

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

HYBRID MEETING OF THE JOINT REVIEW BOARD TAX
INCREMENTAL FINANCING DISTRICT No. 1
November 12, 2024 @ 12:00 PM

Village Clerk Liptak called the virtual meeting of the Village of Fontana Tax Incremental District No. 1 Joint Review Board to order at 12:00 pm.

Joint Review Board members present: Village Representative Arvid Petersen, Citizen, Walworth County Representative Jessica Conley, Comptroller, Gateway Technical College District Representative, Sharon Johnson, Controller, Fontana J8 School District Representative, Steve Torrez, District Administrator, Big Foot UHS School District Representative, Doug Parker, District Administrator, Public Member Representative Peg Pollitt, Citizen.

Members Absent: Walworth County Representative Rick Stacey, County Board Chair, Gateway Technical College District Representative Paul Carlsen, President.

Also present: Village Treasurer Liz Baumann, Ehlers Financial Advisor Jon Cameron, Ehlers Financial Advisor, Ariana Schmidt, Village Administrator Theresa Loomer, Village Clerk Bonnie Liptak.

General Business

Appointment:

a.) Chairperson

Trustee Petersen/Parker 2nd made a MOTION to elect Public Member Representative Peg Pollitt, Citizen as the Joint Review Board Chairperson, and the MOTION carried without negative vote.

Review Annual PE-300 Report and the performance and status of Tax Incremental District No. 1.

Financial Advisor Jon Cameron from Ehlers presented the Annual Tax Incremental District (TID) Report for District No. 1. He provided a brief background of the TID which was created in 2001 to foster economic development and redevelopment in the lakefront district with it being declared distressed has a maximum lifespan out to September 2028 with a base value of a little over \$30M. As of January 1, 2024, the incremental value is \$205,319,700. The year end fund balance as of 2023 is -\$3,249,555. The Projected Closure date based on the current cash flow is the year 2030, the same as was projected last year.

Financial Advisor Cameron reported that the district has experienced real value year over year, consistently, and is still planning for inflationary growth. The district is generating positive annual cash flow and next year the expected positive cash flow will be \$293,000, which is reducing the negative cumulative fund balance over time. In the year 2030, the cumulative fund balance will exceed remaining liabilities outstanding in 2019A Bonds and 2022 Promissory Bank Note and the District can be closed.

Representative Sharon Johnson asked for clarity on the negative interest and .5% interest rate. Financial Advisor Jon Cameron reported that the analysis shows negative fund balance and negative interest, so practically speaking not generating any interest, and so, it will have minimal effect on the cash flow. Representative Pollitt stated that then the numbers should be reflected as zeros. Financial Advisor Cameron agreed and reported that with regard to the Administration expenses, the TID will be paying back to the Village \$5k per year and that that number was determined to cover a small portion of staff time to administer the District.

Representative Pollitt asked whether the TID is paying back the Village any interest for when the Village was floating the TID while they were negative. Financial Advisor Cameron stated that that is not happening; rather there is a positive fund balance that is bringing down the cumulative deficit. Representative Pollitt asked whether TIDs can do that and Cameron replied yes, only if interest was being charged to the TID; however, that is not built into the current model and the guidance received was to focus on closing District as quickly as possible, which will be in 2030.

Financial Advisor Cameron reported that he has nothing more to add except to mention the PE-300 form that has been filed with the Department of Revenue. Representative Conley asked a question about the last page of the PE-300 report, looking for more information on new construction in the Village.

Representative Pollitt asked if the new construction on Mill Street is included in the TID. Administrator Loomer reported that, yes, they are in the TID, but construction did not start until the first of the year 2024. There are three duplexes, six total units. It is unknown if any of Mill Street or The Residences of Geneva Lake units will be used as short-term rentals. At this time there is no known new construction housing being added in the TID other than the two projects just discussed. Administrator Loomer reported that two of the four buildings at The Residences of Geneva Lake are under construction and there is no known projected date of completion. The six units on Mill Street are expected to be completed by the end of this year or early next year.

Approve “Resolution Acknowledging Filing of Annual Report and Compliance with Annual Meeting Requirement”

The Resolution Acknowledging Filing of Annual Report and Compliance with Annual Meeting Requirement was distributed.

Representative, Sharon Johnson/Representative Arvid Petersen 2nd made a MOTION to approve The Resolution Acknowledging Filing of Annual Report and Compliance with Annual Meeting Requirement, and the MOTION carried without negative vote.

Adjournment

Chairperson Pollitt/Torrez 2nd made a MOTION to Adjourn, and the MOTION carried without negative vote.

Minutes prepared by: Bonnie Liptak, Village Clerk

Note: These minutes are subject to further editing. Once approved by the Joint Review Board, the official minutes will be on file at the Village Hall.

Approved: