

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

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

**2011 Budget Workshop Meeting**  
**Monday, October 18, 2010**

Village President Arvid Petersen called the special joint session meeting of the Village Board and Finance Committee to order at 6:30 pm in the Village Hall, 175 Valley View Drive, Fontana, Wisconsin.

**Trustees present:** Roll call vote: President Petersen, Tom McGreevy, Cindy Wilson, Micki O'Connell, Peg Pollitt

**Trustees absent:** Pat Kenny, George Spadoni

**Finance Committee members present:** Arlene Patek, Rick McCue, Jim Feeney, Drew Gilchrist

**Finance Committee members absent:** Trustee Kenny, Lou Loenneke, Michael Sheyker

**Also present:** Ann Catlow, Megan Feeney, Village Administrator/Treasurer Kelly Hayden, Rescue Squad Chief Jon Kemmett, Alex Koldeway, Library Director Nancy Krei, Village Clerk Dennis Martin, Joseph McHugh, Genie Murphy, Police Chief Steve Olson, Dolly Schneidwind, Marvin Solars, Public Works Director Craig Workman

**General Business**

**VOF Budget 2011 Workshop**

Hayden presented the revenue projections and expenses as recommended by the Finance Committee. Hayden stated that the committee is recommending the same tax levy as last year at \$2,772,459; however, because of a decrease in the assessed value of the village, the mill rate is projected to increase from \$2.1587 up to \$2.1604. Hayden stated that the projected mill rate is for the village's portion of the tax bill, and it is TID out. The increased mill rate for the Village portion of the tax bill would project out to a total of \$864.17 for a property valued at \$400,000, compared to \$863.48 last year. Hayden stated that the recommended budget is not at the state imposed levy limit, which increased up to a maximum of \$3,238,038, compared to \$2,772,459 last year. Hayden then presented the revenue projections, which call for \$1,790,093 in non-levy revenue and \$4,562,552 for total revenue with the tax levy included. Hayden stated that the revenue projections do not include a figure for the annual triathlon event or for the Fontana Fourth Fest, which was held in 2010. The revenue projections include \$7,500 for the sale of two Police Department vehicles and equipment, and the sale of a Public Works Department mower. Hayden stated that the state transportation aid the Village receives will total \$435,101 in 2011, and those funds can be used for road maintenance expenses. Hayden stated that the Finance Committee has recommended that no street reconstruction projects be approved for 2011 and that all the state transportation aid be used to fund road maintenance costs. Hayden stated that it is not known if the state transportation aid will be reduced next year if the Village does not undertake any road construction projects; however, the amount will not increase like it did this year. Last year the Village received \$378,349 in state transportation aid, and the Pottawatomie Drive reconstruction project was in the budget. President Petersen stated that during the past 10-year period, the Village has included street reconstruction projects in the annual budgets in an attempt to keep up with the necessary maintenance on the 26 miles of public streets in the Village. Hayden stated that the Finance Committee has recommended increases in the cost for daily admission and season passes for the municipal beach and the increases are reflected in the recommended budget. Hayden stated that the committee has recommended an increase in the daily admission fee to \$7 for adults, up from \$6; and \$4 for children, up from \$3. The Finance Committee also has recommended that the \$30 season pass rate for residents of the Big Foot High School District be eliminated, and that the cost for season passes for non-residents be increased to \$70 each, up from \$60. Hayden then presented the expenses, which include an increase of \$15,000 for legal

fees for the rewriting of Chapters 17 and 18 of the Municipal Code. Hayden stated that the technology expense total is not known at this time because the RFP for computer monitoring and support services is pending, and because the proposed redesign of the village website is currently out for RFPs. Hayden stated that the Village was warned at the annual League of Wisconsin Municipalities conference that Alliant Energy would be increasing its rates in 2011, so the budget calls for a 7 percent increase for electric expenses. Hayden stated that based on the Finance Committee recommendation to not undertake any street projects next year, some of the capital expense items that were initially requested but removed have been put back in the budget. Hayden stated that the \$14,000 asphalt project and a new \$8,000 retaining wall for the Safety Building parking lot have been put back in the budget. Hayden stated that other items put back in the budget are \$35,000 for a new gazebo in Reid Park; \$58,381 for a new squad car and a new SUV for the Police Department; \$7,775 for a street broom and \$3,820 for a sidewalk broom for DPW snow removal vehicles; \$12,000 for a new mower and \$3,800 for a new deck; and \$5,000 for a boardwalk project in the Hildebrand Nature Conservancy. Other capital outlay projects include \$9,000 for new radios for the Fire Department, and \$16,322 for a new parking pay station in the beach parking lot. The budget also includes \$10,000 for the purchase of chemicals for mosquito abatement and the additional funds for the associated salary costs. The two street projects removed from the recommended budget are \$420,000 for the Shabbona Drive reconstruction project, and \$747,000 for Stormwater Hot Spot No. 5 projects. McGreevy stated that he thought the Village was considering approaching the Lions Club to solicit a donation to fund the reconstruction of the Reid Park gazebo since the club makes a lot of money at its annual events staged in Reid Park. Hayden stated that the Lions Club makes annual appropriations to the Village and has pledged \$30,000 for the Little Foot Playground improvements, but another donation can be solicited for the new gazebo. Hayden stated that regarding the proposed expenses, the line item for the Geneva Lake Law Enforcement Agency was increased, but the overall budget for the GLLEA has not increased. Hayden stated that last year, the Village of Fontana did not appropriate the total amount requested by the GLLEA Board because that amount included pay raises for the employees. Hayden stated that the Finance Committee made some reductions to the initially requested budgets. The Rescue Squad requested that its appropriation be increased back to the \$19,674 level it was in 2008 and 2009, but the committee left it at the \$15,000 level that it was reduced to in the 2010 budget. Hayden stated that the Public Works Committee recommended the \$420,000 Shabbona Drive reconstruction project and the \$747,000 Stormwater Hot Spot No. 5 projects, but the Finance Committee recommended that the Village take one year off. Workman stated that the Village is seeking approval for a five-year plan for the purchase of new signage to adhere to a federal mandate regarding increased reflectivity standards for street signage. Hayden stated that the Library Board requested its line item for material acquisition be increased back to \$32,000 after being cut to \$24,000 last year; however, the Finance Committee recommended that it stay at \$24,000. Hayden stated that the initially budgeted amount of \$100,000 to fund the rewriting of Chapters 17 and 18 of the Municipal Code initially was reduced to \$70,000 and it is currently down to a total of \$30,000. Hayden stated that the Finance Committee is recommending that the Village staff members draft the initial rewritten chapters and that the initial draft be reviewed by the contracted staff members. Hayden stated that a new "Contingency Fund" line item has been added to the annual budget and the recommended budget has \$75,000 for the line item, which can be allocated for the Chapters 17 and 18 rewriting project if the Village Board rejects the Finance Committee recommendation. If the Contingency Fund is not used in 2011, it would be added to the Working Capital line item. The recommended 2011 budget currently has an appropriation of \$229,333 for the Working Capital fund. Pollitt asked if the Village received a quote for the reconstruction of the Reid Park gazebo, and Workman responded that the estimate was submitted by Andy Pearce about one year ago for the reconstruction of a gazebo on the existing foundation. McGreevy asked if the budgeted amount for Police Department vehicles was for the purchase or lease of new vehicles. Hayden stated that the recommended budget calls for no borrowing and the purchase of the new vehicles. Hayden stated that the Village cannot lease squad cars under the same provisions of traditional vehicle leases for private individuals. Hayden stated that the lease arrangement is basically a three-year payment plan for the purchase of the vehicles, and it makes more financial sense to pay for the vehicles in one lump sum. Pollitt stated that if the municipality is able to pay for squad cars with cash and not borrow, it makes even more financial sense. Gilchrist stated that the Finance Committee is attempting to get away from borrowing funds every year and also would like to get the Police Department vehicle replacement cycle back on a three-year schedule.

Gilchrist stated that a leasing program does not save the Village any funds. Hayden stated that the Village Board could consider motions to accept the recommended 2011 budget for publication and to set the public hearing for Monday, November 15, 2010, with the starting time to be determined. Hayden asked if the Village Board members had any comments on the budget as recommended by the Finance Committee. Wilson asked the Library Board members who were at the meeting to again explain why they proposed to have the materials acquisition line item increased back to \$32,000 after being cut to \$24,000 last year. Library Board President Genie Murphy stated that budget presented to the Finance Committee by the Library Board was cut by the Library Board to "bare bones." Murphy stated that the Library Board wants to increase the funding for material acquisition to the 2009 level in order to purchase new items that can be checked out by patrons. Pollitt asked why the library salaries line item for 2011 is \$97,613 and the 2010 estimated total is \$92,999 when the Village Board requested no salary increases. Hayden stated that the 2010 estimated total is an estimated number at this time and the 2011 budget number does not include any salary rate increases. Petersen stated that the 2011 budget number should be set at the same level as what will be spent in 2010. Murphy stated that the budget number for 2010 is lower than anticipated because when part-time people call in sick, their hours are often times covered by salaried employees. Following a lengthy discussion, Hayden recommended that the 2011 line item not be altered from the Library Board's recommendation. Pollitt stated that she would like to increase the line item for the acquisition of materials by \$1,000 or \$2,000.

Trustee O'Connell/Trustee Pollitt 2<sup>nd</sup> made a MOTION to have the line item for library material acquisitions increased by \$1,000, and the MOTION carried with one negative vote cast by President Petersen.

Following the vote, Hayden stated that she will take \$1,000 out of the Working Capital fund line item and add it to the Library Materials Acquisitions line item. Pollitt then asked if Rescue Squad Chief Jon Kemmett wanted to talk about the EMS budget. Kemmett stated that he did not have any other information than what he presented to the Finance Committee, but if the village budget appropriation does not cover the Rescue Squad's annual expenses, the funds will have to come out of the Rescue Squad's Act 102 fund. At the September 16, 2010 Finance Committee meeting, Kemmett stated that the Rescue Squad could use funds it receives from the state (ACT 102) to cover some of the expense; however, the department does not want to deplete the entire account because it also is used for school and conference expenses, training equipment and other emergency medical service equipment. Kemmett stated that with these purchases and other needed items throughout the year, the Rescue Squad would potentially have very little left in the savings account from billing at the end of the year to cover the department's overage. Kemmett stated that the preliminary budget he presented to the Finance Committee called for an increase from \$15,000 to \$19,674. Last year the budget was cut \$4,674 with the idea that billing revenue could cover the difference. Kemmett stated that as of the second pay period for 2010, the department is currently \$4,234 over the budgeted \$15,000 and there are still two more pay periods along with the monthly payrolls to fund. Kemmett stated that at the end of 2009, the Rescue Squad had an overage of approximately \$16,000, which was paid back to the Village. Kemmett stated that it is anticipated that this year's overage will be much higher due to the budget cut. Kemmett stated that the Rescue Squad has a total of \$44,276 in unpaid billings, and \$28,170 of that amount is more than 180 days overdue. From the years 2005 through 2009, the Rescue Squad is owed a total of \$24,413, and for 2010 the total amount due is \$19,863. Kemmett stated that the Rescue Squad is enrolling in the state Tax Return Intercept Program in an effort to get some of the past due money collected, but since a lot of the bills are due from out-of-state residents, the squad may never receive much of the unpaid bills. The TRIP program intercepts money from state tax returns for unpaid bills. Pollitt stated that the 2011 budget amount should be increased from \$15,000 up to \$16,000.

Trustee Pollitt/Trustee Wilson 2<sup>nd</sup> made a MOTION to have the line item for the Rescue Squad Calls, Meetings, Drills Expense increased from \$15,000 to \$16,000, and the MOTION carried without negative vote.

Following the vote, O'Connell stated that the funds could be derived from the Safety Building budget's parking lot projects. O'Connell stated that Chief Olson previously informed the Finance Committee that the \$14,000 asphalt project and the \$8,000 retaining wall project could be put off for a few years. Following discussion, the Village Board members reached a consensus that the \$14,000 asphalt project for the Safety Building parking lot should be kept in the budget, but the \$8,000 retaining wall project should be removed, with \$1,000 added to the line item for the Rescue Squad

Calls, Meetings, Drills Expense and \$7,000 added to the Working Capital fund. In response to a question, Workman stated that he wanted to point out that the Village has 26 miles of public roads that have to be maintained, and some of them are in very bad condition. Petersen stated that if the Village were to address one mile of road each year, it will never catch up with maintaining the roads, which have an average life span of 25 years. Petersen stated that the streets are only to get in worse condition and he cautioned the Village Board members about the complaints the Village will receive for putting the reconstruction schedule on hold. O'Connell stated that she thinks the budget is good as recommended by the Finance Committee with the exception of the items addressed earlier in the meeting by the Village Board. Pollitt stated that she thinks the proposed budget is a step forward toward more fiscally responsible financial planning and she thinks it is a good idea to take one year off road reconstruction and to get away from borrowing funds every year. O'Connell stated that the Village may be able to save more money if it contracts for recyclable pickup every other week in the non-summer months. Petersen stated that it is worth having Hayden make an inquiry on the recyclables pickup proposal suggested by O'Connell. Petersen commended the Finance Committee and staff for all the hard work in drafting the preliminary budget.

Trustee Pollitt/Trustee O'Connell 2<sup>nd</sup> made a MOTION to approve the preliminary budget for publication as amended that night, and to set the public hearing to present the 2011 budget for Monday, November 15, 2010 beginning at 6:30 pm. The MOTION carried without negative vote.

### **Police Department Squad Car Purchase**

Pollitt stated that the Protection Committee determined that it would be best to order one of the two new vehicles this year, and only have one new vehicle in the 2011 budget. Pollitt stated that the committee would like the Village to get back in a cycle of replacing one of the three squad cars every year. The current SUV is a 2000 Ford Explorer. The current squad cars are 2005, 2007 and 2009 Ford Crown Victoria models. McGreevy stated that basically a leasing plan is just a financing plan and does make sense for police vehicles. Petersen stated that the 2011 budget includes funding for the purchase of a new Crown Victoria squad car and a new SUV. Gilchrist stated that the village could include the purchase of one the two vehicles in the 2010 borrowing plan and reduce the amount budgeted in 2010 for the Working Capital fund. Gilchrist stated that the Village could then increase the appropriation for the working capital fund in the 2011 budget and decrease the expense for the purchase of the vehicles. Pollitt stated that the Protection Committee recommended the purchase of a Ford Expedition for \$28,416 to replace the 2000 Ford Explorer. Pollitt stated that a new Ford Explorer is not available and the Protection Committee determined that it was worth the additional \$1,800 to purchase a newer model Expedition. A lengthy discussion ensued on the Protection Committee recommendation and questions regarding SUV gas mileage, four-wheel drive and the difference between chassis for cars and SUVs. Hayden stated that the 2011 budget includes funding for the purchase of both vehicles and since it is already October, there would be no difference if the funds are transferred between different budget years or if the Village just waits to order both vehicles and funds them with next year's budget. Pollitt stated that the Protection Committee initially recommended the purchase of a new Ford Explorer, but none are available at this time. Pollitt stated that the committee would like have a 2011 model ordered now so that it will be available earlier in 2011. Chief Olson stated that if the village purchases a Ford Expedition this year, it will save money over next year's model year of an Expedition. Wilson stated that a SUV is a very large vehicle and she does not think the department should buy such a large vehicle if only one officer is in the vehicle at a time. Another lengthy discussion ensued on the Protection Committee's vehicle recommendation and the need for a four-wheel-drive vehicle for the winter months.

Trustee Pollitt/Trustee O'Connell 2<sup>nd</sup> made a MOTION to approve the \$28,416 purchase of a 2010 Ford Expedition at this time, and to take the revenue out of the increased beach revenue received in 2010, and the Roll Call vote followed:

Trustee McGreevy – Aye

Trustee Pollitt – Aye

Trustee Wilson – No

Trustee O'Connell – Aye

President Petersen – Aye

The MOTION carried on a 4-1 vote, with Trustees Kenny and Spadoni absent. The budget amendment portion of the motion did not pass because budget amendments require approval by a three-quarters majority vote of the Village Board.

Pollitt stated that the Village Board should adopt an amendment to the 2010 budget to take the proceeds for the new SUV from the increased revenue made at the beach and to add the \$28,416 expense for the new SUV to the Police Department's budget. Hayden stated that the funds actually would be taken from the undesignated fund to pay for the unbudgeted SUV and the beach revenue account should not be amended.

#### **Northshore Lift Station Project Bids**

Workman stated that because of the requirement for engineering specifications to put the repair project out for bids, the total project cost and construction bids have come in over the initial budget. Workman stated that because the work is required to keep the lift station operational, the Public Works Committee recommended approval of the low bid of \$102,640 submitted by Monona Plumbing & Fire Protection, Inc. The other bids were \$117,980 submitted by Midwest General, Inc.; \$118,700 submitted by Staab Construction Corporation; and \$132,300 submitted by J.F. Ahern Company. McGreevy stated that when the Public Works Committee members were under the impression that the project was a repair project for the lift station, a quote of just more than \$80,000 was received for the project; however, since it was determined by the village attorney that the project is not a repair project and that it had to put out for bids, the total project cost will be about \$113,140 with the \$102,640 for construction plus the \$10,500 for the required engineering work. Pollitt stated that the Village did not have any choice but to put the project out for bids because it is not a repair project, it is a capital expense and it is required by the state statutes.

Trustee McGreevy/Trustee O'Connell 2<sup>nd</sup> made a MOTION to approve the \$102,640 bid submitted by Monona Plumbing & Fire Protection, Inc. for the Northshore Lift Station project as recommended, and the MOTION carried without negative vote.

#### **Utility Easements for Pottawatomie Drive Reconstruction Project**

Workman stated that the Village needs four utility easements for the ongoing Pottawatomie Drive Reconstruction Project. The easements are for stormwater improvements and there were no issues with the title reports for the four properties, which are owned by Fontana Builders, 1019 Tarrant Drive; Raymond and Brenda Rubacha, 908 Sauganash Drive; Allan and Janet Kaminski, 905 Tarrant Drive; and Tom and Jennifer McGreevy, 897 Tarrant Drive. Workman stated that the owners have all agreed to enter into easements with the Village for \$10, with the exception of the Fontana Builders property owner who is seeking a credit for a \$248 past due utility bill. Hayden stated that easements have to be approved by the Village Board on recommendation of the Plan Commission.

Trustee O'Connell/Trustee Wilson 2<sup>nd</sup> made a MOTION to approve the utility easements for the properties owned by Fontana Builders, 1019 Tarrant Drive; Raymond and Brenda Rubacha, 908 Sauganash Drive; Allan and Janet Kaminski, 905 Tarrant Drive; and Tom and Jennifer McGreevy, 897 Tarrant Drive, for \$10 each, with the exception of the Fontana Builders property easement which will cost an additional \$248 in credit for a past-due utility bill, and subject to review by the Plan Commission. The MOTION carried without negative vote. Trustee McGreevy abstained.

#### **Borrowing Recommendation from Finance Committee**

Hayden stated that the Finance Committee recommended borrowing \$870,000 for the 2010 projects and to pay off the outstanding balance for unfunded prior service pension liability with the WRS with a loan from the Walworth State Bank at 3.8 percent interest; however, because the WRS unfunded prior service pension liability borrowing is taxable, it will have to be removed from the borrowing. Hayden stated that the Village Board could fund the WRS payoff under a separate note; however, it would not be beneficial since the taxable rates are comparable to what the WRS charges the village for interest on the outstanding balance for unfunded prior service pension liability.

#### **Consideration of Initial Resolution Authorizing the Sale and Issuance of General Obligation Refunding Bonds and Certain Related Details**

Hayden stated that the resolution to authorize the issuance of bonds totaling \$6,370,000 is to refund the CDA existing debt to assist with the cash flow shortage. The shortage was created this year by the Wisconsin Department of Revenue when it decreased the certified assessed value of the Village of Fontana TID by \$26,853,700 from last year's certified value. Pollitt stated that if authorized by bond counsel, the WRS payoff could be funded with the refunding savings from the CDA allocation that went from \$300,000 to \$87,000.

Trustee Pollitt/Trustee McGreevy 2<sup>nd</sup> made a MOTION to authorize the payoff of the Village's outstanding balance for the unfunded prior service pension liability with the Wisconsin Retirement System, and to add \$870,000 borrowing for 2010 projects, and if authorized by bond counsel to add the total amount to the approved Bond Resolution No. 101810-01, authorizing the sale and issuance of General Obligation Refunding Bonds, and certain related details. The MOTION carried on a 5-0 vote, with Trustees Kenny and Spadoni absent.

**Adjournment**

Trustee McGreevy/Trustee O'Connell 2<sup>nd</sup> made a MOTION to adjourn the Village Board meeting at 8:12 pm, and the MOTION carried without negative vote.

Finance Committee member Rick McCue/Finance Committee member Jim Feeney 2<sup>nd</sup> made a MOTION to adjourn the Finance Committee meeting at 8:12 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: 11/1/10 – VB; 1/27/11 - Finance