

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

(Official Minutes)

Finance Committee Meeting

October 13, 2009

The Finance Committee meeting was called to order at 5:00 pm on Tuesday, October 13, 2009 by Chairman Patrick Kenny.

Members Present: Trustee Kenny (left meeting at 6:15 pm), Michael Sheyker, Arlene Patek, Rick McCue, Jim Feeney, Lou Loenneke, Drew Gilchrist

Also Present: Administrator/Treasurer Kelly Hayden, Village Clerk Dennis Martin, Trustee Micki O'Connell

General Business

Approval of Minutes for Meeting Held October 7, 2009

Feeney/Sheyker 2nd made a MOTION to approve the minutes as submitted for the meeting held October 7, 2009, and the MOTION carried without negative vote.

Review of Committee Approved Final Budget Worksheets

Hayden presented the updated revenue projections, the levy limit estimate, and the preliminary capital outlay and budget. Despite the Finance Committee's direction to not have any wage increases in 2010, with the exception of union employees, the Geneva Lake Law Enforcement Agency Board of Directors approved a budget that calls for wage increases for all of the seasonal employees. The GLLEA proposed budget also calls for a \$2,800 appropriation from the Village of Fontana for the purchase of a new patrol boat. Hayden stated that the Village Board also approved a 2010 budget for the FW/WPCC wastewater treatment facility that calls for a 5 percent increase in employee salaries. Hayden stated that one idea to help with the preliminary \$353,318 shortfall projection for the Village's 2010 is to move the \$334,215 hydrant rental expense from the General Fund to the Utility Budget and to place the expense on the quarterly utility bills. Hayden stated that the expense used to be funded on the utility bills; however, it was moved to the General Fund several years ago so that property owners could add the expense to their total tax deductions. The shortfall is being projected because total revenues are down. The shortfall will be escalated in future years because of the Village Board's decision to fund the storm water improvement projects with General Fund borrowing. After a projected reduction in debt service in 2011, new borrowing would have to be added to the debt service in 2012. Hayden stated that the preliminary budget includes a \$250,000 appropriation to increase the working capital account. O'Connell asked if the Village needs Attorney Dale Thorpe to attend every Village Board and Plan Commission meeting and if there might be funds that can be saved on that line item. Sheyker stated that since Thorpe charges by the hour for attending meetings, the most that can be saved from having him no longer attend the meetings is \$4,000 to \$5,000 a year. Following a lengthy discussion, the Finance Committee members were in consensus that overtime costs for the Police Department and the Department of Public Works need to be drastically reduced. Sheyker stated that curtailing overtime is up to the department supervisors and they should be put on notice to limit the overtime hours. O'Connell stated that the Village departments also should coordinate office supply purchases. Gilchrist stated that wages and fringe benefits comprise the majority of the budget. Loenneke stated that the Village should cut the salaries of all the non-union employees by 5 percent, and the Public Library should be closed one more day a week. Feeney stated that it is up to the Village Board to make the decisions on cutting salaries and reducing services to meet the budget crunch – which will only get worse in subsequent years. Feeney stated that moving the fire hydrant expense to the Utility Budget will help the Village to reach a balanced budget this year, but there most likely will be a shortfall again next year. Hayden stated that she will check with the Public Service Commission to determine if the hydrant expense can be moved back to the Utility

Budget. Gilchrist stated that the Village has to address the structural imbalance of its annual budget. Gilchrist stated that with the state imposed levy limits and the Village Board's desire to put the borrowing for the storm water management projects on the General Fund, it will be impossible to have a balanced budget in future years. Hayden stated that she will make the revisions suggested that night and prepare an outline of notes for other budget ideas prior to the next meeting on Thursday, October 15, 2009.

Next Meeting Date

The committee directed Martin to schedule the next meeting committee meeting for Thursday, October 15, 2009 beginning at 4:00 pm. The joint Finance Committee and Village Board budget meeting will be held Thursday, October 15, 2009 beginning at 5:00 pm.

Adjournment

Feeney/Sheyker 2nd made a MOTION to adjourn the finance committee meeting at 6:50 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: 12/16/09