

VILLAGE OF FONTANA ON GENEVA LAKE
WALWORTH COUNTY, WISCONSIN
(Official Minutes)

MONTHLY MEETING of the COMMUNITY DEVELOPMENT AUTHORITY
Wednesday, September 8, 2010

Chairman William Turner called the monthly meeting of the CDA Board to order at 7:00 pm in the Village Hall, 175 Valley View Drive, Fontana, Wisconsin.

CDA members present: Roll call: Chairman Turner, Gail Hibbard, Jeff Fisk, Cindy Wilson, Skip Bliss, Bob Chanson

CDA member absent: President Arvid Petersen

Also present: Greg Capani, Carola Coccia, Administrator/Treasurer Kelly Hayden, Rob Ireland, Bruce Jensen, Jim Mann, Village Clerk Dennis Martin, Trustee Tom McGreevy, Trustee Micki O'Connell, Trustee Peg Pollitt, Carol Whowell, Director of Public Works Craig Workman

Visitors Heard

Trustee O'Connell stated that she would like to have the CDA finalize its plans for the replacement gazebo in Reid Park so that the razed structure can be replaced as soon as possible. Bruce Jensen asked when the TID is scheduled to expire. Turner stated that a TID can be in existence for up to 27 years and the last revenue year for the Fontana TID is 2029.

Announcements

1. Finance Committee Budget Meetings – **Thursdays, September 9, 16, 23 & 30, 2010, 6:00 pm**
2. Big Foot Lions Club Breakfast Tent/Annual Triathlon – **Saturday, September 11, 2010**
3. 2010 Partisan Primary Election and VOF Referendum – **Tuesday, September 14, 2010, Polls Open 7:00 am to 8:00 pm**
4. Plan Commission Staff Meeting – **Wednesday, September 15, 2010, 1:00 pm**
5. Library Board Meeting – **Wednesday, September 15, 2010, 10:00 am**
6. Park Commission Meeting – **Wednesday, September 15, 2010, 6:00 pm**
7. Annual Fat Tire Bicycle Event and St. Benedict Duathlon of Dreams – **Saturday, September 18, 2010**
8. Protection Committee Meeting – **Monday, September 20, 2010, 5:45 pm**
9. Plan Commission Monthly Meeting – **Monday, September 27, 2010, 5:30 pm**
10. Lakefront Committee Meeting – **Wednesday, September 29, 2010, 4:30 pm**

Approval of Minutes for August 4, 2010

Commissioner Bliss/Commissioner Chanson 2nd made a MOTION to approve the minutes as submitted for the meeting held August 4, 2010, and the MOTION carried without negative vote.

Approval of Current Payables

The monthly payables were reviewed and approval was recommended.

Commissioner Chanson/Commissioner Bliss 2nd made a MOTION to approve the payables as presented, and the MOTION carried without negative vote.

Finance Report – Administrator/Treasurer Hayden

Update/Review – Full Accounting Statement & TIF Revenue Increment Projections

The statement and projections were discussed during the presentation by Jim Mann.

Presentation

Wisconsin Department of Revenue Change in Equalized Valuation of TIDs – Jim Mann

Turner stated that he wanted to make the presentation he made to the Village Board the previous night and then turn the matter over to Jim Mann of Ehlers of Associates. Turner stated that the Village of Fontana TID started with a total increment value of \$15.8 million in 2001 and over the years the DOR increased its valuation increment determination to \$90.7 million in 2008 and \$92.7

million in 2009. Turner stated that this year, the DOR made an administrative decision to change the method in which it calculates the increment for TIDs and reduced the Village of Fontana TID to \$65.9 million. Turner stated that the DOR decided to match its determination for the valuation of the TID increment with the assessor's final reports that are filed annually by municipalities. Turner stated that the CDA has been basing its financial planning on the DOR's previous projections, and now the revenue coming into the Fontana TID will be substantially lower than anticipated. Turner stated that the DOR can not tell the Village what the previous formula was before this year or why the change was made. Turner stated that the net effect of the DOR action is that the Village of Fontana TID will have less revenue to work with and it could affect the Village's income stream used to pay off the debt. As well as reconsidering what future projects the CDA will undertake, Turner stated that the CDA may also have to restructure its debt to make up for years when the cash flow will be in a negative situation. Turner stated that it is hard to predict if the increment will increase by greater than the CDA's current conservative projection of 1 percent each year. Turner stated that the CDA had been using an increase factor of 2.5 percent on its financial projections, but the new numbers calculated for the meeting were based on a 1 percent growth rate per year. Turner stated that the CDA and Village Board will have to determine what it is comfortable with for a growth projection going forward. Turner stated that the Village also has to receive further information from the DOR in an attempt to find out what is going on with the drastic change in the TID increment valuation methodology. Turner stated that the Village Board appointed a subcommittee of Peg Pollitt, Tom McGreevy and Cindy Wilson to meet with the CDA on the situation and come up with a recommendation on future debt service and project funding. Mann stated that Turner summed up the situation on the DOR's decision to change the increment estimation formula. Mann stated that the situation has been investigated and the DOR's new valuation method will not be changed. In response to a question from Bliss, Mann stated that TIDs across the state are being affected by the change and that it has caused many districts to fall into financial distress with negative cash flow situations because their debt structures are based on the previous calculations. Mann stated that the last time municipalities faced a financial crisis of this magnitude was in 1995 when the state shifted the school funding method. Chanson stated that the CDA has done nothing wrong with its previous financial planning, the state DOR just changed the rules. Mann stated that he agreed with Chanson and the Village was just using the information provided by the DOR. Turner stated that the subcommittee will meet to work with the new numbers and discuss future borrowing plans. Mann encouraged the officials and residents to contact their state elected officials to express their concern about the DOR decision to drastically cut the TID increment calculations and consequently, the amount of increment being distributed to the TIDs. Hayden stated that she will coordinate a meeting of the subcommittee and Mann.

TID #1 Projects – Public Works Director Workman

TIF Project Maintenance Activity Report

Turner stated that he noticed a lot of people are using the new Fontana-Walworth Pedestrian Path along Highway 67. New items were added in the Duck Pond area at the suggestion of Hibbard.

General Construction Updates

Workman stated that there are currently no open contracts or pending projects.

General Business

Extension of Lease for 138 Fontana Boulevard

Hayden stated that the lease expires at the end of the month for the two tenants at 138 Fontana Boulevard. The initial lease was month to month and then changed to a full year last October. The current lease had the rent at \$500 per month from October through April, and then it increased to \$700. Following discussion on whether to renew the lease for another year or on a month-by-month basis, the CDA reached a consensus that the lease should be on a month-by-month basis.

Commissioner Chanson/Commissioner Bliss 2nd made a MOTION to approve the renewal of the lease with Patricia Doherty and Miles Hughes for the residence at 138 Fontana Boulevard on a month-by-month basis for \$700 per month, and the MOTION carried without negative vote.

Lakefront Ownership Progress Report

Turner stated that Attorney Hank Gempeler is on vacation for three weeks and the legal review will

not be ready for presentation until October. Turner stated that Gempeler has all the information from the title company as well as additional information submitted by Lou Loenneke, Bruce Jensen and the attorneys representing the Gordy's Group and Jamie and Carol Whowell.

Big Foot Country Club Development Agreement

Turner stated that Workman is working on the preliminary plans and cost estimates for the problem areas and is preparing a proposed scope of work. Turner stated that after the subcommittee meets another meeting will be held with the Big Foot Country Club representatives. Turner stated that a new factor to consider in the planning is the Wisconsin Department of Revenue change in determining the increment value of TIDs. Turner stated that the Village of Fontana TID may be facing too much financial pressure to complete all the currently planned projects. Turner asked Workman if something will be ready to present by the next monthly meeting, and Workman responded yes. Workman stated that he will try to schedule a meeting of the subcommittee for sometime during the next week.

Village Board Report – President Petersen

All the Village Board related matters were addressed in other agenda items.

Lakefront & Harbor Report – Commissioner Chanson

Chanson stated that he had nothing new to report.

Park Commission Report – Trustee Wilson

Wilson stated that the Park Commission is still seeking a replacement member for the recently resigned Jill Wegner. Hibbard stated that she and her group of volunteers from the Fontana Garden Club gathered seeds and sowed them at the native prairie restoration site with Tom Vanderpoel. Hibbard stated that the group harvested and sowed about \$400 worth of seeds.

Confirm Quorum & Dates for Upcoming Meetings

The next monthly meeting date is Wednesday, October 6, 2010.

Agenda Item Requests

None

Adjournment

Commissioner Chanson/Commissioner Bliss 2nd made a MOTION to adjourn the meeting at 7:47 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 CDA, the official minutes will be kept on file at the Village Hall.

APPROVED: 10/6/10