed the room tax payments for the Abbey Resort, which have increased this year for January and February.

Water Rates Review

Hayden stated that the Village has filed its annual report with the Public Service Commission, and the Village is eligible this year to apply for a simplified rate increase for the water utility. Hayden stated that the last time the village increased the water rate was by 33 percent in 2008. Hayden stated that the last sewer rate increase was phased in the most recent quarterly bills. In response to a question from Feeney, Hayden stated that the current budget does not include a water rate increase. Feeney stated that the committee should consider a simplified water rate increase so the rate does not fall way behind again and a substantial increase similar to 2008 would have to be considered. The committee directed Hayden to contact the PSC and present the simplified water rate increase information for consideration at a future meeting.

Budget Amendments Update

Hayden stated that the Village Board approved a Blackstone Landscape, Inc. contract amendment and a Fontana Boulevard landscaping project on April 19, 2011 that were not in the 2011 budget, and approved the removal of a tractor purchase and the hiring of part-time DPW employees for grass cutting and park duties from the budget, so amendments will be required. Hayden stated that the proposal that was approved by the Park Commission and Village Board will produce a total savings in the budget. Hayden stated that she would recommend authorizing the budget amendments all at once at the end of the year because there will be publication expenses that can be mitigated by approving all the necessary budget amendments at the same time. Gilchrist stated that the Village Board already has depleted the contingency fund in the this year's budget, and the budget transfers should be made right away so the Village Board members will realize that they can't continue to approve unbudgeted spending proposals. Following further discussion, the

committee directed staff to track the contingency fund balance and the approved budget amendments on a monthly basis.

CDA Budget Update

Hayden stated that the CDA Board has not met all year because there are no pending projects. Hayden stated that the preliminary budget for 2011 only includes debt service. Because of last year's change by the state in the increment determination methodology, the TID will have a cash balance shortfall of \$120,000 this year that will have to be funded by the Village. Hayden stated that there are some development projects being negotiated for the TID that could increase the increment, and the increment would be increased if more lots are sold in the Cliffs of Fontana development. Hayden stated that even if there is no increase in the increment in the future, the TID will again show a positive balance about three years prior to its retirement.

Debt Schedule Update

Hayden distributed the 2011 debt schedule. After the 2011 payments, the village will have a balance of about \$1.2 million in principal for all funds.

Next Meeting Date

The next meeting date was scheduled for Thursday, May 26, 2011 beginning at 6:00 pm.

Adjournment

Gilchrist/Sheyker 2nd made a MOTION to adjourn the finance committee meeting at 6:31 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: 6/30/2011