

VILLAGE OF HINSDALE
Administration and Community Affairs Committee
Minutes of the Meeting December 6, 2010

Chairman Geoga called the meeting of the Administration and Community Affairs Committee to order in the Board Room of the Memorial Building on December 6, 2010 at 7:33 P.M.

Members Present: Chairman Doug Geoga, Trustees Bob Saigh and Bob Schultz

Members Absent: Trustee Cindy Williams

Staff Present: David Cook, Village Manager; Darrell Langlois, Assistant Village Manager; Gina Hassett, Director of Parks and Recreation; Tim Scott, Economic Development Director and Amy Pisciotto, MIS Coordinator

Approval of Minutes – November 1, 2010

Trustee Saigh mentioned one correction on the last page. Trustee Schultz moved approval of the November 1, 2010 minutes. Trustee Saigh seconded and the motion passed unanimously.

Monthly Reports

Treasurer's Report – October 2010

Mr. Langlois presented the October 2010 Treasurer's Report. This report covers the sixth month of the 2010-11 Fiscal Year. In preparation for this month's report, staff has updated the end of year estimates for the General Corporate Fund based on year-to-date results as well as what is currently expected for the remainder of the year. These revised projections are contained in a number of exhibits and will be further refined as the budget year progresses.

Mr. Langlois stated that the Base Sales Tax receipts for the months of October (July sales) and November (August sales) increased by 12% for October and an increase of 6.2% for November. This marks the eleventh consecutive monthly increase since posting an average monthly decline of 13% for the previous twelve months, and for the eleven month period receipts in the aggregate have increased 7.6%. Year-to-date base sales tax receipts for the first seven months of FY 2010-11 totals \$1,352,185, an increase of 8.8%. This variance is favorable when compared to budget as this revenue source was projected to be unchanged in the FY 2010-11 Budget. Total Sales Tax receipts (including local use taxes) for the first seven months of the fiscal year total \$1,481,204 which is an increase of 8.2%.

Mr. Langlois stated that Income Tax revenue for the months of October (September liability) and November (October liability) increased of 2% for October and an increase of 1.9% for November. Although results for the last five months have been favorable (up 3.4%), in the aggregate this revenue had declined by 13.2% for the prior five months. Total Income Tax receipts for the first seven months of FY 2010-11 total \$808,663 as compared to \$854,319 for last fiscal year, a decrease of -5.3%. This variance is slightly unfavorable when compared to budget as a decrease of 5% was assumed in the FY 2010-11 Budget. In order

to further illustrate the longer-term weakness in this revenue source, the seven month total is \$219,041 below the comparable 2009 amounts.

Regarding the delay in income tax payments from the State of Illinois, the State has not made an income tax distribution since September 21, 2010. They are now five months or \$536,830 behind, which reverses the progress they had made during the summer months when the delay had been shortened to three months.

Food and Beverage tax revenue for October amounted to \$26,435 as compared to the prior year amount of \$20,485, an increase of 29.05%. Year to date, Food and Beverage taxes earned for the first six months of the year amount to \$142,736 as compared to the prior year amount of \$126,827, an increase of 12.5%. This variance is favorable when compared to budget as no increase was assumed in the FY 2010-11 Budget.

Property tax collections through October amount to \$4,710,700 which is approximately 84.5% of the Village's \$5.57 million tax levy. This should end the year very close to budget

Combined Gas, Electric, Telecommunications, and Water Utility Taxes for October were \$199,420, which is 25.2% above previous year's receipts. Year to date utility tax collections are \$1,099,581, which is 11.8% above the prior year. Most of the monthly and year-to-date increase is due to higher receipts from the utility tax on water as a result of the 31% rate increase that took effect at the beginning of the fiscal year and increased receipts on the utility tax on electric due to the 14% tax rate increase and the warm summer weather.

Building Permit revenues for October totaled \$73,940, which is 14.5% above the same period last year. Year-to-date permit revenue is \$866,135, which is 85.5% above the prior year and it is expected will end the year well over budget. Much of this variance is due to receipt of permit revenue related to the Hinsdale Hospital expansion.

Mr. Langlois reported that at the end of October, most operating expenditures for all Departments are still well within budgetary expectations. Staff has continued to monitor departmental expenditures, including overtime, and the Village Manager continues to stress the need for proper fiscal management by each department.

Mr. Langlois also reported that total legal billings through October amount to \$83,715, which is tracking well below budget for the first six months of the year. He also reported that as indicated on the Summary of Corporate Fund Expenses (Page 9), the year-to-date percent expended for Public Safety of 57.4% exceeds the straight line allocation of 50.0%. This variance is due largely to the cost of Police and Firefighters' Pension, which is recognized as property taxes are received and do not follow a straight line spending pattern.

The State of Illinois has passed a Capital Bill that includes an additional \$500 million for local governments in the form of additional MFT distributions through 2012. On September 29, 2010 the Village received notice that the Governor has released the first \$100 million of these additional funds. Hinsdale's share of the first installment is \$77,908 and was received in October.

Mr. Langlois stated that as indicated in the Corporate Fund Budget Summary, the end of year estimated amounts for revenues in total have been increased by \$260,412 due to current year projections. In addition, staff currently projects expenditures to be \$344,389 below budget, much of it due to the assumption that the Village will not need to utilize the \$300,000 contingency amount due to the positive revenue variance. In total staff currently projects that revenues will exceed expenditures by \$604,802. Staff will continue to refine these estimates as we work through the budget process.

Mr. Langlois mentioned that there was not a quorum for the Finance Commission December meeting so he does not have any information from that committee for next year's budget. He reported that pension reform has been passed in Springfield for police and fire employees hired after January 1st. The retirement age will be raised by five years, survivor benefits have been lowered, and there will be a cap on the maximum salary a pension can be based on. These benefit changes only effect employees hired after January 1, 2011. Mr. Langlois stated that the amortization period for funding unfunded liabilities was also extended from 2033 to 2040 and the funding target has been lowered from 100% to 90%.

Trustee Schultz asked if the Village has plans for hiring any new police or fire personnel prior to the January 1, 2011 effective date. Although there are currently two vacancies in the Fire Department, Village Manager Dave Cook stated that the Village is not hiring any new fire employees until at least March of 2011.

Park and Recreation Activity Report – October 2010

Ms. Hassett commented that the OSLAD Grant has made it to the next step downstate and that she and Village Manager Cook will make a brief presentation in Springfield on Friday, December 10. She commented on the Polar Express that was held on December 5 and that it was very successful.

Ms. Hassett explained the PARC Grant application for the electrical work at KLM Park. Proposals are being received for the KLM shelter. The Lyons Township funds must be spent by the end of 2011 so the project will be ready when staff receives notice on the OSLAD Grant. RML Hospital has approached staff to hold a 5K race at KLM. She asked if the Committee had any initial thoughts on the possible proposal. Trustee Schultz stated that it is a great idea, but wasn't sure that KLM was the best location. Ms. Hassett believes that it would be a good opportunity for the park. Trustee Geoga asked if the Park and Rec Commission had any concern if other organizations would approach the Village to do the same type of event for fund raising.

Ms. Hassett stated that there have not been other requests and she would like staff to be involved to showcase the park. RML would need a special use permit to do the event themselves. Trustee Schultz stated that he would not have a problem saying no to another organization if the opportunity was not right and he believes that spring could be a bad time for a run due to the weather and wet field conditions.

Trustee Saigh stated that a run like this would be a lot of work. Ms. Hassett has stated to RML what the Village can and cannot do with the event because of limited staff. The Committee gave their approval to continue with discussions on this project.

Ms. Hassett commented on the Santa Breakfast and the paddle revenue. The memberships have increased. The month of November has been quiet at KLM but December will be better. She should have the pool audit by January.

Communications/MIS Coordinator Report

Ms. Pisciotto stated that website visitors have remained steady and that website activity usually picks up in the spring with pool memberships and more spring activities. She commented that in October there was an increase in participation with the newsletter.

Trustee Geoga asked Ms. Pisciotto about a recent report and newspaper article regarding governmental “transparency”, which included Hinsdale. Some of the Hinsdale deficiencies noted in the report appeared to be from the author not being able to find the information on the website as opposed to the information not being there. Check registers, the Village’s CAFR and Budget, are if fact available on the Village’s website.

Manager Cook noted that he has had discussions with Ms. Pisciotto and Mr. Langlois about this issue. Mr. Cook stated that some of the reported information in the newspaper survey was incorrect. Trustee Saigh asked if the survey group had any contact with the Village. Mr. Cook stated that he was disappointed that there was no contact with the survey company. Trustee Schultz commented that the school district has switched to Board docs electronically as opposed to what the Village does with printing all the agenda packets. Trustee Schultz stated that the Village should investigate the use of only electronic agenda packets. Trustee Geoga stated that some members will still ask for a hard copy of the materials.

Community Development Strategist Report

Mr. Scott reported on the holiday lighting and that a new vendor is being used. There have been nine new establishments downtown. The sign policy will be before the Plan Commission for a public hearing on Wednesday. The key items are administrative review and projecting signs for first floor businesses. Mr. Scott mentioned that this issue is about choice, not quantity. Plan Commission still has to be involved in the administrative approval.

Trustee Geoga stated that First Street is much busier now. Trustee Saigh stated the lighting is very nice.

2010 Tax Levy Documents

Trustee Geoga wanted to call to the attention of the Committee the revised tax levy memo. The Village is expecting routine action on tax levy debt service abatement issues. On the tax levy, however, last week the State House and Senate approved a pension reform bill that will reduce the level of benefits for new hires after January 1, 2011 (the Governor’s signature is still pending). Included as part of this legislation is a change to lengthen the remaining amortization period for unfunded liabilities from 2033 to 2040

and lowering the amortization funding target from 100% of liabilities to 90%. Based on Mr. Langlois' estimation this would lower the minimum required contribution, using State calculations, by \$383,472 (\$203,553 for Police and \$179,919 for Fire).

Assuming the Governor signs the bill, there is a fair chance the Village may have the option to decide to implement the change in amortization period for the 2010 tax levy. That being said, there are a number of implementation issues and budgetary decisions that are still not known. In order to maintain as much flexibility as possible, the 2010 tax levy has been re-drafted by lowering the Police and Fire Pension levies by \$383,472 and substituting these amounts with a Corporate levy of \$383,472. As we move through the implementation period and 2012 budget process, the ultimate funding decision will be made once the actual minimum contribution is decided in light of this new legislation. Should the actual contribution required be in excess of the tax levy amount, the "new" Corporate levy would be utilized for this purpose. The 2010 tax levy documents to be considered are as follows:

1. Approval of an Ordinance Levying Taxes for Corporate Purposes for the Fiscal Year of the Village of Hinsdale commencing on May 1, 2010 and ending on April 30, 2011
2. Resolution abating the tax hereto levied for the year 2010 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
3. Resolution abating the tax hereto levied for the year 2010 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
4. Resolution abating the tax hereto levied for the year 2010 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
5. Resolution abating the tax hereto levied for the year 2010 to pay the principal of and interest on \$3,500,000 General Obligation Bonds (Water and Sewerage Systems Alternate Revenue Source), Series 2008 of the Village of Hinsdale, DuPage and Cook Counties, Illinois
6. Approval of an Ordinance for the Levy and Assessment of Taxes for the Fiscal Year beginning on May 1, 2010 and ending on April 30, 2011, in and for the Village of Hinsdale Special Service Area No. 9-Localized Drainage Solution

Trustee Schultz moved for approval of the 2010 Tax Levy documents and Trustee Saigh seconded. Trustee Saigh asked Village Manager Cook if the governor is expected to sign the new pension bills. Mr. Cook stated that even though the governor has reservations, the

governor is expected to sign it before January 1st. The approval of the tax levy documents passed unanimously.

Approval to Waive Fees for the Garden Study Club of Hinsdale

Trustee Schultz moved approval of the waiver of rental fees at KLM. Trustee Saigh seconded and the motion passed unanimously.

Resolution of Authorization for the PARC Grant Application

Trustee Schultz moved approval of the Resolution for the PARC Grant. Trustee Saigh seconded and the motion passed unanimously.

Status Update Regarding Social Media Policy

Ms. Pisciotto stated that at the May ACA meeting, the policy was approved for the Parks and Recreation Dept to use a Facebook page on a trial basis for six months. Since the page did not go live until November 1, staff would like to extend the trial period until the June 2011 ACA meeting. The Trustees had no objection to the extension.

Trustee Schultz mentioned the ordinance restrictions regarding dogs in Village parks. He asked if that policy could be revisited. Ms. Hassett stated that the ordinance is specific to KLM and each community is different. Our ordinance is that no dogs are allowed in any park, except KLM and that park is only during specific times. She explained that there are dog owners that do not pick up after their dogs. Trustee Schultz stated that KLM was absolutely empty when he was there and felt that the vast majority of dog owners are responsible. Ms. Hassett stated that at this time of year, KLM is empty, but during the summer the park is used heavily. She stated that winter hours could possibly be increased.

Ms. Hassett stated that it can be discussed at the next Parks and Rec meeting. There have been calls about AYSO families with dogs at the games. Trustee Schultz stated that AYSO can have their own rules at their games.

Trustee Geoga stated that there are a whole variety of issues and wanted to know if we can we ask non-residents to buy a license. Ms. Hassett stated that we can't because it is not a dog park. There are a lot of rules for dog parks, like separate areas for big dogs and little dogs. Ms. Hassett will ask Parks and Rec about revisiting the ordinance restrictions.

Adjournment

As there was no further business to come before the Committee, Trustee Saigh motioned to adjourn. Trustee Schultz seconded. The motion passed unanimously and the meeting was adjourned at 8:25 P.M.

Respectfully Submitted:

Darrell Langlois
Assistant Village Manager/Director of Finance

