

VILLAGE OF FONTANA ON GENEVA LAKE
WALWORTH COUNTY, WISCONSIN
(Official Minutes)
Finance Committee Monthly Meeting
February 3, 2020

The Finance Committee meeting was called to order by Chairman Pat Kenny at 5:40 pm on Monday, February 3, 2020.

Members Present: President Pat Kenny (arrived at 5:40pm), Bob Klockars, Tom Marek, Bill Grunow

Members Absent: Jim Feeney, Tom Freytag, Mike Sheyker

Also Present: Kevin Day, Theresa Loomer, Stephanie Smith, Scott Vilona

Visitors Heard

None

General Business

Approve Minutes for Meeting Held November 11, 2019

Klockars/Marek 2nd made a MOTION to approve the minutes from the meeting held on November 11, 2019, as presented, and the MOTION carried without negative vote.

2020 Utility Budget

Treasurer Vilona presented the 2020 Utility Budget he drafted after meeting with staff and the Utility Department. Vilona explained there are a number of different facets to consider when looking at the Utility Budget compared to the General Fund Budget. Some of these items include:

-General Budget is on a modified accrual and Utility Budget is on a full accrual.

-Utility is an Enterprise Fund. This means the debt principal is a liability not an expense and uses past revenues to cover it.

-The PSC governs how we can run our Utility and how much we can charge. Vilona explained the process on how the PSC determines the rate increases.

Vilona reiterated going forward it is important for the Village to keep an eye on the rates of return to make sure we are staying on top of it. With the bonding for 2020 it may be a good idea to do a "Simple" rate increase. There was discussion on the rate increase process and Vilona stated the most that can be charged with a simple rate increase is 3%. It would take a Conventional Rate Increase to charge more and it is an extensive process – the last rate case took nearly a year to complete. It was decided that it is important to keep the water utility properly funded so the Village is not falling behind. Vilona agreed to come back with calculations for the next meeting. The committee did not have enough time to review the budget and tabled the item until the March meeting.

Grunow/Klockars 2nd made a MOTION to table the 2020 Utility Budget, and the MOTION carried without negative vote.

Pull-Behind Leaf Vac Quote – Purchase or Lease

Loomer stated the Village Board had already approved acquiring the Pull-Behind Leaf Vac and made a recommendation to the Finance Committee to buy rather than lease. Day stated with either option the Village would take delivery in 2020 and would not pay till 2021.

Grunow/Klockars 2nd made a MOTION to accept the Village Board's recommendation to purchase the Pull-Behind Leaf Vac outright, for the amount not to exceed \$47,968, and the MOTION carried without negative vote.

2020 Bond Sale Update

Vilona stated the total amount of bonds issued were \$10,100,000 to low bidder Robert W. Baird & Company, Incorporated, Milwaukee, Wisconsin, at the rate of 2.2548%. The report states, "The total principal and interest over the life of the debt is \$377,849 lower than presale estimates due to

a premium received and lower interest rates over planning estimates.” Prior to the sale, Moody’s Investor’s Service rated the Village at a Aa3 rating.

Next Meeting Date

The next meeting date was scheduled for Monday, March 2, 2020 at 5:30 pm.

Adjournment

Marek/Klockars 2nd made a MOTION to adjourn the meeting at 6:01 pm, and the motion carried without negative vote.

Minutes prepared by: Stephanie Smith, Deputy Clerk/Treasurer

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: 03/02/2020