

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

(Official Minutes)

Finance Committee Meeting

June 30, 2011

The Finance Committee meeting was called to order at 6:00 pm on Thursday, June 30, 2011 by Chairman Pat Kenny.

Members Present: Trustee Pat Kenny, Michael Sheyker, Jim Feeney, Scott Vilona

Members Absent: Arlene Patek, Drew Gilchrist, Rick McCue

Also Present: Administrator/Treasurer Kelly Hayden, Library Director Nancy Krei, Village Clerk Dennis Martin, Police Chief Steve Olson, Director of Public Works Craig Workman

General Business

Approve Minutes for Meeting Held April 21, 2011

Feeney/Sheyker 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 a new balance sheet has been prepared and distributed to track to the contingency account.

Quarterly Departmental Budget Reviews

Hayden stated that the distributed budget reviews were updated through June, with the exception of some revenue adjustments that have not yet been made. Workman stated that despite a couple of major repair projects on two of the snow plow trucks, the overall DPW budget is still in line. There are some carryover expenses and budgeting entries for the Pottawatomi Drive reconstruction project that need to be clarified, but the project is completed and there is one remaining final pay request yet to be submitted for approval and payment. Approval and funding for the project was in the 2010 budget; however, the final layer of asphalt and restoration work was completed in 2011. Workman stated that he also has to double check the salt budget and the amount of salt currently in storage. Workman stated that an amendment to the Blackstone Landscape, Inc. contract has resulted in a total savings for the village of \$6,000, and the landscaping and maintenance duties are being handled very well by the Blackstone employees. With regard to the Utility budget, Workman stated that some account allocations have to be reviewed and the overall budget is in line. Police Chief Steve Olson reviewed the Police Department budget, which is on target. Olson stated that the capital improvement funds for building and parking lot repairs have not yet been spent as the Protection Committee still has not made its final recommendation. Olson stated that the Pay to Park stations are producing more revenue because of convenience and credit card factors. Library Director Nancy Krei reviewed the library budget, which also is on target. Krei stated that the library will be purchasing two new computers with a grant it secured. Hayden stated that because of a change from Util-IT to Nyquist Engineering, the computer monitoring at the library will no longer be provided free of charge. Util-IT had been providing the library monitoring services for no charge. Hayden stated that an hourly rate will be charged for the library computer monitoring so the technology budget will be uncertain for the rest of the year. Hayden presented the rest of the budget, which also is pretty

close to on target. Hayden stated that if there are any concerns, the Finance Committee members should contact her.

Water Rates – Consideration of Simplified Rate Increase

Hayden stated that the information from the Public Service Commission regarding a simplified water rate increase was distributed and the village would be eligible to apply for a 3 to 3.5 percent water rate increase. Hayden stated that the water rate has not been increased since a 33 percent increase was approved in 2008. Hayden stated that in order to avoid having to approve such a dramatic increase in the future, the village could consider simplified rate increases on a regular basis. Hayden stated that if approved, the village would apply for the simplified rate increase with the PSC, which will review the application and make a determination.

Feeney/Vilona 2nd made a MOTION to recommend Village Board approval of the submittal of an application to the Public Service Commission for a simplified water rate increase, and the MOTION carried without negative vote.

Proposal for 2011 Bonding for Road Construction Projects

Workman stated that the condition of Shabbona Drive, Dewey Avenue, Stearns Road and Lake Street are bad. Workman stated that Stearns Road is one of the roads in the poorest condition; however, there are other roads just as bad or worse. Workman stated that when the Public Works Committee looks at the Village Infrastructure Improvement Plan, there are many factors that go into the rankings. Workman stated that Stearns Road is a well traveled road, especially in the summer months, and the road needs to be reconstructed; however, sections of Shabbona Drive and Dewey Avenue are in much worse condition. Workman stated that Dewey Avenue also requires the installation of a storm sewer or any reconstruction work will be washed away in a short amount of time. Workman stated that the Village Infrastructure Improvement Plan called for Shabbona Drive to be reconstructed in 2011; however, it was removed from the final budget. Workman stated that Dewey Avenue also is ranked before Stearns Road on the reconstruction schedule. Workman stated that the 2011 budget has \$20,000 allocated for road repair work, which usually involves small patches and fill work on numerous streets. Workman stated that if he allocates half the budget to work on Lake Street and the entrance to the lakefront parking lot, it will use up half this year's road repair budget. Workman stated that other small repair sites would be sacrificed this year. Workman presented three construction cost quotes he obtained for the Lake Street and Lot 1 repair work that were \$8,533 from Yoss Construction, \$11,673 from Gavers Pavers, and \$11,188 from Amon. Workman presented a cost estimate for the Stearns Road reconstruction that totals \$76,823, including engineering. The total construction cost estimate prepared by Workman for reconstructing Shabbona Drive from Sauganash Drive to Mayflower Drive totals \$913,415 including street, utility and sewer costs. The reconstruction cost estimate prepared by Workman for Dewey Avenue from South Main Street to Brick Church Road totals \$274,002 for just the street reconstruction. Workman stated that he calculated the Stearns Road reconstruction and Lake Street/parking lot repair estimates and the estimates for Shabbona Drive and Dewey Avenue were prepared using previously prepared planning documents. Workman stated that if the road projects are going to move forward in the approval process, the first step would be to authorize the engineering and design work and then put the projects out for bids. Workman stated that the Shabbona Drive and Dewey Avenue reconstruction projects will be more complex and expensive because there will be related storm water and utility aspects with the projects. Workman stated that the Stearns Road reconstruction would be a straight forward road project. Workman stated that in a best case scenario, the road projects could possibly commence in the fall and get far enough along for the binder surface to be laid before winter. The estimated cost for the three road reconstruction projects totals \$1,264,238. Sheyker stated that if the village is going to consider borrowing the funds for the road projects, a three-year plan should be put together to address as many problem areas as possible and the bonding should be for \$3

million to take advantage of the currently very low interest rates. Workman stated that the village has a Public Improvement Plan and he will be updating the street pacer ratings and the plan this year. Kenny stated that he agrees with Sheyker and the Village should make big picture planning decisions prior to determining the appropriate bonding level. Hayden stated that it will be important for the road reconstruction planning to be in place prior to the borrowing so that all the funds are used for road reconstruction and not eventually designated for other purposes. In response to a question, Workman stated that a reconstructed road has an average life of 20 years, so that calculates to about one mile of road per year that the village should be reconstructing. Workman stated that the Shabbona Drive project area only encompasses a total of a quarter-mile of roadway and the preliminary cost estimate for that project is \$913,415. Sheyker stated that a side bonus of completing the Shabbona Drive project would be the installation of storm water lines that would alleviate the development concerns with one of the two lots the village recently purchased in a lawsuit; that lot could then be sold to help the village recoup some of the purchase price. Feeney stated that he thinks the Finance Committee should wait to make a recommendation on the proposed borrowing until they receive input from the Village Board on Sheyker's proposal. Sheyker stated that from the Village's overall standpoint, something needs to be done about the poor conditions of the roads, but not in the next 30 days. Feeney stated that Shabbona Drive was the project that was in this year's budget, and Stearns Road was not even going to be done until after other roads are reconstructed. Following further discussion, the committee members reached a consensus that Shabbona Drive reconstruction should be the next road project that the Village undertakes. Kenny stated that the Finance Committee could table the item and wait until input is received from the Village Board. Feeney stated that he would like to hear what the Village Board members think about the estimates prepared by Workman. Hayden stated that if the Village is going to move forward with the Brookwood water tower replacement proposal to construct a new standpipe in the next year, the borrowing for the project could be added to the road reconstruction borrowing to help save the village bonding expenses.

Feeney/Vilona 2nd made a MOTION to table the item pending the receipt of more information on road reconstruction project costs, on the cost for the Brookwood water tower replacement project, and on debt impact and budget ramifications. The MOTION carried without negative vote.

Resignation of Processing Clerk

Hayden stated that Karen Dieter submitted her resignation to accept a new job with the city of Whitewater. Hayden stated that Dieter may be contracted with to provide administrative assistance with the village website.

Next Meeting Date

The next meeting date was scheduled for Thursday, July 21, 2011 beginning at 6:00 pm.

Adjournment

Feeney/Sheyker 2nd made a MOTION to adjourn the finance committee meeting at 7:19 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: 7/21/11