

**Village of Hinsdale
Finance Commission
Minutes of Meeting on May 27, 2009**

Members Present: Chairman Kane, Commissioners Maali, Waldo, Savickas, Kushner

Members Absent: Commissioners Aggarwal, Vernick, Bauschard, Wagner

Staff Present: Darrell Langlois, Assistant Village Manager

Meeting Called to Order at 7:33 pm.

Approval of Minutes

Chairman Kane asked for a motion to approve the minutes of the April 2, 2009 Finance Commission meeting. Commissioner Kushner moved for approval of the April 2 minutes, which was seconded by Commissioner Savickas. The motion passed unanimously.

Review and Discussion of the April, 2009 Treasurer's Report

Mr. Langlois highlighted the April 2009 Treasurer's Report to the Finance Commission. A supplementary schedule was distributed that updated the Commission as to additional expenditure items that have been posted to April, 2009 since the preparation of the Treasurer's Report. Mr. Langlois noted that since April is the Village's fiscal year end, a number of additional entries will be required as the accounting records are closed in preparation for the audit. The updated report indicated an April, 2009 ending fund balance of \$3,859,330, which is above the FY 2010 budget projection of \$3,653,689. Mr. Langlois indicated that the ending fund balance will likely decrease somewhat as we progress through the closing process, but the final results should be favorable when compared with the FY 2010 Budget projection.

Discussion of Projections for the FY 2010-11 Budget

Chairman Kane led a discussion as to revenue assumptions to be used in preparation of preliminary budget projections for FY 2010-11. Following this discussion, the consensus of the Commission was as follows:

Property Taxes- an increase of 0.5% due to a minimal increase in the tax cap

Income and Replacement Taxes- a decrease of 5%

Sales Taxes-a decrease of 3%

Utility Taxes-no change

Licenses and Permits-use \$425,000

Permit Fees-increase of 3%

Service Fees-no change

Interest Income-calculate at a return of 1.5%

**Village of Hinsdale
Finance Commission
Minutes of Meeting On
May 27, 2009**

Regarding expense projections, personnel related expense should be increased by 3.75% in light of the negotiated increase of 3.75% in the Police union contract. All other expenses should remain unchanged.

Discussion then focused on pension fund cost estimates to be used in the FY 2011 projections. Assistant Village Manager Langlois gave an overview of a report prepared by him that estimated pension fund funding requirements for FY 2011 using actuarial assumptions and calculations generated by the Illinois Department of Professional Regulation. The report also estimated what the results would be using a private actuary, lowering the investment return assumption to 7%, and changing to a 1994 mortality table. Under both scenarios the negative investment return will have a dramatic impact on future funding requirement.

For purposes of the projections it was the consensus of the Commission to base the funding requirement at the mid-point between these two estimates, consistent with the practice employed last year to develop the contributions for FY 2010. This will result in an additional funding requirement of approximately \$372,000 for FY 2011.

Assistant Village Manager Langlois gave an overview of the projected increase in funding required by IMRF. The negative invest markets have had an even larger on IMRF impact due to a much higher concentration in equity investments. The Commission recommends factoring in the increase of \$172,000 as noted in the report.

Adjournment

With 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 9:20 p.m.

Respectfully Submitted:

Darrell Langlois
Assistant Village Manager/Finance Director