

**Village of Hinsdale
Finance Commission
Minutes of the Meeting on February 3, 2011**

Members Present: Commissioners Maali, Waldo, Morris, Hughes and Elder

Members Absent: Chairman Burrridge, Commissioners Aggarwal, Kushner, and Posthuma

Staff Present: Darrell Langlois, Assistant Village Manager, Gina Hassett, Park and Recreation Director

Others Present: Trustee Doug Geoga, Park and Recreation Commission Chairman Jeff Curran

Due to the absence of Chairman Burrridge, there was a motion made by Commissioner Hughes to nominate Commissioner Waldo to chair the meeting, seconded by Commissioner Elder. Motion passed unanimously.

Meeting Called to Order at 7:46 p.m.

Approval of Minutes

Commissioner Waldo asked for a motion to approve the minutes of the December 16, 2010 Commission meeting. Commissioner Elder motioned for the approval of the minutes for the December 16, 2010 meeting, Commissioner Maali seconded. The motion passed unanimously with one minor correction.

Discussion Items

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

Mr. Langlois noted that sales tax receipts continue to be favorable as indicated by increases of \$26,069 (14.1%) for December and an increase of \$15,304 (8.6%) for January. This marks the thirteenth consecutive monthly increase since posting an average monthly decline of 13% for the previous year, and for the last twelve month period receipts in the aggregate have increased by \$183,186 or 8.6%. Total Sales Tax receipts (including local use taxes) for the first nine months of the fiscal year total \$1,931,605 as compared to \$1,765,114 for last fiscal year, an increase of \$166,491 (9.4%).

Income Tax revenue for the months of December (November liability) and January (December liability) increased by \$32,708 (43.4%) for December and a decreased by \$9,255 (-7.0%) for January. Based on information from the Illinois Municipal League, some of the large December increase is due to receipts from the State amnesty program and a statutory reduction in the amount set aside for refunds. Total Income Tax receipts for the first nine months of FY 2010-11 total \$1,039,917 as compared to \$1,062,120 for last fiscal year, a decrease of \$22,203 (-2.1%). This variance is favorable when compared to budget as a decrease of 5% was assumed in the FY 2010-11 Budget.

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Regarding the delay in income tax payments from the State of Illinois, in January the Village received two income tax distributions, which reduces the past due amount the State owes to \$458,791 or four months. Hopefully the budget resolution in Springfield that resulted in the increase in the State income tax will enable the State to catch up in the near future.

Food and Beverage tax revenue for December increased by \$1,422 (6.6%). Year to date, Food and Beverage taxes earned for the first eight months of the year amount to \$191,597 as compared to the prior year amount of \$166,922, an increase of \$24,675 (14.8%). This variance is favorable when compared to budget as no increase was assumed in the FY 2010-11 Budget.

Property Tax revenue is being collected as expected, with year to date collections at \$5,077,183 which is approximately 91.1% of the Village's \$5.57 million tax levy. This should end the year very close to budget. Utility tax revenue for December amounted to \$158,630, which is \$11,113 or 7.5% above previous year's receipts. Year to date utility tax collections are \$1,398,120, which is \$113,522 or 8.8% above the prior year. Most of the monthly and year to date increase is due to higher receipts from the utility tax on water as a result of the 31% rate increase that took effect at the beginning of the fiscal year and increased receipts on the utility tax on electric due to the 14% tax rate increase and the warm summer weather. Mr. Langlois noted that there continues to be weakness in utility tax receipts on natural gas due to depressed natural gas prices as well reduced collections on telecommunications taxes.

Building Permit revenues for December totaled \$58,673, which is an increase of \$3,119 or 5.6% above the prior year. Year to date permit revenue is \$981,992 which is \$425,671 or 76.5% above the prior year and it is expected will end the year well over budget. Much of this variance is due to receipt of permit revenue related to the Hinsdale Hospital expansion.

As to expenses, total legal billings through December amount to \$111,545, which is tracking well below budget for the first eight months of the year. There will like be negative variances in overtime costs in the Police and Fire departments due to staff vacancies and extended sick leave situations. The recent blizzard will likely have an impact on the year end numbers, but if a disaster is declared there is the potential for grant funds to offset overtime costs. Mr. Langlois noted that a winter storm in 1999 storm did receive federal grant reimbursement.

Regarding the overall Corporate Fund operating results, the Treasurer's report projects that revenues will exceed expenditures by \$603,484. This number will be further refined as staff works through the budget process. Mr. Langlois noted that the FY 2011-12 Budget will be the main item of discussion at the next finance commission meeting.

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For a future meeting Commissioner Hughes requested that a report be prepared comparing bid results for the recent year's roadway program with the assumptions used in the Infrastructure Master Plan in order to validate these assumptions.

Sub-Committee Report-Community Pool and Membership Fee Structure

Commissioner Waldo gave an overview of the work done by him and Commissioner Elder regarding their work on the sub-committee to study the community pool and proposed membership fee structure. Commissioner Maali asked for them to describe the overall philosophy of the committee. Commissioner Elder noted that the major focus was to generate funds to support capital improvements which average about \$90,000 per year over the next three years. They are also conscious of raising membership fees too high to drive away members. They feel strongly that daily fee rates need to be raised in order to encourage annual memberships. They also recommend a "ten pass" card for daily fees to offer some limited discount for frequent users.

As part of their review, Commissioner Waldo noted that they feel strongly that a task force should be created to study the long-term aspects of the pool operation, including eventual replacement.

Commissioner Hughes questioned that although the desired result is that the pool would break even on an annual basis, is this possible and do other community pools accomplish this. Commissioner Waldo noted that there is no definitive evidence from other communities, and he does feel that the new pricing structure would achieve this goal.

Commissioner Hughes and Commissioner Maali both expressed concern about the impact raising rates would have on existing membership levels, noting competition from many neighboring communities.

After further discussion, the Commission recommended that the Village Board adopt the revised fee structure recommended by the Park and Recreation Commission in addition to the sub-committee recommendation to increase daily fees by \$2 or about 35%, except for the non-resident child daily fee rate that should be increased by \$1 in order to keep in new \$9 the rate below \$10. The ten pass card will be priced at a 15% discount to the extended resident daily fee rate for both children and adults, and will be available to non-residents at the resident rate in order to provide an incentive.

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Adjournment

As there was no further business to come before the Commission, the meeting was adjourned at 8:52 p.m.

Respectfully Submitted:

Darrell Langlois
Assistant Village Manager