

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

**(Official Minutes)**

**Finance Committee Meeting**

August 23, 2012

The Finance Committee meeting was called to order at 6:00 pm on Thursday, August 23, 2012 by Chairman Patrick Kenny.

**Members Present:** Trustee Pat Kenny, Scott Vilona, Jim Feeney, Michael Sheyker, Arlene Patek, Drew Gilchrist

**Member Absent:** Rick McCue

**Also Present:** Kelly Hayden, Village Clerk Dennis Martin, Trustee Rick Pappas

**General Business**

**Approve Minutes for Meeting Held May 24, 2012**

Feeney/Vilona 2<sup>nd</sup> made a MOTION to approve the minutes as submitted for the May 24, 2012 meeting, and the MOTION carried without negative vote.

**Monthly Review Items**

Hayden stated that the monthly reports were emailed and distributed. Mike Sheyker stated that he reviewed the payables and other reports. Hayden stated that the Abbey Resort has paid \$124,484 in room taxes through June and with its most busy months of July and August still pending, the village should reach the budgeted amount of \$300,000 for the year. Hayden stated that she will review the Village of Fontana agreement with the Abbey Resort for the Lake Geneva Convention and Visitors Bureau membership dues payment schedule, which is based on the amount of annual room taxes paid by the Abbey.

Feeney/Vilona 2<sup>nd</sup> made a MOTION to acknowledge the receipt of the reports and to place them on file for the annual audit, and the MOTION carried without negative vote.

**Working Capital Reserves**

Hayden stated that the Village Board adopted the Working Capital Policy in 2010 and is on target to achieve by the end of 2012 the policy's stated goal of 30 percent of the annual operating budget. Hayden stated that the Village will reach the Working Capital Reserve fund by the end of the year if the revenue projections come in on budget. Hayden stated that through the date of the report she prepared for the committee meeting, the Village is on budget with expenses for the year and there have not been any contingency funds allocated.

**2012 Wage Reviews Based on Working Capital Reserves**

Hayden stated that the agenda item was for a reminder that the Village Board indicated during the budget planning meetings that wage increases for Village employees would be considered in the fall after the Working Capital Reserves fund is reviewed. Feeney stated that it has been several years since the nonunion employees received a raise and the Village Board ought to consider approving wage increases this year since they would only total about \$30,000 to \$40,000 in budget funds to cover the additional salary expenses for nonunion employees. Hayden stated that she will present information for wage increase consideration at the next committee meeting.

**Revenue and Expenses Review**

Hayden stated that the distributed Revenue and Expenses report is up to date and the current balances are in line with the budget.

### **2013 Budget Guidelines**

Hayden stated that she used last year's budget memo to the Village department heads as draft for the preliminary 2013 budget memo. The Finance Committee members were in consensus that the memo should again state that the Village has a goal of keeping the tax levy consistent with prior years. Gilchrist stated that the village should be working to establish a reserve fund to set aside money for future capital purchases instead of borrowing the funds. Feeney stated that the village needs to include more road maintenance projects in its annual work schedule as advised last year by the village engineering firm, rather than just reconstruction projects.

Vilona/Feeney 2<sup>nd</sup> made a MOTION to recommend that the Village Board direct staff to issue the 2013 General Funding Budget Workshop memorandum to the department heads with the same guidelines as 2012. The MOTION carried without negative vote.

### **2013 Budget Schedule**

Hayden stated that the preliminary 2013 Budget planning process schedule calls for the budget worksheets to be distributed to the department heads by Wednesday, September 5, 2012; for committee review meetings to be held Thursdays, September 20 and 27, 2012, and October 4, 2012; and for the Village Board and Finance Committee to review the preliminary 2013 budget on Thursday, October 18, 2012. The publication date for the budget summary is Thursday, October 25, 2012 and the public hearing will be scheduled for Monday, November 12, 2012. The Finance Committee members did not have any concerns with the schedule as presented.

### **Establishing Sewer Utility Equipment Replacement Fund**

Hayden stated that one of the recommendations in Auditor Patrick Romenesko's annual management letter was for the Village to establish a separate account for the Sewer Utility Equipment Replacement Fund. Hayden stated that a separate account was set up at Talmer Bank in Walworth and \$327,374 in sewer funds were transferred to the account. Hayden stated that a resolution will be presented to the Village Board for final approval of the new account. Hayden stated that another bank account was created for the borrowing proceeds for construction projects, which totals \$4 million. Hayden stated that the account was created to separate the borrowing proceeds for the sewer and water utility portions of the reconstruction projects from the roadway construction portions of the projects.

### **2012 Equalized Values – Released August 15, 2012**

Hayden stated that the final report has been released and the Village of Fontana total equalized value decreased by 7 percent from last year. Hayden stated that the state average for decreases in equalized valuation was much more significant than Fontana experienced.

### **2012 TID Increment**

Hayden stated that the Village of Fontana Tax Incremental Financing District's total increment value increased by \$420,000 this year; however, that does not equate to very much actual tax funds. Hayden stated that next year the TID increment could increase more significantly with two of the model homes and a lot having been sold in the Cliffs of Fontana development; and with a couple of building renovation plans also having been approved in the TID.

### **Final Highway 67 Payment to DOT**

Hayden stated that the initial final payment invoice the Village received from the Wisconsin Department of Transportation several months ago for the Highway 67 reconstruction contract increased to \$257,000 from the \$37,247 level that had been reported since 2006 by the DOT to the Village. Hayden stated that after she contacted the DOT about the error, that turned out to be created by a DOT employee, the final invoice amount was reduced by the DOT to \$110,000. Hayden stated that she again contacted the DOT last month as directed by the CDA Board, and

the DOT has now offered to split the remaining \$110,000, leaving the Village a \$55,000 invoice to settle the contract. Sheyker stated that the Finance Committee recommends paying the \$55,000 invoice as soon as possible to resolve the situation and save the village more than \$200,000 on the amount still owed to the state for the joint contract. Hayden stated that the state has to prepare contract amendment documents to reflect the final payment settlement agreement.

**Credit Card Vendors – Parking Meters for 2013**

Hayden stated that the Village is currently paying a fee for every transaction when people use credit cards for the parking pay stations. Hayden stated that the village parking rate was increased to cover the extra expense; however, the current rate of 5 or 6 percent is quite an expensive fee to be paying the credit card company. Hayden stated that she will research other options for the Finance Committee to consider prior to next season.

**Next Meeting Date**

The next monthly meeting date on Thursday, September 20, 2012 beginning at 6:00 pm will also be the committee's initial review of preliminary budget worksheets for the library, Municipal Court, Building Inspection, Police Department, Fire and Rescue, and the Park Commission.

**Adjournment**

Sheyker/Patek 2<sup>nd</sup> made a MOTION to adjourn the meeting at 6:38 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: 9/20/2012