

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

(Official Minutes)

Finance Committee Meeting

December 8, 2011

The Finance Committee meeting was called to order at 6:00 pm on Thursday, December 8, 2011 by Chairman Pat Kenny.

Members Present: Trustee Pat Kenny, Michael Sheyker, Arlene Patek, Drew Gilchrist, Jim Feeney, Scott Vilona

Member Absent: Rick McCue

Also Present: Rob Ireland, Jim Mann, Village Clerk Dennis Martin, Micki O'Connell

General Business

Approve Minutes for Meetings Held September 29, 2011 and October 13 & 17, 2011

Feeney/Sheyker 2nd made a MOTION to approve the minutes as presented, and the MOTION carried without negative vote.

Monthly Review Items

Mike Sheyker reviewed the payables and bank reconciliation reports, revenue/expense statements, balance sheets, vendor report, payroll overtime report, cash flow statements and room tax comparisons.

Sheyker/Vilona 2nd made a MOTION to acknowledge receipt of the reports and to place them on file for the audit, and the MOTION carried without negative vote.

2012 Bonding Recommendation – Jim Mann, Ehlers and Associates

Jim Mann presented the 2012 preliminary finance plan for the proposed bonding of \$4,140,000 which includes \$1,565,000 for the General Fund, and \$2,575,000 for the Utility Budget. Mann stated that the total borrowing figure for 2012 was calculated by Administrator/Treasurer Kelly Hayden and Public Works Director Craig Workman based on the projects in the 2012 Village Budget and 2012 Utility Budget. Mann stated that with the additional borrowing included, the Village will still be well under its total debt limit, and there are currently no refunding options on the outstanding Village debt that would save money. Mann stated that at the end of 2011, the Village will have a total outstanding debt level of \$23 million; however, the majority of the debt is from the TID shortfall, which currently is projected to not break even until 2026. Mann stated that if any value is added to the TID, or if the Cliffs of Fontana subdivision sells lots, the shortfall in the TID will be reduced and the break even date moved up. Mann stated that if there is no future development, and the TID continues to lose value and increment, its debt impact on the General Fund could be even greater than the current projections. Mann stated that the Village most likely will get a 3.8 percent interest rate on the bonds, if they are sold in December or January. Mann stated that bond sales have dramatically better results if they are held in December and January versus the other months of the year. Sheyker stated that with the additional borrowing, the Villages debt level will still be at less than 50 percent of its total capacity. Feeney stated that the Village Board should make sure it borrows enough funds for all its infrastructure improvement plan projects in the next three years. Mann stated that if a municipality borrows more than \$5 million, the funds have to be spent within two years; however, if the Village stays under the \$5 million threshold, there is a longer time period to spend the funds. Sheyker stated that if the Village can get away without borrowing any more funds for three years, the Village will be back to its current debt status. Mann stated that if the Village Board approves the initial borrowing resolutions between December 19 and 22, 2011, then the bond sale could be conducted

in late January 2012. The Finance Committee members were in consensus that the Village Board should be encouraged to schedule a special meeting in order to facilitate a January 2012 bond sale in order to secure a better interest rate.

Feeney/Sheyker 2nd made a MOTION to recommend Village Board approval of the 2012 finance plan as presented by Jim Mann, with the borrowing to total \$4,140,000, including \$1,565,000 for the General Fund and \$2,575,000 for the Utility Budget, and with the recommended conditions that Village Board holds a special meeting between December 19 and 22, 2011 to approve the initial borrowing resolutions and to facilitate a January 2012 bond sale date, and that the Village does not borrow any more funds for three years. The MOTION carried without negative vote.

Next Meeting Date

The next meeting date was scheduled for Thursday, January 26, 2012 beginning at 6:00 pm.

Adjournment

Sheyker/Patek 2nd made a MOTION to adjourn the meeting at 6:57 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: 2/27/12