

**Village of Hinsdale  
Finance Commission  
Minutes of Meeting on January 29, 2009**

Members Present: Chairman Kane, Commissioners Kushner, Wagner,  
Waldo, Vernick, Savickas, Jurgenson

Members Absent: Commissioners Aggarwal, Bauschard

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 December 4, 2008 Finance Commission meeting. Commissioner Kushner moved for approval of the December 4th minutes, which was seconded by Commissioner Wagner. Chairman Kane asked for any discussion on the minutes as presented. Minor changes were made to clarify the discussion that took place and the minutes were approved unanimously.

**Review and Discussion of the December, 2008 Treasurer's Report**

Chairman Kane introduced the item and stated Village Manager Dave Cook would be providing the report to the Finance Commission. Mr. Cook discussed sales tax revenue from gasoline sales has fallen as much as 60% in recent months which has resulted in an overall 12% reduction in sales tax revenues. Over the course of the first 9 months of the fiscal year the Village has seen a small increase in total sales tax revenue but expects that the coming months will be negative by 10 to 15%. He stressed these numbers needed to be continually monitored in the coming months. Income tax numbers for December were down 13.9% and for January 1.9%. He stated that the 2<sup>nd</sup> largest collection month for sales tax collection is February, which will be important in forecasting future receipts.

Mr. Cook reported the old fire ladder truck was sold without a broker fee with a net sale for \$117,250. He stated legal and professional service fee expenses were \$650,000 less than the previous year at this time. Legal fees amounted to \$251,000 for this year and will continue to vary each year depending on the amount of development and projects taking place in the Village. He used examples such as the Garfield Development, and 111 S. Lincoln. Salaries and benefits were under

**Village of Hinsdale  
Finance Commission  
Minutes of Meeting On  
January 29, 2009**

\$402,000 compared to the previous year. He stated strict overtime rules and the postponement of filling two positions were some of the causes for this. The Fire Department has also been able to control their overtime costs as well as Public Works depending on the amount of snow and ice that falls. He briefly touched on salt prices and other chemicals to keep streets clean. The Finance Commission discussed how legal fees were reimbursable and what the Village expected to get back in the future. Discussion also ensued regarding fuel costs for the Village and how this would affect prices in the future.

**Review and Discussion of Draft FY 2009-10 Budget.**

Chairman Kane gave a brief background and opened the discussion to Mr. Cook who provided details regarding the timeline of the budget and the involvement of the Finance Commission in the budget process. He stated the three standing Board Committees, (ZPS, EPS, and ACA) split the budget into their respective sections to review and makes changes as necessary. The Finance Commission questioned if a member from the Finance Commission would attend each of these meetings to provide more feedback.

Mr. Cook stated this budget was different from years past because of the large shortfall in revenue that the Village expected to see. The expenses were cut as much as possible try and compensate for these revenue shortfalls in every fund and line item. Mr. Cook went into detail about the affect this has had on the budget and measures that are being taken to offset the loss in revenue. General discussion took place over the Village's bond ratings and what may happen to them with the current state of the budget and the economy.

Mr. Cook discussed the Corporate Fund and stated 70% of the expenses are personnel related. He stated the loss in revenue from the previous year would be roughly 2.2. Million dollars due to decreases in sales tax, income tax, and building permit revenue etc. The pension costs have also risen putting large amounts of pressure on the budget. The Village has proposed to cut 5 full time positions and turn some full time positions in part time. Wage freezes will also be placed on all salary employees and most hourly employees will have shortened hours which will result in a 6.25% pay cut. The voluntary separation program is currently taking applicants that may be able to open up some of the positions that are not currently on the 2009-10 budget. Mr. Cook stated the only consultant work scheduled for this budget was a grant for the downtown that will be funded 80% of the way by grant money. The contribution to the Hinsdale Center for the Arts was eliminated as well as the End of the Summer Bash. Street sweeping was dropped from three to two

**Village of Hinsdale  
Finance Commission  
Minutes of Meeting On  
January 29, 2009**

sweeps in the downtown area per week in addition to a number of other measures taken to cut costs.

Mr. Cook briefed the Finance Commission regarding the new refuse contract currently under negotiation. The Senior Leaf program was cut in this contract and resident's cost will increase by roughly \$2 per month. Travel expenses from Village employees to conferences and seminars will also be limited to cut costs. Discussion continued as Mr. Cook presented the Corporate Fund highlights including deferred capital costs that are compounding.

The Finance Commission questioned if the Implementation of a GIS system was still planned for the budget. Mr. Cook stated through discussions with consultants the GIS System is imperative for the planning and completion of the Village's Storm Water Master Plan. The Finance Commission continued to discuss items on the budget and certain tax laws and procedures as well as the forecast for permit revenue and vehicle license revenue.

The Finance Commission discussed the MFT Program and funds that will be allocated towards road project. Chairman Kane questioned where the money will be coming from and if any additional money will be expected. Mr. Cook gave a line by item description and stated with the withdraw of the Hinsdale Club project their will be no additional funds added to the budget. Discussion continued as to how certain projects would be funded and where the money will come from for each project. Mr. Cook stated discussion is still taking place with the EPS Committee to determine how to pay for additional street repairs that may be necessary because of the winter season. He stated this figure might depend on the amount received from the Federal Stimulus Bill. The figure also may change if the sales tax referendum is passed in the coming election. He provided the details as to when this increase would become effective. The Finance Commission discussed the amount needed in a contingency fund to cover any unbudgeted costs that may arise during the year and where the additional money will come from. Chairman Kane stated the figure might need to be higher than in previous years because of the state of the economy. Mr. Cook stated the village has a plan in case more budget cuts are needed focusing mostly on personnel cuts that will need to be made. General discussion continued over Village reserve funds and the cash flow and liquidity of the funds received by the Village.

Chairman Kane questioned the bases surrounding a storm water utility. Mr. Cook stated this is a way to hold property owners to hold them accountable for storm water runoff. He stated payment will vary by a number of factors such as

**Village of Hinsdale  
Finance Commission  
Minutes of Meeting On  
January 29, 2009**

impervious surface, lot coverage, and other factors that would determine the amount of run off on their property.

**Information on Federal Stimulus Bill – Transit Grants/Loans**

Mr. Cook provided details regarding this bill. He gave a brief background and stated the funds the Village was expected to see would vary but could total up to \$520,000. He also stated the state could provide additional funds to projects for local governments but these may tough to obtain. He would provide more information at the next meeting.

**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 8:53 p.m.

Respectfully Submitted:

---

David Cook  
Village Manager