

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

(Official Minutes)

Finance Committee Meeting

July 21, 2011

The Finance Committee meeting was called to order at 6:05 pm on Thursday, July 21, 2011 by Chairman Pat Kenny.

Members Present: Trustee Pat Kenny, Michael Sheyker, Arlene Patek, Drew Gilchrist, Rick McCue

Members Absent: Jim Feeney, Scott Vilonia

Also Present: Village Engineer Joe Eberle, Administrator/Treasurer Kelly Hayden, Jim Mann, Village Clerk Dennis Martin, Stanley Sugden, Director of Public Works Craig Workman

General Business

Approve Minutes for Meeting Held June 30, 2011

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

Monthly Review Items

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. It was noted that the room tax revenue is coming in above projections and the total is ahead of schedule with the busy summer months yet to be accounted for.

McCue/Patek 2nd made a MOTION to acknowledge receipt of the reports and to place them on file for the audit, and the MOTION carried without negative vote.

Street and Utility Infrastructure Improvement Plan – Joe Eberle, Ruckert-Mielke

Ruckert-Mielke engineers Joe Eberle and Stanley Sugden presented examples of infrastructure improvement plans that the firm has developed and incorporated in other municipalities. Sugden explained the process used to formulate the plans that are used to schedule road construction, utility, and infrastructure maintenance and improvement projects. Sugden stated that well developed plans help municipalities address road maintenance needs in the best economical manner to get the most work done as possible with the allocated funds. Sugden stated that infrastructure improvement planning begins with Paser ratings of the public roads. Workman stated that he currently completes the Paser ratings every other year, as required by the state. Sugden stated that the Paser ratings are incorporated into the planning document with water, sewer and other utility system information to come up with a consolidated infrastructure improvement plan. Eberle stated that when all the information is consolidated into the one planning document, a municipality eliminates costly piecemeal projects. Workman stated if interested, the village could contract with Ruckert-Mielke to put together a plan to help the Village schedule its infrastructure improvement projects. Workman stated that the village already has the Paser ratings and a lot of the other required information, so the process can be expedited once approved. Gilchrist asked what timeframe an infrastructure improvement plan would cover. Sugden stated that a typical infrastructure improvement plan goes out about five years. Sugden stated that the Paser ratings of the roads are updated every two years, and the ratings are plugged into the infrastructure improvement plan. Sugden stated that it would cost about \$5,000 to \$6,000 for Ruckert-Mielke to draft a plan for the Village. The plan would include a map and a planning booklet that incorporates the Paser ratings, storm water and utility planning, and water main

information. Sheyker stated that a long-range infrastructure plan would help the Village quit using a band-aide approach to road reconstruction decisions. Following discussion, the Finance Committee members were in consensus that the Village should have a long-range infrastructure improvement plan completed prior to making a decision on a bonding proposal. In response to a question on the current budget, Hayden stated that the \$5,000 to \$6,000 estimated cost for the infrastructure improvement planning could be allocated from the engineering expense account. Sheyker/McCue 2nd made a MOTION to recommend Village Board approval of a \$5,000 to \$6,000 contract with Ruekert-Mielke to complete infrastructure improvement planning for the Village of Fontana by incorporating the road Paser ratings, sewer and utility system and all other underground utility information, as presented. The MOTION carried without negative vote.

Proposal for 2011 Bonding for Road Construction Projects – Jim Mann, Ehlers and Associates

Ehlers and Associates Financial Advisor Jim Mann presented bond rating factors of comparable municipalities, information on 20-year trends in municipal bond indices and the Village of Fontana's current debt schedule, and a preliminary financing plan to borrow a total of \$3,070,000 – half to fund road reconstruction projects and half to fund a new standpipe to replace the Brookwood water tower. Mann stated that considering all factors, the Village of Fontana is in good financial shape and well below its total bonding limit. Mann stated that the current market interest rates are low and the conditions are favorable for borrowing large sums for long terms. Mann stated that the Village of Fontana currently has a total debt balance of \$23 million, not including revenue debt for the Utility Account. Mann stated that 5 percent of the Village's total equalized value would be about \$65 million, so the Village is at less than 50 percent of its total bonding capacity. Mann stated that the preliminary plan he distributed calls for borrowing \$3,070,000 and paying it back over a 20-year period with interest rates ranging between 4 and 4.45 percent. Following the presentation, Sheyker stated that he thinks a decision on a borrowing proposal should be delayed until the infrastructure improvement plan is completed and solid planning figures can be used. Sheyker stated that if a major borrowing proposal is going to be considered, the planning process should be completed properly to help ensure the right decision is made. Kenny stated that he agrees with Sheyker and the Village needs to have a good infrastructure improvement plan in place prior to moving forward on the borrowing proposal. Discussion followed on the Village Board's July 6, 2011 motion that directed the Finance Committee to make a recommendation on a borrowing proposal to fund road reconstruction projects on Shabbona Drive, Dewey Avenue and Stearns Road; to fund repair work on Lake Street and in the lakefront parking lot; and to fund the construction of a new standpipe and abandon the Brookwood water tower. The committee members decided to not make a recommendation until the Village has completed an infrastructure improvement plan, and to invite Mann to attend the Monday, August 1, 2011 Village Board meeting to present the preliminary financing plan information.

2012 Budget Schedule

Hayden stated that the preliminary schedule has been distributed, and the members should review it for any conflicts or concerns. The members were in consensus that the department heads should plan for no increase in the local tax levy when preparing their preliminary budget proposals. The worksheets with the department budget histories are scheduled to go out August 22, 2011 and initial reviews by the committee are scheduled to commence Thursday, September 8, 2011.

Next Meeting Date

The next meeting date was scheduled to be held as a joint session with the Village Board on Monday, August 1, 2011 beginning at 6:00 pm, with the 2010 audit presentation by Patrick Romenesko and the preliminary bonding proposal presentation by Mann.

Adjournment

McCue/Sheyker 2nd made a MOTION to adjourn the finance committee meeting at 7:18 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: 9/22/11