

VILLAGE OF HINSDALE
Administration and Community Affairs Committee
Minutes of the Meeting May 7, 2012

Chairman Geoga called the meeting of the Administration and Community Affairs Committee to order in the Board Room of the Memorial Building on May 7, 2012 at 7:31 P.M.

Members Present: Chairman Doug Geoga, Trustees Laura LaPlaca, Chris Elder and Kim Angelo

Staff Present: David Cook, Village Manager; Darrell Langlois, Assistant Village Manager; Gina Hassett, Director of Parks and Recreation; and Timothy Scott, Economic Development Director

Approval of Minutes – April 2, 2012

Trustee Elder moved approval of the minutes. Trustee LaPlaca seconded and the motion passed unanimously with minor corrections requested by Chairman Geoga.

Monthly Reports

Mr. Langlois presented his March report, which covers the eleventh month of the 2011-12 fiscal year. Mr. Langlois reported that Base Sales Tax receipts for the month of March increased by 10.8% and for April increased by 13%. For FY 2012-13, total base sales tax receipts ended the year at \$2,557,000 an increase of 7.7%. This variance is favorable when compared to budget as this revenue source was projected to increase 4% in the FY 2011-12 Budget. Total Sales Tax receipts (including local use taxes) for the FY 2012-13 amount to \$2,805,476, an increase of 7.1%.

Mr. Langlois reported that during April we received our seventh tax distribution of the new 1% Non-Home Rule Sales tax. The amount received for March was \$166,355 and for April was \$122,486. Total collections for FY 2011-12 were \$968,849, which is approximately 62.5% of the base sales tax amount for the same seven month period. This is slightly above the 60% amount estimated during the referendum campaign and was used for the FY 2011-12 Budget.

Mr. Langlois reported that Income Tax revenue for the month of March increased by 23.4% and for April increased by 11.4%. Total Income Tax receipts for FY 2011-12 totaled \$1,380,353 a decrease of \$18,368. This variance is unfavorable when compared to budget as an increase of 2% was assumed in the FY 2011-12 Budget, but is improved when factoring the expected change from the census count whereby it was expected that receipts would decline by 5%.

Mr. Langlois reported that the State did not make an income tax payment during February but did make a payment in both March and April. The State remains four months in arrears or \$501,579 behind the normal payment schedule.

Mr. Langlois reported that Food and Beverage tax revenue for March amounted to \$23,262, an increase of 3.9%. Year to date, Food and Beverage taxes earned for the first eleven months of the year amount to \$289,219, an increase of 11.2%. This variance is favorable when compared to budget as an increase of 2% was assumed in the FY 2011-12 Budget.

Mr. Langlois reported that property tax collections through March amount to \$5,899,048, which is approximately 102.4% of the Village's tax levy. This variance is due to realizing almost all of the 1% loss factor utilized by the counties when extending property taxes and an adjustment of over \$50,000 in Dupage County levy due to "truing up" the estimated amounts at Cook County.

Combined Gas, Electric, Telecommunications, and Water Utility Taxes for March were \$176,596, which is 0.9% below previous year's receipts. Year to date utility tax collections are \$1,947,294, which is 0.1% above the prior year. Telecommunication tax revenues are up over the prior year and \$48,000 over budget.

Building Permit revenue for March totaled \$218,161, which is 157% above the amount received during the same period last year. Year to date permit revenue is not comparable to the prior year due to the Village receiving significant non-recurring permit revenue from Hinsdale Hospital related to its expansion project in the summer of 2010. Year to date permit revenue is \$1,153,749, which is \$249,224 above the straight line budget allocation for this revenue source.

Park and Recreation Fees totaled \$733,670, which is a decrease of 7.2%. \$26,000 of this decrease is due to decrease rental fees at KLM. A Finance/Park and Rec subcommittee held their first meeting last week

Mr. Langlois reported that total legal billings through March amount to \$178,681, which is tracking below budget for the first eleven months of the year. Of this amount, approximately \$45,000 is reimbursable from outside parties. Although we have experienced significant declines in the cost of legal services over the last few years, these amounts will likely start to trend upward due to the costs of collective bargaining.

Water and sewer fees for the month of March totaled \$293,351, a decrease of 15.4%. Most of this decrease is due to approximately to 10 less billing days in this year's billing due to timing of meter reading over the last three months. Year-to-date water and sewer fees for the first ten months of the year total \$5,814,444, an increase of 1.0%.

The year to date performance of water and sewer revenue, when taking into account the DWC usage decline, has improved. Staff expects that much of this positive result in due to strides we have made in water billing, especially the work we have done on indentifying slow and stopped meters. In January staff sent out another 300 letters and continues to pursue meters that we believe may have stopped. In calendar 2011 we changed 223 meters and so far this year we have changed 248. As it relates to our aging meter stock, we have randomly replaced 20 older residential meters that appear to be functioning correctly to ascertain meter accuracy. Based on testing from an outside vendor, ten of these meters failed the test as it relates to AWWA standards; on average the failed meters were under

recording water consumption by 10%. Due to the small sample size we are going to test approximately 30 more meters. Within the next 45 to 60 days staff expects that we will report more comprehensively on this work along with a recommendation on how we proceed with metering and billing in the next three to five years.

In conjunction with the FY 2012-13 budget process, staff has updated the estimated end of year amounts for all revenues and expenditures. On a net basis, the end of year results project to an end of year surplus in the General Corporate Fund of \$565,783, which is \$506,591 greater than the amount of \$59,192 assumed in the FY 2011-12 Budget. Since the estimated amounts include FY 2012-13 draft budget recommendations to make discretionary police and pension contributions as well as additional contribution to the Capital Projects Fund, the actual budget surplus is approximately \$600,000 greater than reported.

Park and Recreation Activity Report

Ms. Hassett presented the report. Ms. Hassett reported on the 5K race and stated that she a little disappointed by the lack of athletic organizations support. The proceeds should be approximately \$10,000. Ms. Hassett and Darrell Langlois have met with Hinsdale Swim Club regarding an extension of the their pool usage agreement.

Ms. Hassett reported that the July 4th entry forms are out and there is a shortage of marching bands because they take July off. Veeck Park project has stalled because of the rain. As soon as the weather improves, final grading will begin. Bid documents are being prepared for the disc golf and the concrete has come in over budget. There are some avid disc golfers that are willing to help with the project. Ms. Hassett stated that there are some alternatives to continue the project and we have until 2013 to finish it.

Trustee LaPlaca asked about the funds from the race and if they could be used for the difference in cost. Ms. Hassett explained that the money was designated for park projects that are not in the budget.

Ms. Hassett stated that the material at the skate park has been replaced and she explained that the pieces are made poorly and it is not due to misuse of the park. The early bird pool rates ended on April 30th and the numbers are ahead of last year. Ms. Hassett asked Chairman Geoga if Tim Scott should join the Lodge sub-Committee.

Trustee LaPlaca asked about the Girl Scout project to prepare a garden plot. Ms. Hassett stated that the Wellness House is aware of the project.

Economic Development Director Report

Mr. Scott reported on the small business weekend and that most of the feedback has been positive. He reported that the stores were busier than normal. The on-line advertising program promoted the event.

Mr. Scott reported on some prospective tenants for Gateway Square. Fox's will have the public hearing next week.

Mr. Scott reported that the last step on the First Street walkway wall has been completed. If future resources are available, additional improvement could be done to the surface of the bi-level walkway.

Trustee LaPlaca asked if the Spice Shop did their barbeque in the parking area during the small business weekend. Mr. Scott stated that they could not do it that quickly and are planning it for May 19th.

Approval of a Resolution Approving a Five Year Extension on the Lease Agreement between the Village of Hinsdale and the Community House

Chairman Geoga explained the request for the lease of the Youth Center. Chairman Geoga commented that Section 10 was what was concentrated on and the usage of the building.

The Director of Programs and Facilities, Dan Janowick was present and submitted a written report on the current uses of the facility. Mr. Janowick summarized the report and stated that the middle school age group is the primary users. There are a variety of programs offered that are supervised.

Mr. Janowick stated that the Boy Scouts have made a lot of improvements to the facility. Trustee LaPlaca asked about who was benefitting from this and asked if the parties made a profit for the Community House. Mr. Janowick explained that most of the events just cover the costs. Trustee LaPlaca also wanted to know if Hinsdale Humane Society paid the Community House for use of the space, and Mr. Janowick indicate that he wasn't sure. Trustee LaPlaca stated that it is important to the Trustees whether or not it is appropriate to have a free facility and then have the Community house profit from it.

Trustee LaPlaca mentioned the programs that she believes do make money for the Community House. Mr. Janowick stated that for next year they can give the costs for the programs so the board has that knowledge. Trustee Elder asked how much money has been invested into the building. Mr. Janowick believes that it is about \$15,000 and a lot of that is in computerization and about \$5,000 per year is in the upkeep of the building.

Trustee LaPlaca commented that the Community House needs to be aware that the agreement for this space is for the benefit of the community for the minimal rental arrangement. Chairman Geoga mentioned that the board wants to be consistent with all organizations using facilities in town. The lease agreement is extended for five years but some adjustments need to be made to the Lease.

Trustee Elder moved approval of the request. Trustee LaPlaca seconded the motion and the motion passed unanimously.

Approval of Fiscal Year 2012-13 Blanket Purchase Orders in the amount of \$1,096,850

Chairman Geoga asked Mr. Langlois to explain the background of the purchase orders. Mr. Langlois noted that the Village Manager's spending limit is \$10,000 and the list provided is

for vendors that we estimate will be in excess of \$10,000 from multiple purchases. The total amount and vendors is consistent with last year.

Trustee LaPlaca moved approval of the request. Trustee Angelo seconded the motion and the motion passed unanimously.

Continuation of Discussion of the Board and Commission Structure - Economic Development Commission

Chairman Geoga explained the request. Chairman Geoga stated that adjustments have already been made to some term limits. He mentioned that the Finance Commission raised questions about the EDC budget is determined, the food and beverage tax revenue and how it is spent. The Finance Commissioner asked what was the recommended use of those funds for the downtown and promotional materials. They wondered whether the board was bringing to bear the same level of scrutiny to these expenditures as other areas.

Chairman Geoga stated that the municipal code doesn't have much to say about how the EDC is funded. Chairman Geoga presented a PowerPoint overview regarding background on the EDC and food and beverage tax revenue.

John Karstrand and Tim Scott provided the Committee with history of the EDC. Mr. Scott stated that there was no program that preceded the EDC. The program was built when Mr. Scott was hired by the Village and the program encompasses both promotional issues and physical improvements. Mr. Scott explained on how the food and beverage tax revenue is used and how he has tried to educate people on how to market Hinsdale.

Mr. Scott explained the process of locating potential businesses for the downtown. Mr. Scott designed some of the signs and he explained how he has tried to protect the atmosphere for the merchants.

Chairman Geoga showed the history of the work of the EDC on the screen and it could be seen that the amount of tax used has not been consistent. Trustee LaPlaca asked when the 50% kicked in. Mr. Scott explained that he thinks it was 2009 and it was originally set up for 50% of the food and beverage tax was for capital and 50% for infrastructure projects.

The Trustees discussed the funding from the food and beverage taxes and how it was and currently is allocated. Trustee LaPlaca commented on some of the capital improvements that have been done such as the Memorial Building roof. These will not affect people coming to the central business district. Trustee LaPlaca stated that some of the expenses need to be prioritized to recognize the importance of them in comparison with the rest of the needs of the Village.

Trustee LaPlaca asked Mr. Karstrand if there was a significant amount that came from the Oasis and if he knew the breakdown. Mr. Karstrand stated that he thinks the Oasis is not that big of an amount. Approximately 20% comes from the Oasis and it is only the food taxes.

Mr. Karstrand stated that there could be new signage and improvement in the condition of the roads. The Committee is constantly trying to promote all of the businesses, not just the downtown business district. The EDC budget wants to have the town have a certain look and feel. There was discussion among the Trustees regarding the businesses and some of the uniqueness in Hinsdale.

Mr. Scott explained some things that have been tried in regards to advertising. Mr. Scott commented that there are five potential non-residents for the EDC and that the student member has not showed up at any meetings. Mr. Karstrand stated that the term limits have been an issue as well.

Chairman Geoga asked the Trustees how to move forward. Trustee LaPlaca suggested a compromise position that the village provides a percentage of the food and beverage tax to EDC for projects to be approved by the board but that there should be a cap on the amount given to the Committee because the food and beverage tax increases every year. Mr. Karstrand stated that the board does have control of the funds now and some of the things they would like to expand. EDC would like to expand the holiday lighting. Trustee Elder suggested that monies could be used for a capital project. Chairman Geoga indicated that he would work with Trustee LaPlaca and staff to attempt to formulate a budget policy that could be considered at the next ACA meeting.

Adjournment

As there was no further business to come before the Committee, Trustee Angelo motioned to adjourn. Trustee LaPlaca seconded and the motion passed unanimously. The meeting was adjourned at 9:13 P.M.

Respectfully Submitted:

Darrell Langlois
Assistant Village Manager/Director of Finance