

**Village of Hinsdale
Finance Commission
Minutes of Meeting on September 2, 2010**

Members Present: Chairman Burrridge, Commissioners Posthuma, Waldo, Kushner, and Elder

Members Absent: Commissioners Aggarwal, Hughes, Maali, and Savickas

Staff Present: Darrell Langlois, Assistant Village Manager

Others Present: Village President Tom Cauley

Meeting Called to Order at 7:32 pm.

Approval of Minutes

Chairman Burrridge asked for a motion to approve the minutes of the July 29, 2010 Commission meeting. Commissioner Waldo noted one editorial change to the minutes clarifying a statement he had made regarding salary costs. Commissioner Elder motioned for the approval of the minutes for the July 29, 2010 meeting, Commissioner Posthuma seconded. The motion passed unanimously.

Discussion Items

Review and Discussion of the July, 2010 Treasurer's Report

Mr. Langlois presented information from the July 2010 Treasurer's Report. Sales tax revenue has continued to show monthly increases. Income tax revenue has increased over the last two months but has declined 10.4% so far this year. Also regarding income tax, he noted that during July the State made two income tax payments and now was four months behind, which is an improvement of one month. The State still remains \$500,000 behind in payments.

Mr. Langlois continued to present information regarding the revenue and expenses of the Village compared to the previous year and forecasted figures. Food and beverage receipts were up over the prior year and are expected to end the year over budget. Property tax revenue began to be received in June and is tracking as expected; to date we have received about 43% of the Village's \$5.57 million tax levy. Utility tax revenue has trended upward due to the water rate increase and hot summer. During July the Village received over \$433,000 in permit fee revenue with over \$300,000 being from Hinsdale Hospital. Trends for permit fees continue to be positive with over \$100,000 expected for August. Commissioner Waldo noted some trend information regarding sales tax and whether Mr. Langlois had any insight as to the causes of the changes. Mr. Langlois indicated that the State does not provide any specific tax information so that drawing any specific conclusions is difficult. In total park and recreation fees are comparable to the prior year but pool memberships will be below budget.

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Mr. Langlois noted that expenses are tracking within budget. Commissioner Elder asked if there were any new positions added this year; Mr. Langlois replied that the only two personnel changes so far were that the Village is currently in the process of hiring an employee for a vacant clerical position in the Police Department and the Village Board has authorized hiring a part time building inspector on a temporary basis, likely to be for the duration of the hospital project.

Review and Discussion of Sub-Committee Work Regarding Non-Home Rule Sales Tax Referendum Information

Chairman Burridge commended the sub-committee for their work on this project. The Commission reviewed the draft report. There was general discussion regarding the cost increase in the Infrastructure Investment Plan as compared to prior versions, but the consensus was that most of the increase was due to expanding the scope of the plan, predominately to include annual maintenance. Commissioner Waldo noted his concern regarding cost escalation due to continuing to wait to adequately fund the Plan. Commissioner Kushner noted that this issue is at least partially addressed in the draft as information is provided regarding the costs of resurfacing a street versus reconstructing a street.

Commissioner Kushner noted that she had received some feedback regarding the statement being made regarding the Village's AAA bond rating and improved reserve position possibly misleading voters to imply that the Village is OK and doesn't need the additional revenue. She noted that there remains the possibility of bonding in the early years and that these factors would result in very low borrowing costs, this is why the statement was made. Commissioner Waldo requested that the draft include an estimate of the cost impact on a Hinsdale property tax bill being about \$275 per home as compared to the \$100 if the sales tax is approved. Commissioner Posthuma recommended revising the statement proposed about "maintaining Hinsdale's character and quality of life" as this statement implies a quality judgment that is not the role of the Commission. A statement more along the lines of "maintaining current levels of service" would be more appropriate. For the same reason regarding the editorial nature of the comment it was the consensus to strike item #13 from the draft document.

The Commission also requested adding wording that would illustrate the cost differential for repaving one mile of streets versus reconstructing one mile of street in order to illustrate the increase cost of waiting. There was general consensus to make all of these changes. Mr Langlois will revise the document and circulate via email as it is needed prior to the next Commission meeting.

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Review and Discussion of Sub-Committee Work Regarding Current and Potential Public Safety Consolidation Efforts

Commissioner Waldo gave a report on a meeting he and Commissioner Hughes had with Village staff regarding Public Safety Consolidation Efforts. Commissioner Waldo noted that the direction given to the sub-committee was to determine whether savings of over \$250,000 were possible at anytime in the future. Based on their meeting with staff, the subcommittee did not feel savings over this amount were possible for the Fire Department. This is based on the limited ability to reduce the number management staff significantly from current levels. In the Police Department, however, there does seem to be potential to yield savings over \$250,000 through consolidation or shared service options. There are current discussions ongoing in this area so he recommends tabling this issue for several months to allow these discussions to progress. Commissioner Posthuma questioned the ability to reduce equipment costs in the Fire Department through shared services. Commissioner Waldo indicated that there would be potential savings but the amounts would be minor and that most of the analysis to date has been on management staffing savings.

Adjournment

As there was no further business, the meeting was adjourned at 8:21 P.M.

Respectfully Submitted:

Darrell Langlois
Assistant Village Manager