

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

(Official Minutes)

Finance Committee Meeting

March 22, 2011

The Finance Committee meeting was called to order at 6:00 pm on Tuesday, March 22, 2011 by Chairman Pat Kenny.

Members Present: Trustee Pat Kenny, Drew Gilchrist, Lou Loenneke, Arlene Patek, Jim Feeney
Members Absent: Rick McCue, Michael Sheyker

Also Present: Administrator/Treasurer Kelly Hayden, Village Clerk Dennis Martin

General Business

Approve Minutes for Meetings Held January 27, 2011

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

Monthly Review Items

Hayden stated that Mike Sheyker did not come in and review the payables and bank reconciliation reports, revenue/expense statements, balance sheets, vendor report, payroll overtime report, cash flow statements or room tax comparisons because he is out of town. Hayden stated that she also just received earlier in the day the trial audit balance from the village auditor and she can now close the months of January and February, 2011. Hayden stated that the updated reports will be emailed out to the committee members later in the week. Hayden stated that the January and February 2011 overtime reports were previously distributed and the March report was distributed at the meeting. Hayden stated that there is an extraordinary amount of overtime for some of the police officer who worked as security officers at the state capital this past month; however, the state will be reimbursing the village for the expense. Hayden stated that the room tax comparison has been updated through January 2011, which was a very good month.

2011 Revaluation Update – Assessor Jim Danielson

Village Assessor Jim Danielson called on the telephone and provided an update on the 2011 market revaluation project being completed by Accurate Appraisal, LLC. Danielson stated that when Project Manager Rick Vanden Boogart was in the Village of Fontana for office hours in February, he completed updating the assessment roll for major addition or remodeling projects that took place in 2010. Danielson stated that field work will be completed in June, when Vanden Boogart is in the village for office hours, and it will continue through the summer months. Danielson stated that assessment change notices will be mailed out to property owners by August 23, 2011, and the Open Book and Board of Review dates have been scheduled. Danielson stated that the last market revaluation of the village was completed in 2008, when the Village's total assessment ratio was increased from 74 percent of fair market value up to 96 percent. Danielson stated that after two years with no market revaluation, the village's assessment ratio is now up to 103 percent and it has to be brought back down to 100 percent. Danielson stated that in reviewing the preliminary sales figures from 2010, there were 77 properties sold at a mean assessment ratio of 111 percent, so there is definitely a downward trend and properties are selling for less than the assessed value. Danielson stated that there are different factions in the village though and he has not yet broken down all the sales. In response to a question, Danielson stated that some areas in the village such as the lakefront may not be experiencing the same downward trend as properties that are not located on the lake. Danielson stated that the goal of the market revaluation is to get

the village's assessment ratio at 100 percent, but there is always a little variance between his determination and the Wisconsin Department of Revenue's equalized valuation methodology. Danielson stated that the market revaluation will not require inspections of the properties; however, there will be some annual maintenance inspections conducted as part of the process. Danielson stated that he will break down the 2010 sales figures and provide the information to the committee. Hayden stated that she will also write a village newsletter article about the 2011 revaluation project and add the figures provided by Danielson to the article.

Wisconsin Act 10

Hayden stated that she prepared spreadsheets that forecast the financial impact on the salaries of all the village employees for Wisconsin Retirement System contribution and health insurance premium deductions that are being mandated by Governor Scott Walker's Act 10 legislation. Hayden stated that a temporary restraining order on the publication of the approved legislation has delayed its implementation, but it will eventually be adopted. Hayden stated that with all the employees required to pay 5.8 percent of their WRS contribution, the village will save about \$50,000 in budgeted WRS benefit payments in 2011. Hayden stated that since Act 10 did not take effect in time to start the additional employee salary deductions in April, the spreadsheet will have to be adjusted by one month. Hayden stated that the health insurance premium employee contribution increase does not take affect until 2012. In 2012, the total amount of employee health insurance premium contributions will increase by an estimated \$21,676, using the 2011 premium rates. Gilchrist stated that the funds the village will not have to budget for the employee benefit contributions will most likely be offset by the loss of shared state revenue.

Recommendation on Proposal to Purchase Additional Parking Pay Station

Hayden stated that Village President Arvid Petersen asked the Finance Committee to consider a recommendation on the proposed purchase of one more parking pay station for the lakefront lots. This year's budget has funds to purchase one pay station to serve the lakefront lots No. 1 and No. 2. Hayden stated that Petersen would like the committee to consider his proposal to purchase a second pay station, so that a potential loss of parking revenue can be avoided, and to address a potential safety situation in the parking lots. If a second pay station is purchased, one can be located at the south end of the beach parking lot and one can be located at the north end. Hayden stated that Petersen proposed to use some of the funds that the village will be saving on employee benefit contributions in 2011 because of the Wisconsin Act 10 legislation to fund the \$14,000 to \$16,000 expense to purchase and install an additional pay station. Gilchrist stated that the village does not know for certain at this time the exact budget impact of the Act 10 legislation and if there will be any budgeted funds saved. Feeney stated that it is a good idea to have a second pay station installed, especially considering it will help increase parking revenue, and if necessary the funds could be taken out of the contingency account. Hayden stated that if the second pay station is ordered, that TPS may give the village a discount and provide a prorated service contract. Hayden stated that she does not have a solid proposal from TPS at this time, but the cost of the second pay station will be between \$14,000 and \$16,000. Kenny asked the committee members if they were comfortable recommending the purchase at this time and the use of the funds saved in this year's budget for the WRS employee contributions, even though the total budget impact of the legislation is not certain at this time. Following discussion, Feeney stated that the purchase of the second new pay station would be an appropriate use of the contingency fund if necessary. Hayden stated that this year's budget has \$75,000 allocated in the contingency fund. Feeney stated that the Village also could recoup some of the expense by selling the old parking meters to other municipalities.

Feeney/Loenneke 2nd made a MOTION to recommend the purchase of an additional parking pay station for the upcoming season at a cost not to exceed \$16,000, and to authorize the use of the contingency fund for the purchase if necessary. The MOTION carried without negative vote.

Audit Update

Hayden stated that the trial audit balance was provided by the village auditor earlier that day.

Non-Health Insurance Renewal Recommendation

Martin stated that the total renewal proposal for the League of Wisconsin Municipalities Mutual Insurance package submitted by Bill King at R&R Insurance calls for a \$4,640 or 4 percent estimated premium decrease from last year. The total estimated premium for General Liability, Public Officials, Police Professional, Auto Liability, Auto Physical Damage, No-Fault Sewer, Property, Crime, and the Firefighter's A&H policies for the 2011-12 policy year is \$108,690, and the total was \$113,330 in 2010. Martin stated that King is also recommending this year that the Village purchase a new optional Crime Policy that covers computer fraud and fund transfer fraud for an additional premium of \$160 per year. Hayden stated that for the extra \$250,000 per claim coverage, with a \$2,500 deductible, she would recommend approval. Martin stated that the new optional crime coverage for computer and fund transfer fraud is the only LWMMI program recommended coverage that the Village of Fontana currently does not have.

Loenneke/Patek 2nd made a MOTION to recommend Village Board approval of the League of Wisconsin Municipalities Mutual Insurance program renewal proposal for the 2011-12 policy year as presented, with the additional \$160 premium for a new Crime Policy that covers computer fraud and fund transfer fraud. The MOTION carried without negative vote.

Updated 5-Year Comparison

Hayden stated that the 5-year comparison has been updated and it is now a 6-year comparison. Hayden stated that the one department she wanted to point out was the Building and Zoning Department, which showed a total profit of \$22,899 in 2010. The Building and Zoning Department showed a net loss of \$11,993 in 2009, but since its inception in 2005, the net loss in 2009 was the only year a total profit was not realized. In 2005, the department showed a net profit of \$42,127; in 2006 the net profit was \$17,703; in 2007 the net profit was \$49,624; and in 2008 the net profit was \$38,399. Since its inception, the Building and Zoning Department has realized a total net profit of \$158,760.

Next Meeting Date

The next meeting date was scheduled for Thursday, April 21, 2011 beginning at 6:00 pm.

Adjournment

Loenneke/Patek 2nd made a MOTION to adjourn the finance committee meeting at 6:40 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: 4/21/11