

VILLAGE OF FONTANA ON GENEVA LAKE
WALWORTH COUNTY, WISCONSIN

(Official Minutes)

Finance Committee Meeting

July 23, 2009

The monthly Finance Committee meeting was called to order at 5:00 pm on Thursday, July 23, 2009 by Chairman Patrick Kenny.

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

Member Late: Michael Sheyker

Members Absent: Lou Loenneke, Jim Feeney

Also Present: Administrator/Treasurer Kelly Hayden, Village Clerk Dennis Martin, Trustee Micki O'Connell, Tom Westphal, Director of Public Works Craig Workman

Visitors Heard

None

General Business

Approve Minutes for Meetings Held June 4, 2009

McCue/Gilchrist 2nd made a MOTION to approve the minutes for the meeting held June 4, 2009, as submitted, and the MOTION carried without negative vote.

Approve Payables & Bank Reconciliation Reports

Hayden presented the monthly payables and bank reconciliation. At the end of the meeting, Sheyker stated that two of the committee members should come in during the month to review the reports, and then they could make a recommendation at the monthly meetings. Sheyker stated that he will contact Jim Feeney and determine if the two of them would provide the review services, and the responsibility could be rotated between members throughout the year.

Bill Turner Cost Recovery Concern

Hayden stated that Bill Turner had a concern about the cost recovery invoices he received for a conceptual proposal; however, Turner asked to have the item removed from the agenda.

Fire Services Agreement with Town of Walworth

Fire Department Assistant Chief Tom Westphal stated that the Town of Walworth requested that the Fontana Fire Department and Rescue Squad provide emergency response services to northern portions of the township. Westphal stated that according to information provided to the department, there were 21 fire and rescue calls in the township in 2008, and they were mainly EMS calls. In response to a question, Westphal stated that the township currently charges its residents \$400 per call. Westphal stated that the Village of Walworth currently covers the entire township, and town officials requested the change to ensure quicker response times throughout the township. Westphal stated that the proposal would eliminate the need for the Village of Walworth emergency response personnel to drive through the Village of Fontana to respond to calls in the northern portions of the township. The township also would like to split a coverage area off for the Town of Delavan fire and rescue departments to cover. Gilchrist asked if the proposed rates cover the Village of Fontana's fixed costs and if the proposal will ultimately be financed by Village of Fontana taxpayers. Hayden stated that she would suggest adding an exhibit to the proposed agreement to delineate what the Village's total labor costs include, and incorporate a percentage into the fee. During discussion, the committee members also came to the consensus that the agreement should be reviewed by the Village insurance provider and attorney.

McCue/Patek 2nd made a MOTION to direct Village staff to add an exhibit to the proposed agreement to delineate the Village's total labor costs and make sure the proposed fee covers all the Village's expenses, and to have the proposed agreement reviewed by the Village of Fontana insurance provider and attorney before it is referred back to the Finance Committee for a recommendation. The MOTION carried without negative vote.

Focus Energy Options for Public Works and Safety Buildings

Workman stated that Alliant Energy is offering a cash rebate for replacing the current high-wattage lights and fixtures at the Public Works site and the Fontana Safety Building with high-efficiency lighting and occupancy sensors, and the new lights would save the Village thousands of dollars on annual energy bills. Workman stated that there are 13 lights and fixtures that can be replaced at the Public Works site, and there are 14 lights and fixtures that can be replaced at the Safety Building. Workman stated that the estimated savings on energy bills would be about \$2,500 per year. The initial \$7,942 cost to replace the 27 lights and fixtures would be offset by a cash rebate of \$3,500. Workman stated that with the \$3,500 rebate and the estimated annual savings on utility bill expenses, the lights and fixtures will be paid for in two years. Workman stated that Alliant also offers another "loan" option for the high-efficiency lighting fixtures and occupancy sensors. The Village could pay the \$7,942 over five years, with a 3 percent interest rate. Workman stated that second option was presented in case the funds could not be found in the current budget. Workman stated that the current lights are 500-watt bulbs, and the new lighting fixtures feature 32-watt bulbs. Following discussion, the Finance Committee members were in consensus that it was a better financial deal to find the \$7,942 in the current budget to fund the immediate purchase of the lights, which includes the \$3,500 rebate.

McCue/Sheyker 2nd made a MOTION to recommend Village Board approval of the \$7,942 purchase of 27 high-efficiency lighting fixtures and occupancy sensors from Alliant, and to direct staff to allocate the \$4,400 balance after the rebate from line items in the current budget. The MOTION carried without negative vote.

FW/WPCC Expansion Grant & Sewer Rate Impact

Hayden stated that as part of the plant expansion plan, the Village of Fontana and Village of Walworth are applying for a \$4.3 million Clean Water Fund Program loan. Strand Associates, has identified and is applying for a 50 percent grant to offset the loan. Hayden stated that in completing the administrative paperwork for the loan, Strand identified that the Village of Fontana would have to increase its current sewer rates by 45 percent to cover the loan repayments. Hayden stated that staff's initial response was that the sewer rate cannot be increased by 45 percent in one year, so other alternatives are being investigated. Hayden stated that one alternative that would help reduce the potential sewer rate increase would be to eliminate the flat fee for the first 5,000 gallons of the sewer portion of the quarterly utility bills. Hayden stated that if the Village would start charging for the first 1,000 gallons for sewer, in the same manner that it does for the water charges, it would increase revenue and partially offset the need to increase the sewer rate by 45 percent. Hayden stated that she will complete a sewer revenue analysis figuring the charges for the first 1,000 gallons of water used, instead of the current flat rate for up to the first 5,000 gallons. Hayden stated that it is just one idea she is presenting to determine how to fund the loan repayment without having to increase the sewer rates by 45 percent. Following discussion, the committee directed Hayden to also look at increasing the flat rate that is charged for the sewer meter in order to recoup some of the infrastructure expenses from property owners who only have their service activated for a portion of the year.

Possible IGA with Village of Sharon for Building & Zoning Services

Hayden stated that the Building and Zoning Department was asked by the Village of Sharon to provide a proposal to provide services under an intergovernmental agreement. McCue asked if the

two Village of Fontana employees currently have “down time” so that they will be able to provide the services. Hayden stated that with the current economic conditions, the Building and Zoning Department is not as busy issuing permits as previous year; however, things could pick up in the future. Hayden stated that the proposal is very preliminary and it will be pursued only if the staff duties can be restructured. Hayden stated that Bridget McCarthy could perform some of the current inspection duties being completed by Ron Nyman, so Nyman could then handle the extra duties in Sharon. Hayden stated that a financial arrangement should be drafted that pays the Village a portion of the permit fees and an hourly charge for the administrative services. Hayden stated that the current IGA with the Village of Walworth expires this year, and she is recommending that Walworth also begin to pay the Village of Fontana an hourly rate for McCarthy’s and Nyman’s services. Patek stated that the committee should make sure that the Village is not giving away services that are being supported by the taxpayers, and the fee should cover a portion of the Village employment costs. O’Connell stated that it is a good idea for local municipalities to share services and their related expenses, but she is worried that the department may be too busy to taken on another village. Also, O’Connell stated that McCarthy is pregnant and she will be taking six weeks leaves in the near future. Hayden stated that the Village of Sharon does not have a large volume of permits, and the Building and Zoning Department indicated that they could handle the extra workload. Hayden stated that the Village of Sharon’s contract with BZA has expired and they would like the Village of Fontana to provide the services as soon as possible. Hayden stated that if an agreement is reached, it will contain a hold harmless clause for past actions to protect the Village of Fontana from any liability or lawsuit.

Debt Analysis

Hayden distributed a preliminary debt analysis spreadsheet that lists all of the Village’s existing debt and projected payments. Hayden stated that the spreadsheet is a work in progress and she just wanted to present the preliminary document to the Finance Committee members for review.

Next Meeting Date

The committee directed Martin to schedule the next meeting for Thursday, August 20, 2009 beginning at 5:00 pm.

2008 Audit Review

Hayden stated that the audit was distributed via email in June, and she had hard copies for committee members at the meeting. Auditor Patrick Romenesko will present the audit to the Village Board at its monthly meeting on Monday, August 3, 2009 at 6:00 pm. Hayden stated that Romenesko will present the audit management letter and his recommendations at the August 3, 2009 meeting. McCue asked Hayden to check with Romenesko on a typographical error on Page 59 of the audit. Following discussion, the committee members decided to hold a joint meeting with the Village Board on August 3, 2009 so that they can attend the audit presentation and make any desired recommendations at the meeting.

Adjournment

Sheyker/McCue 2nd made a MOTION to adjourn the finance committee meeting at 6:09 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: 08/20/09