

**Village of Hinsdale
Administration and Community Affairs Committee
Minutes of Meeting On
December 3, 2007**

Chairman Orler called the meeting of the Administration and Community Affairs Committee to order in the Board Room of the Memorial Building on December 3, 2007 at 7:31 P.M.

Members Present: Chairman Vic Orler and Trustees Cindy Williams, Bob Schultz, and Michael Smith

Members Absent: None

Staff Present: Doug Cooper, Assistant Village Manager/Director of Administration; Nick Troy, Parks and Recreation; Tim Scott, Community Development Strategist

Others Present: Debra Brasetto; Lou Karrison, Partner, Sikich, LLC

Approval of Minutes

Trustee Orler stated that the minutes were being presented for approval and asked if there were any questions or comments. Trustee Smith inquired about the vote on the Jim Thome Field, stating that he thought the vote passed 5-3, but that the minutes showed it passing 6-2. Nick Troy verified that it was indeed 5-3. Trustee Smith then motioned to approve the minutes, with the change as noted, from the November 5, 2007 meeting and Trustee Williams seconded. The motion was passed unanimously.

Treasurer's Report

Doug Cooper stated that sales tax receipts for the months of October and November, the Village has received \$197,374 and \$194,437 while last year's amounts for the same months were \$195,316 and \$202,294. The decrease in November was most likely related to a late filing with the state of Illinois, and this will be monitored. For the first seven months of the Fiscal Year, through November, sales tax receipts have totaled \$1,519,277 compared to last year's amount of \$1,493,493, an increase of 1.7%. Income taxes have brought in \$968,548 versus \$893,730 last year, an increase of 8.4%. Food and Beverage taxes are in-line with estimates, with an anticipated annual total of \$260,000.

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Regarding the Corporate Fund, prior to transfers out to the debt service fund, the Corporate Fund is showing an estimated net increase of revenues over expenditures of \$671,903. This is well below the budgeted amount of \$2,176,498. The Finance Commission is reviewing the Treasurer's Report, which will be discussed at the next Finance Commission meeting. The downturn in permit revenues is one cause of the budget variance. Also, General Fund Operating Expenditures are over-budgeted by about \$600,000 due to over spending in the professional services line item, as well as departmental overtime. The year-end audit showed an 18% reserve of expenditures, and the Finance Commission would like to ensure that the Village doesn't trend below that amount through the rest of the Fiscal Year. In order to begin addressing the variance, some budgeted FY 2008 capital expenditures have been reduced—approximately \$165,000 will be saved by these reductions.

Trustee Smith asked if the excess amount of \$2,176,000 was at the 18% reserve level. Mr. Cooper said that would have actually put Hinsdale at 27%. Mr. Cooper stated that funds which were expected to be derived through the Sedgwick and Foxford developments did not materialize as anticipated. Neither of these projects will occur during the current Fiscal Year's budget. Chairman Orlor pointed out that Village cash flow is still positive by just under \$100,000. The objective for next year is to obtain a reserve level of 20% and that the ultimate goal is to get back up to 25% within three year period.

Trustee Smith asked for clarification about the line item--"transfers out" the \$467,120 figure. Mr. Cooper stated that the transfer is for debt service payment for an alternate bond issue financed with state income taxes. Trustee Smith asked where other costs can be cut. Mr. Cooper said that \$165,000 has already been cut, and that Village staff will continue to seek reductions in other areas of the budget. Chairman Orlor stressed reducing legal costs. Trustee Williams asked how much are legal fees, and Mr. Cooper said that through the end of October they are approximately \$500,000. There is also an overage in consulting fees of approximately \$267,000 for items including the Ogden Avenue Corridor Study, Bicycle Task Force, and the Camiros contract related to the Zoning review. Mr. Cooper anticipates a significant reduction in both legal and consulting fees in the next year's budget.

Trustee Smith pointed out that the in the Legal fees schedule, the October legal fees for Robbins, Schwartz & Nicholas were not itemized as in previous months. Mr. Cooper stated that it was a timing issue and that the breakdown will be supplied in next month's Treasurer's Report, and that he can supply the numbers tomorrow if necessary. Trustee Smith requested that he do so. He then asked what the

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implication was of not achieving a higher reserve percentage. Mr. Cooper said that the reserve policy is just one small component of what the Bond Ratings are based on. Generally, revenues are stable, Hinsdale economies for the most part are strong, and land is not losing value. Chairman Orler stressed that a 25% reserve level would likely put Hinsdale in the top 10% of municipalities in Illinois.

Parks and Recreation Report

Nick Troy said that over 700 people participated in the Polar Express trip. It was a big success, with lots of positive comments. On November 14, there was a meeting with the Community House, *The Hinsdalean*, Hinsdale Public Library, Washington Square, and Chamber of Commerce in order to combine Fall events next year. Also discussed was a potential teenage “Battle of the Bands” in Burlington Park. The Winter/Spring brochure is on-line and at the printers. It should be delivered to homes next week.

Chairman Orler asked if on-line registration in the future is possible, and Mr. Troy confirmed that it is, including payments such as pool passes. Trustee Smith asked if anything different was being done for Jim Thome Field, if any public action was taken. Chairman Orler said that a potential field is being discussed, as well as discussions with Mr. Thome. The field at Veeck Park will not be used.

Communications Report/Channel 6 Update

Mr. Cooper stated that Amy Hicks is continuing to work on E-Hinsdale, and subscriptions have increased slightly. Chairman Orler asked about a video on regarding World War II veterans who are residing in Hinsdale and whether Ms. Hicks has put it on Channel 6 yet. Mr. Cooper said that he will contact her about it and report back to Chairman Orler. Then Chairman Orler asked about the status of an infomercial for the Hinsdale Gift Card. Trustee Schultz and Tim Scott verified that it is airing. Chairman Orler requested a schedule of how often the infomercial is being shown.

Trustee Williams asked about the Gift Card, and whether or not it emphasized shops over restaurants. Chairman Orler noted that Starbucks and Einstein have their own cards, while Mr. Scott verified that Embrace and Zak’s Place were going to start accepting them. Jade Dragon was still undecided.

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Community Development Strategist Report

Tim Scott stated that the Washington Street Parking Lot is essentially complete, with graffiti-proofing in the Spring. A directory will be completed soon. The “Distinctly Hinsdale” campaign has kicked-off with horse carriage rides, ice sculpting, and gingerbread cooking making. A window graphic program is being looked into for vacant storefronts. The 2nd quarterly business summit was conducted the previous week. The Power Shopper Passport Promotion is complete, and the winner will likely be drawn at the next Village Board Meeting. Invoicing for business license renewals has begun. Business interviewees were taped for the Hinsdale Promotional Video. The aim is to have something completed by the beginning of the new year. The presentation for the Electrical Referendum question was well-received. The Ogden Avenue Corridor task force will be meeting tomorrow. Trustee Williams thanked Mr. Scott for his help with the Electrical Referendum presentation.

Approval of an Ordinance Levying Taxes for Corporate Purposes for the Fiscal Year of the Village of Hinsdale, Illinois, Commencing on May 1, 2007 and Ending on April 30, 2008

Mr. Cooper referred to the previous month’s ACA meeting, which recommended approval of ad-valorem taxes, in the total levy amount of \$7,240,222. The total levy amount remains the same as presented in the 2007 Tax Levy Ordinance. Trustee Smith asked that if the abatements weren’t approved, if a public hearing would be necessary. Mr. Cooper said it would be. Chairman Orler asked for motion to approve. Trustee Smith motioned and Trustee Schultz seconded. The motion passed unanimously.

Award of Bid # 1426, Custodial Services for the Katherine Legge Memorial Lodge, to ABC Commercial Services Inc., in the Amount of \$15,300, effective December 2007

Chairman Orler stated that \$24,000 was budgeted for such services. Trustee Schultz motioned to approve and Trustee Smith seconded. The motion passed unanimously.

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Award of Bid # 1427, Custodial Services for Hinsdale Community Swimming Pool, to ABC Commercial Services Inc., in the Amount of \$14,140, effective May 2008

Chairman Orler stated that \$26,000 was budgeted for such services. Trustee Schultz motioned to approve and Trustee Williams seconded. Trustee Smith asked if ABC Commercial Services has been used by the Village before, and Mr. Troy said they have not been. He also clarified that it would be a 2-year contract for the pool, but 3 years for KLM. However, there is a 3rd year option for the pool. The motion passed unanimously.

Park and Recreation Aquatics Report – 2007 Annual Report

Chairman Orler noted that this report was tabled from the previous month's meeting. It is the first such report for Hinsdale, and was written and presented by Mr. Troy. He stated that 16 parties were held at the pool and that special events were advertised more often. The DuPage Health Department visited 6 times, and the pool passed every inspection. The pool may start offering early bird rates to those who want to buy pool passes. Saturday morning swim lessons will be offered as well. There is a list in the report for requested maintenance items.

Mr. Troy continued, saying that sales were up this year 8.7%. The average daily attendance increased as well. The satisfaction rating was high in the pool survey results. Most pools lose money for their respective villages, but the Hinsdale pool made a \$21,000 profit. Trustee Schultz inquired about capacity. Mr. Troy replied that there's room for more swimmers and pass-holders. He also noted that there's a pass that allows people to use the Clarendon Hills pool down the street as well, and vice-versa. Trustee Schultz asked for a fee comparison for the passes and Mr. Troy said that the price for Hinsdale's passes is lower than for Clarendon Hills by about \$50. Fees still have increased this year though from 2006.

Discussion on Sponsorship for the Village of Hinsdale

Chairman Orler opened discussion on other organizations sponsoring events in Hinsdale. Mr. Troy noted that Harris Bank sponsored the Davy Jones concert in the fall. He emphasized that sponsorships will bring in more revenue to benefit the community. Trustee Schultz concurred, referring to the Parks & Recreation brochure saying ads should be able to be bought in it. Chairman Orler and Trustee Schultz discussed advertising at little league baseball fields. Chairman Orler

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stated that he would like to hear back from Parks and Recreation. Mr. Cooper stated the need for an advertising policy to determine the extent to which the Village wants to progress with advertising. Trustee Schultz referred to a company that puts in TVs at train stations that show advertisements. Trustee Williams said that some guidelines are already in place. Trustee Schultz stated that some residents might be turned off by looking at advertisements all day, at for example, a baseball field across the street. Mr. Cooper stated that a plan will be worked out between him and Ms. Carrie Hauptert, to be discussed for the next meeting. Chairman Orler requested Ms. Amy Hicks' assistance as well. Trustee Smith said he wants to see what other communities do in regards to sponsorship before ultimately making a decision. Chairman Orler noted that the Village is not allowed to make revenue off of advertising on Channel 6, but doing so on the website might be acceptable. Trustee Schultz added that some of the revenue for advertising on the website should go towards improving the website as well.

Recommendation for Approval of the Village's Annual Comprehensive Financial Report and Management Letter (Audit Report)

Mr. Cooper introduced Lou Karrison, partner with the audit firm of Sikich, LLC, the firm engaged by the Village to perform the annual audit. Mr. Karrison explained the audit report's sections. Chairman Orler stated that there was a "control deficiency" in the management letter. Mr. Karrison noted that a "deficiency" was less significant than a "weakness". Chairman Orler asked if Mr. Karrison had seen staff's responses to the management letter, and Mr. Cooper replied that he has not. Mr. Karrison said he could review them and return to the ACA committee at a later date with a response. Mr. Cooper said that the management letter responses were presented to the Finance Committee, and there was no objection. Chairman Orler wanted to know if the reserve was going to be affected by insuring retirees under the new accounting regulations. Mr. Cooper replied that it would be. There is an increase in the Village premium due to the attachment of retirees to the Village's health insurance program. Mr. Karrison supported Mr. Cooper's statement that the premium would not be as high as larger communities such as Aurora or Joliet. Chairman Orler asked if this would have a downward effect of pressure on the reserve and Mr. Cooper said it would. IPBC will be sending people to the Village within the next couple months to evaluate the situation.

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Discussion of an Ordinance Relating to Vacant Store Fronts

Chairman Orler specified that the ordinance would require vacant storefronts to put up a screen with the Village logo, that would say "Coming Soon..." and improve aesthetic value downtown. Staff was directed to work on developing an Ordinance that would address this issue.

Discussion of the Village of Hinsdale 2007 Five Year Financial Plan

Mr. Cooper explained the five-year plan as presented was a preliminary plan. He also intends to bring it before the EPS committee the following week. The current Corporate Fund Reserve is estimated at 17%, with the intention of returning to 25% in the '09-'10 fiscal year under this plan. Budgets for each individual department are being laid out, with the intention of a 3% growth for all of them. It is stressed that a 3% increase is the maximum allowed by each department as they begin to develop the 2008/09 performance budget. There is a 7.5% increase for state income taxes and an 8.7% increase for state replacement taxes. Local sales tax is listed at a 5% increase, but that may be slightly aggressive, while food and beverage taxes may be estimated slightly below where they should be. Trustee Williams inquired about permits and Mr. Cooper stated that there is a 2% increase currently anticipated.

Mr. Cooper then discussed the Road Program. There is \$1.84 million budgeted for the program in fiscal year '08-'09, and that the projected amount is high due to a rollover from the '07-'08 fiscal year. The plan also indicates that starting in '09-'10 the Village will receive a half-year benefit of the 1% sales receipts. Also as indicated, there is a potential 1% utility tax rate increase that would finance \$500,000 of a road program, as recommended in the IMP developed by the Finance Commission. Trustee Schultz asked when money would be collected from the raised utility tax, should it pass. Mr. Cooper noted that 60 days notice would need to be given to ComEd and Nicor, and that the Telecom tax would not become effective until July 2008. Chairman Orler asked about a noted shortfall in the plan, and whether or not it incorporates the 1% sales tax. Mr. Cooper stated that it did.

Chairman Orler referenced point 5, regarding wastewater treatment plant for Flagg Creek. There is an estimated cost of \$3.5 million to build it. The project would be financed through a low-interest loan through the IEPA. The finance commission recommended raising water rates by 10% to help cover the interest and principal. A budgeted total of \$4 million over 5 years is dedicated to storm water issues. For the

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Woodlands, the total estimated cost will be \$6 million. This cost will be covered 40% by residents and 60% by Village. A special service area would be used to generate the 40% from the residents. Chairman Orler asked if the \$6 million covered storm water and roads. Mr. Cooper replied that it does. The road portion is \$2.4 million and drainage is \$3.6 million. Trustee Williams noted that the \$2.4 million seemed low, and Chairman Orler agreed, but stated that it is just an estimate. He then asked if this was going to be reviewed again. Mr. Cooper replied that he would like to bring it before the Village Board in early January. He said that the second January meeting would be fine if early January is too soon. Trustee Schultz asked about ladder truck replacement for the fire department. He wanted to know if the value of the current truck is accounted for in the budget. Mr. Cooper said that it is. Trustee Schultz asked about consulting fees. Chairman Orler noted that many of the services in Hinsdale can't be done by Village staff and outside help is mandatory at times. Trustee Schultz stated that he would like to see a breakdown of consulting services as separate line items in the Treasurer's report similar to the schedule provided showing legal fees.

Approval of an Ordinance Increasing the Utility Tax and the Municipal Telecommunications Tax for the Village of Hinsdale

Chairman Orler stated that if approved, gas tax would go up from 3.5% to 4.5%, as would electric tax. Telecommunications tax would go up from 4.5% to 5.5%. This would generate the additional \$515,000 required for the streets budget. Trustee Schultz asked when another increase would be allowed should this pass. Mr. Cooper stated that the maximum tax allowed for a utility is 5% and it is 6% for telecommunications, and that the Village can raise the rates at any given time—it is under the Village's legal power to do so. Trustee Williams asked why the recommendation isn't to go to the maxed-out 5% and 6%. Mr. Cooper stated that the Finance Commission wanted to have a .50% reserve for future use if necessary. Chairman Orler emphasized the need to generate more revenue in Hinsdale to re-invest in Village infrastructure. If bumped up to the maximum, there would be an extra \$250,000 in revenue from the utility and telecommunications taxes. The Committee asked that the Finance Commission be consulted to see if there was a possibility of increasing the tax rate to the maximum levels. Mr. Cooper stated that the Finance Commission was meeting prior to the Board of Trustees, and he would ask for their recommendation. If necessary, this Ordinance could be taken off of the consent agenda and discussed at the Board level prior to approval at either increase.

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Trustee Schultz motioned to approve, with the possibility of it being taken off the consent agenda at the Board meeting for further discussion and approval based on whatever rate the Board chooses to implement. Trustee Williams seconded and the motion passed unanimously.

Approval of an Ordinance Amending Certain Sections of the Village Code of Hinsdale Related to the Water and Sewer Rates

Chairman Orler stated that rates have not been raised since 1991. This would fund the treatment facility in Veeck Park. Trustee Smith wanted to know if the money would be set aside for this project, and Mr. Cooper stated that it would, and would not be put into the General Fund. Trustee Schultz motioned to approve and Trustee Williams seconded. The motion passed unanimously.

Adjournment

Since there was no further business to come before the Committee, Trustee Smith moved to adjourn. Trustee Williams seconded, and the motion passed unanimously. The meeting of the ACA meeting was declared adjourned at 9:29 p.m.

Respectfully Submitted:

Douglas E. Cooper
Assistant Village Manager