

**Village of Hinsdale
Administration and Community Affairs Committee
Minutes of Meeting On
March 4, 2008**

Chairman Orler called the meeting of the Administration and Community Affairs Committee to order in the Board Room of the Memorial Building on March 4, 2008 at 7:30 P.M.

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

Members Absent: Trustee Bob Schultz

Staff Present: David Cook, Village Manager; Doug Cooper, Assistant Village Manager/Director of Administration; Carrie Hauptert, Parks and Recreation; Tim Scott, Community Development Strategist

Others Present: Adam Waldo and Kevin Kane, Finance Commission, Tish Lubenow, Park and Recreation Commission, Greg DiDomenico and Judy Casten, Hinsdale Center for the Arts, Tanya Hart and Patricia Montgomery—A Taste of Vino, and Nancy Chapa, Resident

Approval of Minutes

Chairman Orler stated that the minutes were being presented for approval and asked if there were any questions or comments. Hearing none from the other Committee Members, Chairman Orler asked for a modification on page 3. The wording regarding “multiple property owners” should be changed to “one property owner”. Trustee Smith moved to approve the minutes with the corrections as discussed, and Trustee Williams seconded. The motion was passed unanimously.

Treasurer’s Report

Mr. Cooper said that sales tax receipts for the months of January and February brought in \$201,308 and \$207,659 respectively, an increase over prior year’s receipts of \$172,735 and \$196,913 respectively. Total sales tax receipts through February 2008 amounted to \$ 2,201,530 compared to previous year to date receipts of \$2,118,313, or an increase of \$83,217 or 3.90%. Income tax receipts are at \$1,392,691 up from \$1,272,103 last year, an increase of 9.50%. Food and beverage tax receipts continue to be estimated at \$260,000, based on monthly collections of a \$21,000.

**Village of Hinsdale
Administration and Community Affairs Committee
Minutes of Meeting On
March 4, 2008**

Park and Recreation Activity Report

Ms. Carrie Hauptert discussed the upcoming Bunny Bash, a cooperative program with the HCA, Hinsdale Library, and the Hinsdale Community House. She stated that the new KLM Sales and eEvent coordinator has been hired—Dena Reetz. The summer brochure is going to print and includes a number of new events, and she distributed an outline for the 80th Anniversary celebration, noting that the Adventist Hospital will be sponsoring Radio Disney at the 80th Anniversary Party. She then discussed the 4th of July Parade and the current activities of the Parade Committee. There will also be a meeting between the Village and other Community Groups with IAG regarding the sponsorship proposal. She also stated that the Summer brochure is almost complete and will be distributed to residents shortly. She then discussed a cooperative fitness program with the Community House. Trustee Smith asked where the Summer Bash will be and he was informed that it will be held Friday September 12th at Burlington Park.

Communications/MIS Coordinator Report

Mr. Cooper went through the report noting that E-Hinsdale subscribers increased by 10 new addresses, and that the schedule of non-Village related material currently airing on Channel 6 was attached to the report. There were no further questions.

Community Development Strategist Report

Mr. Tim Scott reported on the activities of the Economic Development Commission including the new media kit. He distributed a mockup of the kit so the Committee could see what the kit would look like—the Committee praised the kit. He stated that the production end of this was being developed with the aim of maintaining costs. There was some discussion regarding the logo chosen and clarifications were made as to what each of the three icons on the logo represented. There was a question as to when the dollars would be spent on the printing of the kit. Mr. Cooper stated that there was money included in the current year's budget to mass produce the kit. Mr. Scott then discussed the promotional video. He talked about Business License registration and Way-finding and Historical signage. Trustee Orlor then asked about the Directory and when the map would be installed. Mr. Scott responded appropriately.

**Village of Hinsdale
Administration and Community Affairs Committee
Minutes of Meeting On
March 4, 2008**

Approval of Purchase Order to C. B. Paving Inc., for \$11,283.70 the Brook Park Phase II Asphalt pathway extension.

Trustee Williams moved to recommend approval of the Purchase Order. Trustee Smith seconded and then asked about paving of the Village's roads. He asked how can the Village expend \$11,000 to pave the park when the roads are terrible shape. Chairman Orler stated that the road program is currently being reviewed at the EPS, but that funding is limited. The Village is seeking a sales tax increase to increase the road program funding.

Recommendation of a request from A Taste of Vino regarding "Live and Local Flavor".

Tanya Hart made a presentation regarding the "Live and Local Flavor" (LLF) event. She detailed the proposed dates, as well as the entertainment. She stated that the LLF was looking for support from the Village as indicated on her informational handout, including a \$5,000 sponsorship which includes the rights for the Village to sell beer and other items, as noted. Ms Hart also stated that LLF is looking for the in-kind support from the Village as provided in the past. She stated that the LLF wants to be a team with the Village in putting on this event. They want this to be a part of the community.

Chairman Orler stated that there is going to be a broader discussion on Village finances, and that we need to keep the \$5,000 request on a list of potential projects. Trustee Williams asked how this event impacts the food and beverage receipts. There was some discussion of the overall amount generated, and how this translates to the \$5,000 request. Ms. Hart stated that this event impacts economic development within Hinsdale. Chairman Orler then stated that maybe this request for the contribution should be addressed at the EDC meeting. It was decided that this would be best and Mr. Scott was directed to work with Ms. Hart to work out the details. Chairman Orler stated that currently the Village is attempting to determine where we can cut spending, and not add to it.

Ms. Montgomery then asked if it was possible to at this time approve the dates and the other Village support requests, so that the marketing material can be prepared, and in the meantime, LLF can continue to seek monetary support through the EDC. Trustee Smith inquired as to which budget the \$5,000 would come out of if approved. Manager Cook stated either the EDC Budget or the Board of Trustee Program Budget. Trustee Orler then asked for a motion to recommend approval of a request for the Live and Local Flavor event including street closures, live entertainment and in-kind support of police and public service assistance as well as

**Village of Hinsdale
Administration and Community Affairs Committee
Minutes of Meeting On
March 4, 2008**

banner placement, similar to the previous year. Trustee Smith made the motion and Trustee Williams seconded. Trustee Smith stated that he felt that the Live and Local Flavor event was extremely beneficial and the \$5,000 request, although not a part of the motion, was something he felt was a good thing.

FY 2009 Budget Discussion:

Manager Cook stated that over the last few weeks the staff has worked on responding to the Finance Commission concerns as addressed in the Commission's memo. He feels staff has made the additional changes to the budget which address these concerns, except that there continues to be a philosophical difference in the amount of legal fees to be budgeted in the 2008-09 budget. Mr. Cooper then discussed the Finance Commission Memo and how staff responded.

On the revenue side, staff has reduced the budget for revenues by \$300,000 to address the concerns of the Finance Commission that a recession could have significant impact on the Village's budget. Mr. Cooper stated that Sales Taxes, Building Permits and Income Taxes have each been reduced by \$100,000. He indicated that with these adjustments, Sales Taxes and Income Taxes are then budgeted to be at a flat increase between the estimated-actuals for FY 2008 to FY 2009 Budgeted amounts. Chairman Orlor asked Finance Commissioner Waldo to expand on the Finance Commission's discussions on this recommendation. Commissioner Waldo went through the deliberations made by the Commission.

There was some discussion on the Income Tax receipts over the last twenty years and the reasoning behind the large variations in the amount received by the Village.

Mr. Cooper then discussed the various expenditure reductions discussed and accumulated by staff. In summary, staff has agreed to \$318,000 capital reductions as well as an additional \$118,000 in specific operating expenditure reductions. These operating expenditure reductions include the annual HCA donation of \$60,000, Board unallocated project costs of \$50,000, and the HCHS Broadcast Club funding of \$8,000. Mr. Cooper also explained that staff had also identified \$450,000 in additional costs which would be deferred until late summer/early fall based on the actual results of revenue receipts through that time period and beyond. The overall goal was to maintain the 20% reserve level.

Chairman Orlor then asked if either Ms. Lubenow or Mr. DiDomenico would like to make any comments on these discussions. Mr. DiDomenico stated that he has had some sleepless nights over the last three years to trying to make sure that the

Village of Hinsdale
Administration and Community Affairs Committee
Minutes of Meeting On
March 4, 2008

margin and the mission go together. Without the margin there are no services or mission. Therefore the HCA is asking that the contribution be placed back into the Village's operating expenditures in order to continue the mission of the HCA and to ensure that the HCA is an organization that the Village can be proud of. The HCA continues to cooperate with seven area agencies, including the Parks and Rec. Dept to provide programming. He felt that the HCA is the "arts and cultural arm" of the Village and that the \$60,000 provided by the Village is an important part of what the HCA accomplishes for the Village. He also stated that the HCA provides at no cost to the Village an artist for various events that the Village holds. Staff stated that the Village recognizes the importance of the HCA to the Village, but is attempting to prioritize Village services and the Village is in a tough position.

Chairman Orler stated that he had received an email from Trustee Schultz indicating that the donation should remain in the Village's budget. Park and Recreation Commission then made some comments regarding the Veck Park/HMS Middle school proposition, and that open space is at a premium. The Village should be very careful in its solutions to this problem.

Chairman Orler stated that Trustee Follett had made a recommendation that there should possibly be a Financial Summit with the Finance Commission as well as representatives from other Village Commissions and the Board meet and have an enlightened discussion on any cuts to be made as well as a discussion on reserve levels. This would also serve as an educational tool for the residents to help them gain a better understanding of the Village's financial condition. Trustee Smith then asked what other spending reductions were considered by staff-he stated that other than the \$50,000 contingency fee which was an easy reduction, the HCA contribution is the largest of the three operating items. Manager Cook stated that a list was developed of non-essential type programs involving tree projects, Economic Development spending, and other programs. Trustee Williams asked if the list could be presented to the Committee. Manager Cook stated that would be done.

Finance Commission Chairman Kane asked about costs which could be set aside in the event that the revenue projections are below anticipated levels. Manager Cook stated that the \$450,000 indicated previously as "deferred spending" would address this concern.

Chairman Orler then discussed legal fees and the difference between the amount staff was recommending versus the Finance Commission's recommendation. He stated that this item, as well as the HCA donation of \$60,000 and \$50,000 discretionary Board expenditures needed to be addressed, and that the Finance

Village of Hinsdale
Administration and Community Affairs Committee
Minutes of Meeting On
March 4, 2008

Summit could provide further discussion on these items for an ultimate resolution. He stated that the Finance Summit could resolve whether certain expenditures could be added to the budget, with the result of a lower reserve balance than the 20% goal. Basically would the 19% reserve be acceptable to the Board, which could then free up some additional funds. Trustee Williams then addressed alternate ways of funding the Village's legal fees, for example utilizing a retainer. She suggested that the budget reflect \$575,000 in legal fees and asked that the Village manager determine alternatives to financing the Village's legal fees. She felt there were many different ways to control legal fees.

Mr. Kane suggested that the Village can budget the \$500,000 in legal fees, but then identify an additional \$150,000 in additional costs which can be cut should things trend badly in the course of the year. So, the \$450,000 in deferred costs previously discussed should be increased by \$150,000 to an amount of \$600,000. Trustee Orler felt that another way of looking at this would be to budget legal at \$550,000, and to reduce the additional contingency to \$100,000, and that the Manager would stick to the \$550,000 in legal fees. We would then live with the Finance Commission numbers and Chairman Orler would organize a Finance Summit to as a way to fully discuss these issues with the rest of the Board members, and continue a discussion on the HCA donation, the Live and Local Flavor donation and other issues. The Financial Summit could be the ACA Meeting on Monday April 7th. The other Committee members agreed.

Mr. Kane then discussed the Finance Commission's recommendation involving the ability of the Board to maintain the spending as dictated by the budget. He stated that if the Board decides to exceed budgeted expenditures, the Board will decide to cut something else or push it off to the following year. Chairman Orler agreed to the statement with one exception. He felt that if revenues are running at surplus, there should be the ability to accommodate an additional necessary expenditures. Mr. Kane agreed to that. Chairman Orler then discussed the bar chart which indicated that since 2006, revenues over expenditures before operating transfers showed a net excess and that the Village is continuing this trend. Chairman Orler wanted to make sure that everyone understands that the Village is not deficit spending; the Village is not meeting the reserve requirements to the extent that the Finance Commission is challenging the Board to build them to.

Trustee Williams stated that she would like to review the list of potential expenditures which could be cut that we have not explored. Manager Cook explained that about 75% of the Village's departmental budgets were personnel costs, and that after a review of the initial budget the Finance Commission felt the Departmental Budgets were appropriately managed.

**Village of Hinsdale
Administration and Community Affairs Committee
Minutes of Meeting On
March 4, 2008**

There was some general discussion on the overall condition of the roads and how they are being repaired for pot-hole issues. This led to further discussion on how the Village would finance the pot-hole repair and improve any roads which need to be resurfaced due to the rough weather conditions. Trustee Williams then asked about road repairs above and beyond pot-hole patching. Staff discussed the ramifications of this type of repair on both the budget and the Road Program overall. Trustee Smith expressed concerns about where the FY 2008 year-end reserves will be based on the additional costs related to the current year snow season. Staff responded that a revised estimate of all departments will be prepared to determine what the estimated FY 2008 year-end reserves will be and this will be forthcoming shortly.

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 9:33 p.m.

Respectfully Submitted:

Douglas E. Cooper
Assistant Village Manager