

**Village of Hinsdale
Finance Commission
Minutes of Meeting on July 29, 2010**

Members Present: Chairman Burrridge, Commissioners Posthuma, Waldo, Kushner, Hughes, Elder, and Maali

Members Absent: Commissioners Aggarwal and Savickas

Staff Present: Darrell Langlois, Assistant Village Manager

Others Present: Trustee Doug Geoga

Meeting Called to Order at 7:35 pm.

Approval of Minutes

Chairman Burrridge asked for a motion to approve the minutes of the February 29, 2010 Finance Commission meeting. Commissioner Kushner motioned for the approval of the minutes for the February 29, 2010 meeting, Commissioner Elder seconded. The motion passed unanimously.

Discussion Items

Review and Discussion of the June, 2010 Treasurer's Report

Mr. Langlois presented information from the June 2010 Treasurer's Report. Sales tax revenue has continued to show monthly increases, but income tax revenue has continued to show marked decline as indicated by double digit declines the last three months and significant declines from the same period in 2008. Also regarding income tax, he noted that during May the State skipped another month and now was five months behind, which amounts to approximately \$635,000. General discussion took place between the Finance Commission over these late payments and how this could affect the budget and cash flow.

Mr. Langlois continued to present information regarding the revenue and expenses of the Village compared to the previous year and forecasted figures. Food and beverage receipts were up over the prior year and are expected to end the year over budget. Investment earnings continue to be low due to low market yields, and it was noted that over the last ten years this has had a major negative impact on the Corporate Fund budget. Property tax revenue began to be received in June and is tracking as expected; the weak housing market should not impact this revenue source. Utility tax revenue has trended upward due to the water rate increase and hot summer. Permit revenue is down slightly but will be over \$400,000 in July due to Hinsdale Hospital. Mr. Langlois noted receipt of drug forfeiture revenue of \$239,000 during June that is restricted to new law enforcement expenditures. The Police Department is working on a spending plan for this unbudgeted revenue, much of which is expected to go towards updating technology in the

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Police Department, which has been difficult to fund over the last several years due to the economy.

Review of Governmental Operating Trends 1996-2011

Chairman Burridge noted that he requested this report which indicates the Village has done a very good job reacting to the new economic realities. What stands out is the dramatic increase in pension costs over this time frame in relation to revenue increases and comparison with other operating expense. Commissioner Kushner also noted the impact of the cost of health care and concerns going forward due to new legislation. Commissioner Waldo noted the increase in public safety costs in relation to CPI, which has increased 5% to 6% per year and well above CPI. Chairman Burridge noted the need to maximize revenues in order to balance the long term budget of the Village

Discussion of Ongoing Priorities

The initial discussion of this item centered around what if any role the Finance Commission should have regarding economic development. Trustee Geoga noted a possible task force being created by President Cauley to address this issue. There was discussion regarding the actual impact of store vacancies downtown on the Village budget and that filling these stores would not materially impact the need for the new sales tax. Trustee Geoga noted a number of issues regarding Village service levels and the impact of sharing public safety services. As a result of these discussions, the Finance Commission created two subcommittees. The first Committee would consist of Commissioners Kushner and Elder, who will draft an educational piece regarding the budget and infrastructure plan for review at the next meeting that would be used to help educate the public on the upcoming non-home rule sales tax referendum. The second subcommittee would consist of Commissioners Hughes and Waldo who will meet with staff regarding shared services in order to “size up” the potential impact this could have on future budgets. The minimum dollar threshold would be \$250,000.

Adjournment

As there was no further business, the meeting was adjourned at 9:43 P.M.

Respectfully Submitted:

Darrell Langlois
Assistant Village Manager

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