

**Village of Hinsdale  
Finance Commission  
Minutes of Meeting on December 4, 2008**

Members Present: Chairman Kane, Commissioners Kushner, Bauschard, Wagner and Waldo

Members Absent: Commissioners Aggarwal, Jurgenson, Savickas, and Vernick

Staff Present: David Cook, Village Manager

Meeting Called to Order at 7:30 pm.

**Approval of Minutes**

Chairman Kane asked for a motion to approve the minutes of the September 25<sup>th</sup> 2008 Finance Commission meeting. Commissioner Kushner moved for approval of the September 25<sup>th</sup> minutes, which was seconded by Commissioner Wagner. Chairman Kane asked for any discussion on the minutes as presented. No discussion took place and the minutes were passed unanimously.

Chairman Kane asked for a motion to approve the minutes of the October 30<sup>th</sup> 2008 Finance Commission meeting. Commissioner Kushner moved for approval of the October 30<sup>th</sup> minutes, which was seconded by Commissioner Wagner. Chairman Kane asked for any discussion on the minutes as presented. No discussion took place and the minutes were passed unanimously.

**Review and Discussion of the October 2008 Treasurer's Report**

Chairman Kane introduced the Report and gave a brief review of what items were discussed in last months' meeting. He also gave a timeline of when other Commissions and Committees would be reviewing and discussing budget items.

Mr. Cook reviewed Mr. Cooper's budget report. He stated he has met with all department heads in an effort to accurately forecast and reduce as many budget items as possible for the 2009-10 budget. He gave detailed numbers of the sales tax forecast, which would be at lower than previous numbers. Income tax was up 6% surprisingly although declines were forested in the coming months. Food and beverage tax was off budget by \$10,000 dollars. Investment income was lowered substantially as well as utility tax income because of a drop in gas prices. Building

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permit revenue has leveled off and estimated to be \$1,000,000 dollars. Mr. Cook stated custom homes were still being submitted each month but there has been a drop off in spec homes. Fines have varied month to month and a program designed to give warnings to first time parking offenders has created a drop in revenue. The Police Department also implemented an impound program for DUI arrests which has offset the lost revenue from the parking ticket program. Service revenue was slightly down when compared to last year. Mr. Cook touched on certain programs like the Parks and Recreation Polar Express which will see a revenue drop because of new restrictions by Metra which will now only allow a smaller group of people to participate. Mr. Cook gave an update on the sale of the Ladder Truck from the Hinsdale Fire Department and noted the sale price was dropped slightly in an effort to entice buyers. Mr. Cook briefed the Finance Commission on operating expenditures and noted the Village has decreased legal fee spending by over \$100,000 this year. He also discussed how certain legal fees could be reimbursed to the Village depending on certain scenarios and if the case goes to Circuit Court.

Mr. Cook discussed the future of consulting contracts such as a downtown planning study, which would be postponed in 2009, and also a Village holiday party was cancelled in an effort to save an additional \$10,000. Salaries and benefits are continually looked at to save money in overtime and other costs associated with hiring practices and techniques.

The Public Services Budget was high because salt was budgeted for the highest amount the contract allowed in order to insure the lowest price per ton. Tree trimming will be cut back in the future to offset some of these costs. The Finance Commission continued to discuss salt prices and alternatives such as mixing salt with other substances. Mr. Cook stated unless a catastrophic winter hits the Village this year much of the budgeted money for salt will be returned to the Village in the spring.

Mr. Cook continued to discuss line items in the budget including a small error in the Village's favor in Parks and Recreation. He also discussed the Village's recommendation for deferred capital, which was to hold the money and to reassess the situation in the upcoming months. The Finance Commission discussed certain options with this situation and agreed to reassess in the coming months.

**Discussion and Consideration of the Recommendation of Tax Levy for the Police and Firefighters' Pension Boards.**

Chairman Kane introduced the topic and briefed the residents and Finance Commission on the issues facing this subject. General discussion took place

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between the Finance Commission to clear up any confusion that may have surfaced. Clarification over certain numbers such as return rates in each Pension Fund and other numbers were also looked at when compared to other communities in the surrounding area. The Finance Commission discussed what legal responsibilities and authority the Village must maintain. Mr. Cook gave a detailed summary of what options the Village has such as over-funding, under-funding, and other choices. The Finance Commission continued to discuss each section in detail of this report. Mr. Cook stated focusing on long term numbers was the best way to approach this issue instead of looking by each year. Chairman Kane summarized the discussion and offered suggestions to the Finance Commission and also engaged in general discussion over in long-term forecasting and the increasing pressure to provide a competitive rate of return in each Pension Fund. Discussion also developed when determining which mortality rate table to use. The Finance Commission was in agreement to use the most up to date mortality tables.

Discussion continued as to which levy numbers should be used for calculation in the new budget. Chairman Kane was in favor of using the larger number compared to the state minimum that was required by law. The Finance Commission agreed to keep the rate of return at 7% and to use the most up to date mortality table for both the Fire and Police Pension Funds. Mr. Cook stated he would pass this information on to the Board of Trustees.

**Consideration of the Budget Assumptions for the 2010 Budget**

Chairman Kane gave a brief update from the previous month's discussion and questioned Mr. Cook to provide additional information. Mr. Cook stated he has been working with department heads and the Finance Director to try and accurately prepare for the 2009-10 Budget. He stated it is better to be conservative than aggressive in times of an economic downturn. He reported losses in revenue will be roughly \$2,000,000 in the last two years which is \$1,400,000 less than the 2008-09 budget.

Mr. Cook described a potential bill from Illinois, which is called the Emergency Budget Act Bill of 2009 which could reduce up to 8% of revenue from State Income Tax to municipalities on top of the loss Hinsdale is already predicting. He described this Bill with an example used in the 1980's to balance the Federal Budget. The Finance Commission engaged in general discussion to revisit certain budget numbers and the 2009-10 budget estimates.

Mr. Cook continued to discuss the budget including personnel costs and alternatives to create savings such as layoffs, work hour reductions, and converting full-time to

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part-time positions. He also discussed cost savings ideas such as a reduction in street sweeping in the central business district and possible eliminations of programs such as the Senior Leaf Program and donations to non-profit groups. Commissioner Wagner questioned if it was possible to combine services with surrounding communities for certain programs. Mr. Cook stated there have been discussions about combining forces with another community but nothing has been set up as of this date. Commissioner Waldo questioned how much money was actually spent in legal and consulting fees in 2008. Mr. Cook stated the number was approximately \$1,200,000 in legal and consulting fees while this year will be roughly \$500,000. Mr. Cook stated that number could also drop this year because most of the consulting groups including the Zoning Rewrite Task Force and Hinsdale 20/25 Project would be ending in the coming months.

Chairman Kane discussed one of the ways the Village has balanced the budget in the past was by deferring capital projects in the past but it would only work for so long. He questioned what capital projects were in the budget for 2009-10. Mr. Cook stated certain capital improvement projects are in the budget including road programs and replacement of police vehicles. He stated certain items such as a replacement ambulance truck and roof repairs would be deferred into the next budget. General discussion took place over the capital budget and strategies to defer projects into the coming years.

**Adjournment**

Chairman Kane summarized the meeting and asked for any additional comments or questions from the Finance Commission. Since there was no further business to come before the Commission, it was moved to adjourn the meeting. The motion was seconded and passed and the meeting adjourned at 9:17 p.m.

Respectfully Submitted:

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David Cook  
Village Manager