

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

SPECIAL JOINT SESSION of the VILLAGE OF FONTANA
BOARD OF TRUSTEES with the FINANCE COMMITTEE
Monday, February 27, 2012

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

Village Board members present: Roll call: President Petersen, Pat Kenny, Tom McGreevy, Cindy Wilson, George Spadoni

Village Board members absent: Peg Pollitt, Bill Gage

Finance Committee members present: Roll call: Chairman Kenny, Arlene Patek, Scott Vilona, Jim Feeney, Drew Gilchrist

Finance Committee members absent: Mike Sheyker, Rick McCue

Also present: Mike Harrigan (via conference telephone), Administrator/Treasurer Kelly Hayden, Robert Ireland, Village Clerk Dennis Martin, Director of Public Works Craig Workman

Joint Session Business

Engagement Letter from Foley & Lardner

Hayden stated that the Engagement Letter Agreement for the proposed General Obligation Refunding Bonds, Series 2012B, calls for an administrative services fee of \$1.25 per \$1,000 principal amount issued, subject to a minimum fee of \$6,500.

Feeney/Gilchrist 2nd made a MOTION for the Finance Committee to recommend Village Board approval of the Engagement Letter Agreement with Foley & Lardner as presented, and the MOTION carried without negative vote.

Trustee Spadoni/Trustee Kenny 2nd made a MOTION to approve the Engagement Letter Agreement with Foley & Lardner as recommended, and the MOTION carried without negative vote.

An Initial Resolution Authorizing the Issuance of Not to Exceed \$1,875,000 General Obligation Refunding Bonds

Mike Harrigan of Ehlers, Inc. reported via conference call that the winning bidder for the proposed refunding bonds was Baird along with 14 other underwriters. The total blended interest rate for the low bid was 2.2735 percent, which enabled the total issue to be downsized by \$35,000 from \$1,875,000 to \$1,840,000. The gross future savings for the village by refunding the 2009 State Trust Fund Loan will be \$196,406, and the present value savings will be \$159,627, or 8.81 percent.

Feeney/Gilchrist 2nd made a MOTION for the Finance Committee to recommend Village Board approval of Resolution 02-27-12-01, an initial resolution authorizing the issuance of not to exceed \$1,840,000 General Obligation Refunding Bonds, as presented, and the MOTION carried without negative vote.

Trustee Spadoni/Trustee McGreevy 2nd made a MOTION to approve Resolution 02-27-12-01, an initial resolution authorizing the issuance of not to exceed \$1,840,000 General Obligation Refunding Bonds, as recommended, and the MOTION carried without negative vote.

A Resolution Authorizing and Providing for the Sale and Issuance of \$1,875,000 General Obligation Refunding Bonds, Series 2012B, and All Related Details

Feeney/Patek 2nd made a MOTION for the Finance Committee to recommend Village Board approval of Resolution 02-27-12-02, authorizing and providing for the sale and issuance of not to exceed

\$1,840,000 General Obligation Refunding Bonds, Series 2012B, and all related details, as presented, and the MOTION carried without negative vote.

Trustee Spadoni/Trustee McGreevy 2nd made a MOTION to approve Resolution 02-27-12-02, authorizing and providing for the sale and issuance of not to exceed \$1,840,000 General Obligation Refunding Bonds, Series 2012B, and all related details, as recommended, and the Roll Call vote followed:

Trustee Kenny – Aye

Trustee McGreevy – Aye

Trustee Wilson – Aye

Trustee Spadoni – Aye

President Petersen – Aye

The MOTION carried on a 5-0 vote, with Trustees Pollitt and Gage absent.

Resolution Opposing Proposed Amendment of Wisconsin Statute Related to Hotel Room Tax Revenues

Hayden stated that if adopted by the State Legislature the proposed Senate Bill 438 and Assembly Bill 562 would require the Village to turn over room tax proceeds to the chamber of commerce instead of being allocated in the Village budget to offset municipal tourism based expenses.

Feeney/Vilona 2nd made a MOTION for the Finance Committee to recommend Village Board approval of Resolution 02-27-12-03, opposing proposed amendment to Wisconsin Statutes 66.0615, Senate Bill 438 and Assembly Bill 562 related to hotel room tax revenues, as presented. The MOTION carried without negative vote.

Trustee Spadoni/Trustee McGreevy 2nd made a MOTION to approve Resolution 02-27-12-03, opposing proposed amendment to Wisconsin Statutes 66.0615, Senate Bill 438 and Assembly Bill 562 related to hotel room tax revenues, as recommended. The MOTION carried without negative vote.

Adjournment Village Board

President Petersen/Trustee McGreevy 2nd made a MOTION to adjourn the Village Board meeting at 6:44 pm, and the MOTION carried without negative vote.

Finance Committee Monthly Meeting

Approve Minutes for Meetings Held December 8, 2011 & October 6, 2011

Feeney/Patek 2nd made a MOTION to approve the minutes as submitted for the meetings held December 8, 2011 and October 6, 2011, and the MOTION carried without negative vote.

Monthly Review Items

Hayden stated that the monthly Payables & Bank Reconciliation Reports, Revenue/Expense Statement, Balance Sheets, Vendor Report, Payroll Overtime Report, Cash Flow Statements, Room Tax Comparison, and Contingency Account and Budget Amendments Balance Report were emailed or distributed to the Finance Committee members.

Feeney/Vilona 2nd made a MOTION to acknowledge the receipt of the monthly review items and to place them on file for the audit. The MOTION carried without negative vote.

2012 Utility Budget

Hayden stated that the 2012 Utility Budget has been updated with the estimated revenue and proposed expense figures. Hayden stated that following significant increases in the sewer rates over the last few years, the village has not increased the rates since last year. Hayden stated that the village could take another year off, or pursue simplified rate increases in order to keep up with inflation and avoid a significant increase a few years down the line.

Vilona/Gilchrist 2nd made a MOTION to recommend that the Village Board approve simplified rate increases of 3 percent for the sewer and water rates, and to include the higher rates in the 2012 budget revenue projections. The MOTION carried without negative vote.

Hayden then presented the rest of the projected revenue for the Utility Budget. Workman presented the proposed expenses, with funds allocated for the purchase of a new service truck, a new loader, new meters, three new hydrants and a new SCADA system, as well as for maintenance and supplies including a new generator for the Mill Street pumping station.

Feeney/Gilchrist 2nd made a MOTION to recommend Village Board approval of the 2012 Utility Budget as presented, and the MOTION carried without negative vote.

2011 Budget Amendments

Hayden stated that following the completion of the audit for 2011, that budget amendments are required to record some items that were approved after the 2011 budget was published. Hayden stated that the proposed resolution records all the unbudgeted items that were approved last year and adjusts the expense accounts that were over-budgeted for various reasons.

Feeney/Patek 2nd made a MOTION to recommend Village Board approval of the Resolution to amend the 2011 budget as presented, and the MOTION carried without negative vote.

Debt Proceeds from 2012A Bonding

Hayden stated that the Village received \$4,140,000 for the 2012A Bonding and the funds are in the Walworth State Bank. Hayden stated that the funds will be spent once the 2012 utility and road construction projects commence and invoices are submitted.

Audit Report Update

Hayden stated that the onsite work was completed in January and the final report is almost complete and should be ready for presentation in March.

Tax Collection Report

Hayden stated that the village processed about \$10.5 million in tax payments, which is about \$200,000 more than last year, and settled with all the taxing jurisdictions on February 20, 2012.

Room Tax Year End Review

The 2011 total figures were distributed.

Final Union Contracts – Update Only

Hayden stated that the union contracts with the Department of Public Works employees and police officers have been signed, and the Village did well. Hayden stated that there is no wage increase in the AFSCME Union Contract with the DPW employees. Hayden stated that in exchange for a 1 percent and 2 percent wage increase in 2012 and 2013, respectively, the WPPA Union contract with the police officers calls for employee WRS contributions that will result in a \$7,000 net savings for the Village.

Tax Foreclosures in Village of Fontana

Hayden stated that Walworth County Circuit Court provided a list of tax liens beings processed for the 2008 tax year for nine Village of Fontana property owners.

Next Meeting Date

Kenny stated that he has a very busy business schedule in March and asked if there is a day earlier in the week that the monthly meeting could be scheduled. Following discussion, the members determined that Tuesday, March 20, 2012 would be the best alternative; however there is a spring election candidate's forum scheduled for the same night beginning at 6:00 pm at the Abbey Springs clubhouse. Hayden stated that the agenda for the next monthly meeting should be very minimal and the meeting could be conducted in less than 30 minutes. The Finance Committee directed staff to schedule the next monthly meeting for Tuesday, March 20, 2012 beginning at 5:30 pm.

Adjournment Finance Committee

Patek/Vilona 2nd made a MOTION to adjourn the meeting of the Finance Committee at 7:19 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 on file at the Village Hall.

APPROVED: 3/5/2012 – VB; 4/26/2012 – Finance