

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

(Official Minutes)

Finance Committee

February 12, 2018

The Finance Committee meeting was called to order by Chairman Pat Kenny at 6:00 pm on Thursday, February 12, 2018.

Members Present: Village President Pat Kenny, Tom Marek, Karl Floody, Tom Freytag, Jim Feeney

Members Absent: Mike Sheyker, Duane Ratay

Also Present: Theresa Loomer, Treasurer Scott Vilona

Visitors Heard

None

General Business

Approve Minutes for Meeting Held January 11, 2018

Feeney/Freytag 2nd made a MOTION to approve the minutes from the meeting held on January 11 2018, as presented, and the MOTION carried without negative vote.

PSC Water Rate Study Increase Update

Vilona went over the preliminary final results of his work with outside CPA firm handling the PSC Conventional Rate Case. The anticipated rate increase was at 53% but now has gotten down to 44% based on the work and fine tuning the data that was collected. Vilona explained how the PSC calculates the needed rate that they feel is necessary to maintain the infrastructure and support the Water Utility. Some items that are of importance are that since the last CRC (Conventional Rate Case) in 2008 the VOF has put over 7 million dollars of new water infrastructure in the ground. The PSC expects the Utility to be able to generate .10 cents for every dollar of new infrastructure put into place in order to support it. These assets also increase the "Tax Equivalents" cost that goes into the calculation. Vilona also explained that the VOF has a perfect storm of negative economic aspects that affect the rate. First we only have around 28% full time residents using water all year around. But the VOF has to supply the infrastructure to 100% of the homes. Also added was that usage is down almost 20% from 2008, mostly tied to conservation. But when you apply those set of variables it creates a situation where the unit price has to go up considerably to meet the PSC dictate Rate of Return. Vilona reiterated that the Water Utility is an Enterprise fund and thus is run like a business where it charges fees for products and services vs. levying for it. But unlike other businesses the prices and product are controlled by the PSC and the VOF has little say in the pricing. It was mentioned that going forward that for any new plans for infrastructure additions, Vilona will prepare a schedule that will present the anticipated PSC expected water rate increase that will be associated with it. Freytag/Floody 2nd made a motion for the recommend the presented PSC CRC rate increase to the Village board for approval. MOTION carried without negative vote.

Review and Recommendations on Quotes for Village Website Provider

Vilona stated that staff had reviewed the four proposals and have decided to recommend going with Signalfire. They are a local company (Delavan, WI) and have a local representative that staff felt would help the process meet the VOF's expectations better.

Marek/Floody 2nd made a motion to recommend accepting Signalfire's proposal to the Village board for approval. MOTION carried without negative vote.

Water Hook-up Fee Increase Recommendation

VOF staff presented the fact that the VOF used to charge \$800 for both Water and Sewer hookup on new construction. But our past Auditor stated that the PSC does not allow arbitrary amounts to be charged for Water hookup. So the charge has been dropped to a much lower flat fee and time and materials. It was the recommendation of staff to look for alternative ways to make up that revenue as it is needed and will help upward pressure on water rate pricing in the future. Ideas were to double the Sewer hook-up rate as the VOF has complete control over that Utility vs. Water.

Floody/Feeny 2nd made a motion for staff to look for options to recoup the lost revenue from the decrease in the Water hook-up fee. MOTION carried without negative vote.

Paratech 3-Year Contract Extension Approval

President Kenny stated that we could lock in the rates presented if we accepted the 3 year contract vs. the one year option. Both options have a 90 day out clause so it only made sense to lock in the rates while the Village can.

Feeny/Floody 2nd made a motion to recommend Village Board approval to accept the 3-Year Paratech Contract with a 90 day out clause. MOTION carried without negative vote.

Update on Outstanding Cost Recovery Invoice

Loomer stated that there is an outstanding Cost Recovery invoice for over \$6,200 that has been determined to be uncollectable by the Village Attorney. Staff are requesting the authority to write this off to clean up the books.

Freytag/Marek made a motion to recommend to the Village Board to write off the outstanding uncollectable cost recovery invoice. MOTION carried without negative vote.

Next Scheduled Meeting Date:

The next scheduled meeting date is March 22nd beginning at 6:00 pm.

Adjournment

Freytag/Floody 2nd made a MOTION to adjourn the meeting at 5:54 pm, and the motion carried without negative vote.

Minutes prepared by: Scott Vilona, Village 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: 03/22/18