

**Village of Hinsdale
Finance Commission
Minutes of the Special Meeting on August 30, 2012**

Members Present: Chairman Hughes, Commissioners Balzekas, Morris, Rose, Posthuma, and Waldo

Members Absent: Commissioners Maali and Tobia

Staff Present: Darrell Langlois, Assistant Village Manager/Finance Director; Dave Cook, Village Manager and Chris Webber, Assistant Finance Director

Also Present: Trustees Geoga and Elder

Meeting Called to Order at 7:30 p.m.

Approval of Minutes

Chairman Hughes asked for a motion to approve the minutes of the June 21, 2012 Commission meeting. Commissioner Morris moved approval of the minutes, Commissioner Waldo seconded. Chairman Hughes pointed out two items of clarification to the minutes. After a brief discussion the minutes were unanimously approved with these changes.

Agenda Items

Review and Discussion of the July 2012 Treasurer's Report

Mr. Langlois presented the Treasurer's Report. Sales tax revenue continues to be strong and is up 12.9% for July and 11.5% for August. Sales Tax revenue is 7% above budget expectations. Local sales and use taxes are up 9.1% for the first four months of the year.

Income tax revenue for July and August increased so that revenue source has been strong. The 2013 Budget did not assume an increase for this revenue source.

The state of Illinois is still three months behind on their payments to the Village. Food and beverage tax increased about 13.5% over last year. June is the first big property tax revenue month and 46.5% has been collected so far. Utility tax revenue is 5.5% above last year and he expects that will remain strong.

Mr. Langlois reported that building permits revenue was down, a 31% decline from last year. August is expected to be in excess of \$120,000. Mr. Cook reported that the fall is now usually strong for permit revenue as contractors rush to get work done before winter.

The Commissioners discussed the Utility Tax revenues. Mr. Langlois reported that the legal fees are tracking below budget and all others expense items are tracking as expected. Mr. Langlois commented on increased water usage during the summer. Mr.

**Village of Hinsdale
Finance Commission
Minutes of Meeting On
August 30, 2012**

Cook explained that there have been expenses from water main breaks. There was discussion among the Commissioners and Mr. Langlois regarding water usage and rates.

Mr. Langlois reported on the Capital Improvement Fund deficit, which is due to the three major road projects that are on-going, with some of the expenditures occurring before the revenue from bond proceeds has been received. There will be approximately \$5 million in bond proceeds received in September that will more than offset the current deficit. Bonds were sold in August and the Village received an average interest rate of 2.09% for 20 years.

Review and Discussion of the Five-Year Departmental Capital Plan

Chairman Hughes asked Mr. Langlois to explain the Plan. Mr. Langlois explained how the Five-Year Capital Plan was suspended at the onset of the recession and is now being reinstated in order to address the long range planning of capital items not related to infrastructure. Mr. Langlois stated that staff submitted their department requests and explained the process for prioritizing the funding these projects at the staff level.

Mr. Langlois stated that a lot of the costs were revised during the process. Mr. Cook stated that a good portion of the capital are vehicles and they were put on a rotation schedule, and which is now included as an appendix in the Plan. Commission Morris asked what is the purpose of the Plan would be in the future.

Mr. Cook stated that this is the first year there is a reserve for capital, and also noted that the proposed spending is relatively even for each of the five years. Mr. Cook stated that each year approximately \$1.25 million will be put into the fund in order to smooth variances in capital from year to year, but this is the amount required to maintain capital. Chairman Hughes asked if this would be done annually and understands that this five year plan can change. There was discussion with the Commissioners regarding the plan and how the budget will include a capital fund. Mr. Cook explained the changes required if the Village goes to shared services for police and/or fire.

Chairman Hughes suggested that the list should be gone through department by department. Chairman Hughes asked Mr. Langlois if there was any additional information that needed to be discussed. The Commissioners asked about how Information Technology is managed at the Village. Mr. Langlois explained how the financial applications are outsourced and the police and fire manage their own applications. Mr. Langlois explained that the IT department consists of one full time staff member assisted by limited part time helpers.

The Commissioners discussed the IT costs and the servers. Mr. Langlois stated that the email server is scheduled to be replaced and that all emails have to be archived due to record retention and Freedom of Information requirements. Mr. Cook stated that all

**Village of Hinsdale
Finance Commission
Minutes of Meeting On
August 30, 2012**

projects have supporting documentation, and in many cases inflation of 2% to 3% has been added. to them.

Mr. Langlois talked about the Food and Beverage tax that is collected for Economic Development. As a result of recent policy discussions, the Economic Development Commission may receive up to 50% of total Food and Beverage Tax collections, with 60% of this amount dedicated to advertising and promotion, and the remaining amount of 40% being available for capital projects that may be approved during the budget process.

The Commissioners discussed the Police section and asked about the costs for the parking enforcement computer software. Mr. Cook stated that the last one that was bought was \$6000. The Commissioners discussed patrol cars and if there was a more “green” option for purchasing vehicles. Mr. Cook reviewed the appendix showing the replacement cycle.

The Commissioners discussed the Fire Department section and questioned why one of the engines is scheduled to be replaced earlier than the other. Mr. Cook explained that with the service agreement with Clarendon Hills, one of the fire trucks will not be needed and will remain as a reserve engine. Chairman Hughes asked why the truck wouldn't be sold. Mr. Cook noted that the ladder truck life is 20 years and it will be paid off in 10 years.

The Commissioners discussed the Public Services section. Commission Waldo asked about the Historical Society building. Mr. Cook stated that it is cost sharing lease and with the Village owning the land. Chairman Hughes asked about the funds for street lights and wanted to know if they have a useful life. Mr. Cook stated that there are 250 ornamental street lights and that it is a proposed ten year program to replace them. Commissioners asked about the pool vehicles and the cost for resurfacing streets.

The Commissioners discussed the Parks and Recreation section. Chairman Hughes stated that no reserve is in place for replacement of the pool as the ultimate replacement will likely be a referendum question and a potential bond issue.

Trustee Geoga commented on the capital expenditures that are not infrastructure. He doesn't believe that they are being overly conservative in the numbers. Mr. Langlois stated that he thinks the figures could be off by 5% but are in a reasonable range. Trustee Geoga commented on the MIP and that many water mains that need replacement are not included in that.

Chairman Hughes stated that the Commission understands that the \$1.25 million capital does not cover replacing the pool and only covers maintaining it. He believes that there should be some figures including for including that replacement. Trustee Geoga believes that that expense should be one that goes to referendum to the voters.

**Village of Hinsdale
Finance Commission
Minutes of Meeting On
August 30, 2012**

Chairman Hughes stated that the items on the list are all must haves, not wants and most of that money for Frisbee golf is grant money. Mr. Cook stated the useful life for playground equipment is around 12-15 years.

The Commission discussed the number of vehicles in public services and for the parks department. Mr. Langlois explained what the residents expect and believes the size of the fleet is within normal range. Chairman Hughes would like an inventory of all of the Village vehicles. Mr. Langlois stated that there is that inventory on the last page of the Plan.

Chairman Hughes noted that water and sewer billing will be discussed at the next meeting. Mr. Langlois will put together the list of assets that are more than \$50,000 for the next meeting.

Chairman Hughes thanked Mr. Langlois for the report. Commissioner Morris gave a report on the KLM Sub-Committee and no progress was made. Mr. Cook stated that there will be a new staff report summarizing operations on a monthly basis. Commissioner Morris stated that the rate structure was low and the fees should be increased. Mr. Cook commented on the options and staff is looking at rates of the competition.

Adjournment

As there was no further business to come before the Commission, Commissioner Morris moved to adjourn the meeting, seconded by Commissioner Posthuma. The meeting was adjourned at 9:25 p.m.

Respectfully Submitted:

Darrell Langlois
Assistant Village Manager/Finance Director