

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

SPECIAL JOINT MEETING of the VILLAGE BOARD OF TRUSTEES  
and FINANCE COMMITTEE

**2009 Budget Workshop Meeting**

**Thursday, October 16, 2008**

President Pollitt called the special joint meeting of the Village Board and Finance Committee to order at 5:02 pm in the Village Hall, 175 Valley View Drive, Fontana, Wisconsin.

**Trustees present:** Roll call vote: President Pollitt, Petersen, Lewis, Spadoni

**Trustee Late:** Kenny (arrived at 5:15 pm)

**Trustees absent:** O'Connell, Turner

**Finance Committee members present:** President Pollitt, Andrew Gilchrist, Rick McCue, Arlene Patek, Lou Loenneke

**Finance Committee members absent:** Trustee O'Connell, Jim Feeney

**Also present:** Police Lieutenant Brad Buchholz, Village Administrator Kelly Hayden-Staggs, Library Director Nancy Krei, Village Clerk Dennis Martin, CDA Executive Director Joseph McHugh, Library Board President Genie Murphy, Treasurer Peg Pollitt, Director of Public Works Craig Workman

**General Business**

**VOF Budget 2009 Workshop**

President Pollitt stated that he would like to thank the members of the Finance Committee for their hard work at several meetings with Village department heads and committee members during the last several weeks. President Pollitt stated that the majority of the annual budget is comprised of key items predetermined by the union contracts, which call for 3 percent increases in wages; employee benefits; and operating expenses. President Pollitt stated that the preliminary budget also calls for 3 percent wage increases for the nonunion employees, although the individual wage increases will be determined after performance evaluations and reviews. President Pollitt stated that health insurance rates are estimated to increase by 6 percent, and the other benefit levels are estimated to increase by about 5 percent. President Pollitt stated that revenues are estimated to be flat next year, except for the state highway funds which are scheduled to increase from \$280,000 in 2008 to \$327,000 in 2009. President Pollitt stated that the preliminary budget does not include the Village of Fontana's estimated portion to fund a paid, on-premises joint fire and rescue department with the Village of Walworth. President Pollitt stated that there will be no borrowing necessary to fund the preliminary budget's operating costs; however, the Village will have to borrow about \$200,000 to fund the proposed \$758,290 in capital outlay and improvement items. Hayden-Staggs stated that the most expensive items in the budget are salaries and benefits, which will be broken down further in the specific line items. Hayden-Staggs stated that the funds for the paid on-premises fire and rescue department proposal have to be added to the budget, but the Village will be able to remain under the 2 percent levy increase limit imposed by the state. Petersen asked if the preliminary budget contains funds for the eventual expansion of the wastewater treatment plant. Hayden-Staggs responded that funds for the wastewater treatment plant are in the Utility Budget. In response to a question from Spadoni, President Pollitt stated that the Finance Committee recommends purchasing a new squad instead of leasing one because the Village can borrow money to purchase the car at a better interest rate than the impeded interest rate placed on a lease contract. President Pollitt stated that the proposed \$20,000 capital outlay item for the mudjacking project at the safety building is for the bay areas of the building only and for some new flooring. Hayden-Staggs stated that the \$4,300 outdoor sand and salt storage area capital outlay item was reduced from the initially requested \$10,000, but the Village will be able to accomplish the project goal of covering the currently exposed area. Hayden-

Staggs stated that the three proposed Police Department capital outlay items included in the preliminary budget are a new squad car for \$22,890, which was the low bid; \$10,000 for a new computer server because the current server is getting old and may have to be replaced; and \$4,100 for a squad car digital camera. The two other items in the capital outlay budget are \$150,000 for a plow truck, and \$547,000 for street reconstruction on Sauganash Drive and Shabbona Drive. Hayden-Staggs stated that the new plow truck also will be funded with \$100,000 in the Utility Budget, and the \$547,000 for the Sauganash and Shabbona reconstruction project will fund only the street construction portion of the project. Hayden-Staggs stated that the Sauganash and Shabbona reconstruction project also will include stormwater and utility costs that will not be funded in the general budget. The total cost of the proposed capital outlay and improvement items is \$758,290, but the Village will receive the state highway funds to reduce the total to \$429,365. Hayden-Staggs stated that the preliminary budget calls for a difference of \$464,759 between the proposed Village tax levy limit and the revenue required for the budget, and the Village will have to reduce the budget by about \$35,000 or increase the proposed revenue. Spadoni stated that in previous years, the Village Board reduced the legal expenses line item to meet the levy limit. President Pollitt stated that the Finance Committee was conservative with its revenue projections and maybe the Village could reduce the budgeted amount for the new plow truck by purchasing a cheaper model. Workman stated the proposal for the new truck is a Peterbuilt, but there are upgrades proposed for the truck that could be further investigated. Spadoni stated that the estimated revenue from room tax could be increased. President Pollitt stated that the estimate may be a little conservative. Petersen stated that he agreed with Spadoni and the \$35,000 reduction could come from the legal expenses line item and from increasing the projected revenue from room taxes. Hayden-Staggs stated that the estimated revenue from building permits also could be increased by about \$2,000. Drew Gilchrist stated that the revenue projected from interest on investments may be too high since interest rates are very unfavorable at this time. Petersen and President Pollitt stated that they agreed with Gilchrist. Hayden-Staggs stated that she will adjust the preliminary budget to be more conservative on the revenue from investments, and to increase the building permit revenue. Hayden-Staggs stated that with the proposed amendments, the preliminary budget could still include the proposed capital outlay and improvement items, while meeting the levy limit and remaining balanced. President Pollitt stated that another joint meeting could be scheduled for Monday, October 20, 2008 beginning at 5:00 pm to review the adjustments in the preliminary budget, which also will include provisions for the paid on-premises fire and rescue proposal. Hayden-Staggs stated that the equalized value of the Village also has not yet been set because the Board of Review is still ongoing so the proposed tax rate is still an estimate. Workman stated that he talked to the public works director in Clinton and he is interested in purchasing the Village of Fontana truck that is being replaced by the new plow truck. Workman stated that he initially budgeted \$30,000 in revenue for the sale of the old truck; however, the Clinton public works director indicated that his municipality would purchase the truck for \$35,000 if the sale can be completed early in the year. Petersen stated that he would be willing to approve the capital outlay item for the new plow truck that night in order to expedite the purchase of the new truck and the sale and secure the \$35,000 sales price. President Pollitt stated that the proposed purchase of the new computer server also could be delayed since the current server is still working. The amended preliminary budget and the proposed approval of the purchase of a new plow truck in 2009 will be considered at another joint meeting of the Finance Committee and Village Board on Monday, October 20, 2008.

#### **Finance Committee Adjournment**

Rick McCue/Lou Loenneke 2<sup>nd</sup> made a MOTION to adjourn the meeting of the Finance Committee at 5:55 pm, and the MOTION carried without negative vote.

#### **General Business**

##### **Third Avenue Contract Potential Change Order**

President Pollitt stated that agenda item was added to the agenda of the budget workshop meeting to consider a proposed \$10,000 increase in the Third Avenue Project contract. Workman stated that the original design plans for the Third Avenue portion of the project included the removal of the existing planter boxes along the Gordy's property on Third Avenue and the opening of a 5-foot space for the installation of a new sidewalk. Workman stated that the owners of the Gordy's property are now interested in removing the boxes if the Village will include the sidewalk installation in the current

project. President Pollitt asked why the sidewalk under the planter boxes has to be reconstructed if the planter boxes are removed. Workman responded that the sidewalks are in rough shape and slope toward the buildings, the curb and gutter along the street are also beat up, and the 150-foot stretch should be reconstructed at the same time that the rest of the street is being reconstructed. Spadoni stated that there has been concern voiced by residents about the width of the sidewalk in that area and the proposal should be approved for safety reasons. President Pollitt stated that the Village has received complaints about the size of the planter boxes, and the sidewalk may be slanted toward the buildings, but it does not look like the surface of the sidewalk is in bad shape. Petersen stated that the Village of Fontana made the property owners put in the flower boxes in the first place because of complaints about the blankness of the side of the building. Workman stated that it would cost about \$10,000 to fund a change order for Mann Brothers to remove the planter boxes and replace the sidewalk, and the cost could be funded as part of the CDA project. Workman stated that the contract currently includes about \$6,000 for a line item to install 100 feet of water piping, and that expense could be saved if the DPW crew completes the project. President Pollitt asked if the proposed net increase of \$4,000 would impact the CDA project budget. McHugh stated that the \$2.5 million budget includes items that could be reduced if necessary, and a \$10,000 item will not make or break the project; however, he has not discussed the proposal with the CDA Board. Spadoni made a motion to approve the proposed change order to remove the planter boxes and reconstruct the sidewalk adjacent to the Gordy's property on Third Avenue, and the motion was seconded by Petersen. President Pollitt asked if the Village should request that the property owners sign a hold harmless agreement to protect the Village of Fontana if the building is adversely affected by the project. Kenny stated that if the Village is completing the project along the rest of Third Avenue, it should be finished to the lakefront to make it complete. Spadoni and Petersen stated that they agreed to add President Pollitt's suggestion to have a hold harmless agreement signed by the property owners and subsequent authorization by the CDA Board to their motion and second.

Trustee Spadoni/Trustee Petersen 2<sup>nd</sup> made a MOTION to approve the \$10,000 change order to the Third Avenue Project contract with Mann Brothers to add the removal of the planter boxes and the reconstruction of the sidewalk along the Gordy's property on Third Avenue, contingent on the owners signing a hold harmless agreement protecting the Village of Fontana if the building is adversely affected by the project and the CDA Board authorizing the change order. The MOTION carried on a 4-0 vote, with President Pollitt abstaining and Trustees O'Connell and Turner absent.

#### **Village Board Adjournment**

Trustee Petersen/Trustee Spadoni 2<sup>nd</sup> made a MOTION to adjourn the meeting of the Village Board at 6:06 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 Village Board and Finance Committee, the official minutes will be kept on file at the Village Hall.

APPROVED: 11/3/08