

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

(Official Minutes)

Finance Committee Meeting

September 23, 2010

The Finance Committee meeting was called to order at 6:00 pm on Thursday, September 23, 2010 by Village Clerk Dennis Martin.

Members Present: Lou Loenneke, Arlene Patek, Rick McCue, Jim Feeney, Michael Sheyker, Drew Gilchrist

Member Absent: Trustee Kenny

Also Present: Administrator/Treasurer Kelly Hayden, Village Clerk Dennis Martin, Sharon O'Brien, Trustee Micki O'Connell, Trustee Peg Pollitt, Trustee Cindy Wilson, Public Works Director Craig Workman

Elect Chairman Pro-Tem

Feeney/Loenneke 2nd made a MOTION to elect Rick McCue as the chairman pro-tem for the meeting, and the MOTION carried without negative vote.

General Business

2011 Budget Review for Department of Public Works, Administration & Debt Service

Workman presented the preliminary budgets for the Public Works Department, building and highway maintenance, construction and capital improvements. Loenneke asked when the one block portion of Pottawatomi Drive that runs from Shabbona Drive to the Country Club Estates Golf Course entrance is scheduled to be reconstructed. Workman explained the Public Works Committee street condition methodology and the Infrastructure Improvement Plan schedule for 2011 through 2015. The street reconstruction schedule for 2011 calls for Shabbona Drive to be reconstructed from Sauganash Drive to Mayflower Drive, for an estimated cost of \$1,092,000. O'Connell asked questions about how the cost estimates are calculated for the street reconstruction schedule. Feeney asked why the Village installs curbs and gutters on streets with the reconstruction projects and stated that none of the streets in the Village used to have curb gutters. Workman stated that the Village did not require any stormwater management for residential developments in the past, and now stormwater run-off problems exist throughout the village. Workman stated that not all street reconstruction projects include new curb and gutter; some streets are reconstructed with raised asphalt edging, if it will work for storm water management. The committee members then asked Workman to go through the preliminary budget line by line. Workman stated that the new lighting system at the Public Works garage is saving the Village money on electricity, and the heating expenses also are coming in under budget in 2010. Workman stated that the department will still come in under the 2010 budget after additional expenses are added for moving the garage from 208 Dewey Avenue to the DPW site. In response to questions, Workman stated that the garage was put up on lifts by the contractor who removed the former residence at 208 Dewey Avenue, the lot is leveled off, DPW equipment currently stored outside will be moved into the garage once it is relocated to the DPW site, it would be cost prohibitive and an inconvenience to leave the garage on the Dewey Avenue lot and store the DPW equipment there, there is not going to be electrical service attached to the garage, and the Dewey Avenue lot is the site of Headwaters Park so topsoil will be spread and grass planted after the garage is moved. In response to a question about the \$250 line item for the Park House, Workman stated that the proposed work includes repair work on the doors and additional insulation. Following a lengthy discussion on the DPW budget including line items for building maintenance and supplies and utility expenses for all the Village buildings, including the

buildings located in parks, Workman stated that he will calculate the utility, maintenance and supply expenses for each structure and allocate the funds for each into one budget line item. A lengthy discussion then ensued on the \$2,500 budgeted for maintenance on the cellular tower. Workman stated that \$2,000 in unbudgeted funds had to be spent this year to perform repair work on a generator, and there is \$1,000 in annual maintenance and inspection fees. Workman stated that this coming year, an additional \$1,500 will have to be allocated for the backup generator, as well as the annual \$1,000 for maintenance and inspection fees. Workman stated that the repair work on the tower is necessary for the emergency radios for police, fire and rescue services and he included the notation in his budget to make sure it is included. Hayden stated that she will check with the chiefs to make sure the expense is only allocated in the budget in one spot. Workman stated that a new federal mandate will require the village to complete an inventory of its current street signage to indicate how reflective they are, and if necessary, when they will be replaced with signage that adheres to the higher reflectivity standards. Workman stated that an inventory of the current signage with the reflective calculations delineated must be completed by 2011. Following a discussion on the cost of completing a signage inventory, the Finance Committee members were in consensus that purchasing all new signs would be a better use of funds than hiring a firm to complete the inventory or purchasing the equipment necessary to have staff complete the inventory. Workman stated that he will further investigate the situation and report the budgeting ramifications back to the Finance Committee. Workman stated that the capital improvement projects for 2010 included \$1.1 million allocated for the reconstruction of Pottawatomie Drive and for projects in the Hot Spot 3 storm water run-off problem area. Workman stated that the reconstruction project was put out for bids and the cost will be about 30 percent under budget. Work scheduled for 2011 includes the Shabbona Drive project and some projects in the Hot Spot 5 storm water run-off problem area. In response to a question, Workman stated that once the 2011 storm water projects are completed, the Village will be in a position to sell the two lots on Pottawatomie Drive that were purchased in the Wilkinson lawsuit settlement. A lengthy discussion then ensued on the salting and sanding procedures, snow removal and the need to purchase a new brush for the snow removal equipment. Workman stated that the preliminary budget does not include any funds for the purchase of chemicals to abate mosquitoes. Workman stated that prior to last year, the Village used to allocate \$12,000 annually on the chemicals, which have to be sprayed in the evening. Because the chemicals are sprayed in the evening, the DPW crew members had to be paid overtime wages. Workman stated that there is a new chemical that can be purchased to abate mosquitoes and it would cost about \$10,000 instead of \$12,000 for a year's worth supplies. Following a lengthy discussion on the upcoming union contract renewal negotiations and the desire to address a flexible work schedule to prevent the necessity of overtime expenses, the committee directed Workman to allocate \$10,000 for the purchase of mosquito abatement chemicals, but not to include overtime wages in the budget line item. The committee then discussed lawn mowing and the mower replacement schedule and if it would be better to hire people to just cut grass or if the work should be completed by the Park Commission landscaping contractor or by DPW seasonal employees. Hayden stated that she and Workman briefly talked about the mowing expenses and the three seasonal employees that are hired for grass cutting duties; however, she did not yet research the exact costs. Hayden stated that she will review the Blackstone contract and the seasonal employee budget ramifications and report back to the Finance Committee. Workman stated that the switch from using a contracted service provider to cut the grass in the village parks to assigning the duties to the DPW crew was initially made because it was cheaper for the village to hire seasonal employees, and that the Village probably is still experiencing a net savings by using seasonal employees. Workman stated that the only grass the currently is cut by Blackstone employees is located in the road medians. A lengthy discussion then ensued on Public Works Committee and Park Commission items. Hayden then presented the preliminary administration budget and stated that the approximate \$100,000 estimated to complete a rewriting project on Chapters 17 and 18 of the Municipal Code is

included in various line items for legal services, planning services and engineering services. Hayden stated that the administration budget also includes \$1,200 for Lakefront and Harbor Committee items, including power-washing and painting the Abbey Harbor bridge and completing sidewalk repair and signage projects on the municipal beach property leased to the Country Club Estates Association. Hayden stated that the administration budget also includes \$16,322 for the purchase of another parking fee automated pay station to be located in the beach parking lot in a position where it also can be used for the lot located across the road. Hayden stated that the 2010 year-to-date numbers include \$32,750 that was spent to replace the boiler in the Village Hall and Public Library building. Hayden then presented the debt schedule and stated that the Village still has to complete the borrowing for the 2010 projects, and possibly for paying off the pension debt for the prior years service balance with the Wisconsin Retirement System. Hayden stated that if the prior years service balance is paid off, the Village will receive lower interest and contribution rates for the WRS payments. Hayden stated that the 2010 budget included \$651,000 for debt payments, and the 2011 budget currently calls for \$333,000 for debt service payments. Hayden stated that the lower debt payment figure will help the Village keep the mill rate down in 2011, but it does not help with the state levy limit situation. Hayden stated that the amount to be allocated for the working capital balance has not been included yet, and it will be the last number to plug into the preliminary budget. In response to questions, Hayden stated that the current total debt figure for the Village includes about \$19 million for the CDA and about \$6 million for the rest of the Village, and that the refinancing plan in 2010 saved the village about \$110,000 to \$130,000 in finance charges. Hayden stated that because the Wisconsin Department of Revenue changed the increment calculation formula it has used for Tax Increment Financing Districts, the CDA will be considering a refinancing plan for the CDA notes because the Village of Fontana TID increment value was significantly reduced this year by the DOR. Hayden stated that it has not yet been determined how much the Village will have to borrow this year. Pollitt stated that she would like the village to borrow for the 2010 projects and for the 2011 needs at the same time, and that she would like the Village to not have to borrow funds every year. Hayden stated that the Village cannot borrow for 2011 until a budget has been adopted and it can be determined what amount of funds will have to be bonded. Hayden stated that at the next meeting, she will merge all the preliminary budgets and add all the salaries and fringe benefit figures. Hayden stated that the salaries for the non-union employees are the same as they were in 2009 and 2010. Hayden stated that the total amount remaining in the 2010 budget for replenishing the working capital account is down to \$114,000 because of the unanticipated cost for replacing the boiler in the Village Hall and Public Library building. Pollitt stated that the Village should start allocating funds to a contingency account that has been established in the Village budget but hasn't been used in recent years. Pollitt stated that if an emergency situation came up, necessary funding could be allocated from the contingency fund; and if nothing came up during a given year, the funds could be transferred to the undesignated budget account.

Amend Budget Meeting Schedule

Hayden stated that after reviewing the schedules of the committee members, the Finance Committee will stick with the initially approved budget planning schedule. The next meeting is scheduled for Thursday, September 30, 2010 at 6:00 pm. Hayden stated that the committee may also have to meet one more time on the preliminary budget on Thursday, October 7, 2010 at 6:00 pm; however, a tentative meeting on Thursday, October 14, 2010 will not be held because of quorum concerns. Hayden stated that because of the monthly Protection Committee meeting on Monday, October 18, 2010 at 5:45 pm, the joint budget meeting of the Finance Committee and Village Board will not begin until 6:30 pm on Monday, October 18, 2010. Hayden then presented a spreadsheet she prepared on the RFPs the Village received for its contracted services. Hayden stated that she did not yet review the RFPs submitted for engineering or planning services because there were about 10 submitted for engineering and six for planning. Hayden stated that

she will need more information on the RFPs submitted for cleaning services, and it was revealed in the RFP submitted by the current cleaners that the Library Board has allocated funding to have the library cleaned every week. Earlier this year, the Village Board reduced the cleaning schedule for the Village Hall and Public Library and Safety Building to every other week, and the Park House to once a month in order to reduce expenses. Hayden stated that the RFPs will be reviewed further and presented for a recommendation at a future meeting.

Adjournment

Loenneke/Patek 2nd made a MOTION to adjourn the finance committee meeting at 8:24 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: 9/30/10