

**Village of Hinsdale
Administration and Community Affairs Committee
Minutes of the Meeting On
December 9, 2008**

Chairman Orler called the meeting of the Administration and Community Affairs Committee to order in the Board Room of the Memorial Building on December 9, 2008 at 6:07 P.M.

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

Members Absent: None

Staff Present: Dave Cook, Village Manager; Gina Hassett, Director of Parks and Recreation; Tim Scott, Community Development Strategist; Amy Pisciotto, MIS Administrator and Communication Coordinator

Others Present: Finance Commission Chair Kevin Kane, and Village Trustee Thomas Cauley.

Approval of Minutes

Chairman Orler stated the minutes from the November 6, 2008 ACA meeting were being presented for approval and asked the Committee if there were any questions or comments. Hearing none from the other Committee Members, Trustee Schultz moved to approve the minutes from November 6, 2008. Trustee Smith seconded. The motion passed unanimously.

Approval of a resolution supporting the DuPage Emergency Telephone System Interoperable Communications System and the Establishment of an Intergovernmental Agreement.

Mr. Cook gave a brief background on this system and discussed how it will be funded and the surrounding communities that will be involved. Trustee Schultz moved to approve a Resolution supporting the DuPage Emergency Telephone System Interoperable Communications System and the Establishment of an Intergovernmental Agreement. Trustee Smith seconded. The motion passed unanimously.

**Village of Hinsdale
Administration and Community Affairs Committee
Minutes of the Meeting On
December 9, 2008**

Approval of a resolution supporting National Drunk and Drugged Driving Prevention Month—December 2008.

Trustee Schultz moved to approve a Resolution Supporting National Drunk and Drugged Driving Prevention Month—December 2008. Trustee Smith seconded. The motion passed unanimously.

Approval of a Request from Graue Mill and Museum for the use of Burlington Park for the Annual Antiques Fair for a period of time exceeding 24 hours.

Trustee Schultz moved to approve a request from Graue Mill and Museum for the use of Burlington Park for the Annual Antiques Fair for a period of time exceeding 24 hours. Trustee Smith seconded. The motion passed unanimously.

Approval of an Ordinance levying taxes for Special Service Area #9 for the fiscal year May 1, 2008 and ending on April 30, 2009

Mr. Cooper gave a brief discussion on the background of this project. He stated that the project was now complete and the village was beginning the process of levying the tax. He stated that the total cost of the project, including engineering fees amounted to \$54,961. The residential share of this project was \$43,969. Based on an interest rate of 3% over ten years, the annual billing for all parcels amounts to an annual levy of \$5,155. Trustee Schultz moved to approve an Ordinance levying taxes for Special Service Area #9 for the fiscal year May 1, 2008 and ending on April 30, 2009. Trustee Smith seconded. The motion passed unanimously.

Trustee Williams enters meeting.

Treasurer's Report

Mr. Cooper stated that the Village Manager has met with each department head in an effort to analyze each of their respective budgets. As a result of these discussions, staff had developed a fiscal year 2009 estimated revenue and expenditure statement for the Corporate Fund. As indicated in the Treasurer's report, the estimated surplus for 2009 amounts to \$629,210. Through November, there appears to be savings in the salary and overtime costs. The Fire Department should be able to save roughly \$80,000 by cutting back on overtime and other departments have also been able to find ways to save payroll expenses. However, as a result of the current economic environment, both sales and income tax revenues have been adjusted downward from budget. The interest income was also

Village of Hinsdale
Administration and Community Affairs Committee
Minutes of the Meeting On
December 9, 2008

reduced from the budget estimate. Permit revenue will be \$439,000 below budget expectations. Mr. Cook noted the Public Services budget was \$125,000 over budget because of the anticipation of a harsh winter. He stated the Village budgeted as if this winter would be like the previous winter with high salt costs and overtime. The ACA Committee discussed budget items such as legal expenses and also sales tax forecasts.

Mr. Cook briefed the Committee on the 2009-10 budget concerns including a \$500,000 to \$700,000 potential dollar reduction in revenue from the previous year. He discussed possible solutions to the revenue shortfall, including various personnel measures. Overtime costs will also be closely looked at because a savings of \$100,000 could be expected. Legal costs have also dropped drastically in the current year by almost \$500,000 and will be reviewed for further reductions for the next year. Village programs such as the Senior Leaf Program may be dropped in an effort to save money. Training programs and conferences have also been reduced as well as the cancellation of the employee recognition dinner. The ACA Committee discussed ways to reduce expenses and increase revenues such as consolidation of the police dispatching system and fire department.

Review and consideration of 2008 Tax Levy Documents

Mr. Cook gave a brief background about the Village's 2008 tax levy. He discussed the estimated levy as it was present in November and how the allocation of the tax between various Villages line items will change as a result of tonight's discussion, particularly in regards to the Police and Firefighter's Pension Funding. Mr. Cooper then reviewed the discussion held by the Firefighter's Pension Board in relation to the Village's annual contribution to the fund. Discussion continued over actuary numbers and the rest of Mr. Cooper's report. Trustee Schultz questioned if it is a good idea to provide more money to one pension than the other. Mr. Cook stated the idea is to remain consistent in the funding philosophy for both the Police and Firefighter's Pension Funds—use the same assumptions, and fund accordingly. Kevin Kane, Finance Committee Chairman, then discussed the Finance Commission's opinion of pension fund contributions. The Finance Commission reviewed the actuarial assumptions used in developing both the Police and Firefighter's contribution levels and how these assumptions had an effect on the contributions. The Commission had determined that a rate of return of 7.0% was a realistic assumption. They also determined that the mortality table utilized by the Firefighter's pension fund was the most realistic, and that annual salary increase should be set at 5%. They asked staff to have the actuaries run these numbers to determine what the annual contribution should be. Those numbers were presented on the schedule handed out at tonight's meeting. Mr. Kane then discussed the

**Village of Hinsdale
Administration and Community Affairs Committee
Minutes of the Meeting On
December 9, 2008**

possibility of utilizing the same money manager for both pension funds. This should result in a more consistent rate of return between each fund. The ACA Committee and Village Staff continued to discuss the tax levy documents and funding numbers to try and determine proper amounts to allocate to each pension fund. Mr. Cook stated by 2033 both of these funds must be completely funded. Trustee Cauley expressed his concerns and offered his opinions regarding the tax levy discussion.

After further discussion, the Committee determined that a compromise on the funding would be to utilize the State of Illinois actuarial assumptions in determining the contribution, and fund an additional amount equal to one half the difference between the states recommended contribution and the contribution derived from the Finance Commission recommended amounts. Staff was asked to determine what these numbers would be and to include these in the 2008 Tax Levy.

Chairman Orler then motioned for the approval of the following ordinance and three resolutions:

Approval of a Ordinance Levying Taxes for Corporate Purposes for the Fiscal Year of the Village of Hinsdale, Illinois, commencing on May 1, 2008 and ending on April 30, 2009.

Resolution abating the tax hereto levied for the year 2008 to pay the principal of and interest on \$2,500,000 General Obligation Bonds (Waterworks and Sewerage Alternate Revenue Source), Series 2001, of the Village of Hinsdale, DuPage and Cook Counties, Illinois.

Resolution abating the tax hereto levied for the year 2008 to pay the principal of and interest on \$4,000,000 General Obligation Bonds (State Shared Income Alternate Revenue Source), Series 2003, of the Village of Hinsdale, DuPage and Cook Counties, Illinois.

Resolution abating the tax hereto levied for the year 2008 to pay the principal of and interest on \$3,045,000 General Obligation Bonds (Library Fund Tax Alternate Revenue Source), Series 2006, of the Village of Hinsdale, DuPage and Cook Counties, Illinois.

Trustee Williams seconded. The motions passed unanimously.

**Village of Hinsdale
Administration and Community Affairs Committee
Minutes of the Meeting On
December 9, 2008**

Approval of an Ordinance authorizing and providing for the issue of \$3,500,000 General Obligation Bonds (Waterworks and Sewerage System Alternate Revenue Source) Series 2008C, of the Village of Hinsdale, DuPage and Cook Counties, Illinois, for the purpose of providing for improvements to said system, prescribing the details of said bonds and providing for collection, segregation and application of the waterworks and sewerage system revenues.

Mr. Cook stated the Village has received three bids and the mandatory public hearing has already been completed which makes this the final step before the bonds could be approved. Chairman Orler motioned for the approval of an Ordinance authorizing and providing for the issue of \$3,500,000 General Obligation Bonds (Waterworks and Sewerage System Alternate Revenue Source) Series 2008C, of the Village of Hinsdale, DuPage and Cook Counties, Illinois, for the purpose of providing for improvements to said system, prescribing the details of said bonds and providing for collection, segregation and application of the waterworks and sewerage system revenues. Trustee Williams seconded. The motion passed with a vote of 3-1, with Trustee Smith voting nay.

Chairman Orler recommended moving items 5 and 9 on the agenda until the next meeting.

Adjournment

As there was no further business to come before the Committee, Trustee Williams motioned to adjourn. Trustee Schultz seconded. The motion passed unanimously and the meeting was adjourned at 7:25 P.M.

Respectfully Submitted:

Douglas E. Cooper
Director of Finance