

VILLAGE OF HINSDALE
Administration and Community Affairs Committee
Minutes of the Meeting November 7, 2011

Trustee Geoga called the meeting of the Administration and Community Affairs Committee to order in the Board Room of the Memorial Building on November 7 at 7:30 PM.

Members Present: Chairman Doug Geoga, Trustees Laura LaPlaca, Chris Elder and Kim Angelo

Staff Present: David Cook, Village Manager, Darrell Langlois, Assistant Village Manager; Gina Hassett, Director of Parks and Recreation and Timothy Scott, Economic Development Director

Also Present: Sergeant Steve Cogger, retired police officer Bill Zahalka, and Jason Frank from Foster and Foster for the Police Pension Fund Board; Trustee Robert Saigh

Approval of Minutes – October 3, 2011

Trustee Angelo moved approval of the minutes. Trustee Elder seconded and the motion passed unanimously with one correction.

Monthly Reports

Mr. Langlois presented the Treasurer's report. Base Sales Tax receipts for September increased by 0.4% and increased 0.7% for October. This marks the twenty-third consecutive monthly increase since posting an average monthly decline of 13% for the previous twelve months. Year-to-date base sales tax receipts for the first six months have increased by 5.1%. This variance is favorable when compared to budget as this revenue source was projected to increase 4% in the FY 2011-12 Budget. Total Sales Tax receipts for the first six months of the fiscal year total \$1,339,480 an increase of 5.5%. Including the November amount, revenue for the first seven months was \$1,584,142, which is 6.9% over last year.

Mr. Langlois stated that the village has received two distributions of the new 1% Non-Home Rule Sales tax. The amount received for October was \$133,281, which is right on track with what the Village estimated during the referendum campaign.

Mr. Langlois reported that Income Tax revenue for the month of September decreased by \$3,217 and during October it increased by \$6,941. For the first six months of FY 2011-12 total income tax receipts are \$709,666, which is a decrease of \$1,295 from the prior year. This variance is unfavorable when compared to budget as an increase of 2% was assumed in the FY 2011-12 Budget.

Mr. Langlois reported that the State did not make an income tax payment in October but the state did pay on November 2. As of this writing the delay is still at three months. The State remains \$312,343 in arrears on payments owed to Hinsdale.

Year to date Food and Beverage taxes earned for the first five months of the year total \$129,730, an increase of 11.5%. This variance is favorable when compared to budget as an increase of 2% was assumed in the FY 2011-12 Budget.

Mr. Langlois reported that property tax collections through September amount to \$4,904,673 which is approximately 85% of the Village's \$5.76 million tax levy. Combined Gas, Electric, Telecommunications, and Water Utility Taxes for September were \$198,214, which is 2.3% above previous year's receipts. Year to date utility tax collections are \$879,202, which is 0.2% below the prior year.

Building Permit revenue for September totaled \$99,714, which is 14.1% above the amount received during the same period last year. Year to date permit revenue is not comparable to the prior year due to the Village receiving significant non-recurring permit revenue from Hinsdale Hospital related to its expansion project in 2010. Year to date permit revenue is \$527,883, which is above the straight line budget allocation for this revenue source.

Mr. Langlois stated that through September most operating expenditures for all Departments are still well within budgetary expectations. Staff will continually monitor departmental expenditures, including overtime, and the Village Manager continues to stress the need for proper fiscal management by each department.

Total legal billings through September amount to \$87,891, which is tracking below budget for the first five months of the year. Of this amount, approximately \$27,000 is reimbursable from outside parties.

Mr. Langlois reported that the severe storms occurring in June and July will likely result in unbudgeted costs in excess of \$110,000 contained in a number of various line items in the Public Service Department. Staff has identified a number of positive variances so far this year that will offset this cost without the need to utilize the \$200,000 contingency.

Water and sewer fees for the first five months of the year total \$2,554,446, which is a decrease of 6.3%. Although the year to date amount is below the prior year, the September billing for water and sewer was \$107,605 above 2010. Staff believes at least some of this positive variance is due to the replacement of stopped meters that are now generating the correct billing. Staff is aware that the quantity of water purchased from the Du Page Water Commission declined by 8.98% in August and 8.33% in September. This will likely have an impact on revenues in the forthcoming months and will have to be watched very closely.

Mr. Langlois reported that as we are now through the first five months of the year, staff has updated the estimated end of year amounts for a number of revenue accounts. On the expenditure side, staff has updated the estimates on most personnel accounts, gas and oil projections, and known savings on capital projects that have already been awarded. On a net basis, the end of year results project to an end of year surplus in the General Corporate Fund of \$216,325, which is greater than the amount assumed in the FY 2011-12 Budget.

In order to address the expected increase of 90% over four years in the City of Chicago water rate and the need to pay back short-term borrowing of \$69 million due to its

accounting and rate making errors, staff has received notice from the Du Page Water Commission of its intent to increase the rate by 30% on January 1, 2012 and subsequent increase of 20% in 2013, 18% in 2014, and 17% in 2015. For the initial 30% increase, this would require an increase in the Village's water rate of 10% to 12% if it is passed on to water customers.

The Trustees commented on the upcoming water rates and asked what the increase would be for the average family. Village Manager Cook commented about a sales tax that is expiring in 2016 and that the DuPage Mayors and Managers are forming a special task force regarding the issue. There is very little that can be done regarding the increase from the City of Chicago, and there is not a viable alternative supplier.

Park and Recreation Activity Report

Ms. Hassett presented the report. The lights for the two new platform tennis courts are now operational but there are some minor items to be finished. The KLM shelter is done and the concrete is being poured this week.

Almost all of the dirt has been removed from Veeck Park and the soccer field restoration should start next week. The dog waste receptacles have been installed and there is one sponsor so far. Fall Festival was successful with about 1200 participants. Many of the stores ran out of candy. Ms. Hassett noted the holiday events that are happening in December.

Ms. Hassett commented that the KLM Lodge revenue is still down and the summer months were hit hard with some canceled events. Parks and Rec did not meet in October but will meet in November; rental rates for the picnic shelters at KLM will be discussed.

Trustee Angelo asked about the non-resident rates for the pool and the related usage. Ms. Hassett is suggesting potentially lowering those rates to attract more patrons from surrounding communities. There were no other questions for Ms. Hassett from the Commissioners.

Director of Economic Development Report

Mr. Scott presented his report. He gave a tenant update for the downtown commercial area. Mr. Scott is still working with other potential tenants. Cold Stone Creamery has closed but there is some interest in their space. Holiday lighting will be installed before Thanksgiving and festivities are being finalized.

The repairs of the wall on First Street will begin next week; there will be safety precautions for the businesses and vehicles in that area. September and October were very busy for the contractor doing the repairs, but we are still hopeful that the repairs will be completed before the holiday festivities begin.

Trustee LaPlaca asked about the new magazine called "Hinsdale". Mr. Scott explained about what is expected from the new magazine. Trustee LaPlaca stated that there really

was not much material about Hinsdale in the magazine and that it consists mostly of advertisements and pictures of charity events.

Approval of a Resolution Determining Amounts of Money to be Raised through Ad Voloren Property Taxes

Chairman Geoga explained the background of the Resolution. The current property tax cap limits the increase in the levy to 1.5% plus revenue generated from new construction. The library is also included in the levy.

Chairman Geoga has discussed the levy with the individual ACA Committee members but highlighted some aspects of the levy. Police and Fire Pension levies are based on an actuarial study commissioned by the Village and have been reviewed by the Village President, ACA Chairman, and senior Village Management. Chairman Geoga noted that in the past the pension funds had questioned some of the actuarial assumptions that are used and a number of changes have been implemented this year designed to address these concerns.

Sergeant Steve Cogger spoke to the Trustees regarding the Police levy. The Police Pension Board is asking the Village to reconsider what the Village has levied for the Fund. Sergeant Cogger stated that the differences in the actuarial calculations amount to about 30%. Actuary Jason Frank spoke on behalf of the Police Pension Fund regarding the tax levy and questioned the selection of several of the actuarial assumptions and actuarial techniques.

Chairman Geoga thanked Mr. Frank for his comments and noted that the Trustees are not covered under any of Village pension plans and do not bring any bias to the process.

Trustee Angelo moved a motion for the Resolution and Trustee Elder seconded the motion. The recommendation passed unanimously.

Approval of an Agreement with the Hinsdale Historical Society for Lease of Property for Use of a Historic Building

Chairman Geoga reviewed the request. Trustee Saigh was present for any questions from the Trustees. Trustee Saigh mentioned that the lease has been finalized and incorporates a number of features that were included in a similar lease with HCA. The term is shorter and the rent is \$10 per year. Chairman Geoga commented about the maintenance obligation and not letting the building being neglected.

Trustee LaPlaca moved approval of the request and Trustee Angelo seconded the request. The motion passed unanimously.

Award of Bid #1505 for KLM Tuck Pointing Repairs

Ms. Hassett stated that this is a capital item budgeted for \$35,000. The low bid was from April Building Services, who is also doing the work here at Village Hall.

Trustee LaPlaca moved approval of the request and Trustee Elder seconded the request. The motion passed unanimously.

Approval of a Request for a Special Use Permit to Utilize Burns Ice Rink for a 3-on-3 Ice Hockey Tournament

Mr. Cook stated that this request is not ready to be considered.

Adjournment

As there was no further business to come before the Committee, Trustee Elder motioned to adjourn. Trustee LaPlaca seconded and the motion passed unanimously. The meeting was adjourned at 8:32 p.m.

Respectfully Submitted:

Darrell Langlois
Assistant Village Manager/Director of Finance