

**Village of Hinsdale
Finance Commission
Minutes of Meeting on February 25, 2010**

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

Members Absent: Commissioner Savickas

Staff Present: David Cook, Village Manager, Darrell Langlois, Assistant Village Manager

Others Present: None

Meeting Called to Order at 7:31 pm.

Approval of Minutes

Chairman Kane asked for a motion to approve the minutes of the December 3, 2009 Finance Commission meeting. Commissioner Kushner motioned for the approval of the December 3, 2010 meeting. Commissioner Waldo seconded. Chairman Kane requested that the minutes be revised to specify the \$300,000 contingency amount recommended by the Commission. The motion passed unanimously.

Discussion Items

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

Mr. Langlois presented information from the January 2010 Treasurer's Report. He stated as a whole most figures were near budget expectations and should continue to be above these expectations until the end of the fiscal year. He touched on the current situation with late income tax payments from the state of Illinois and stated that the State was three months behind totaling approximately \$300,000. General discussion took place between the Finance Commission over these late payments and how this could affect the draft 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 until the end of the fiscal year as well as a summary of corporate fund line items, possible uses of the FY 2009-10 contingency fund, and the need to raise water rates to offset increasing costs and to pay for a debt service for the Veeck Park Wet Weather Treatment Facility. General discussion took place over historical Village water rates and the water fund and the breakdown of charges associated. Chairman Kane provided an overall summary and noted that sales, income, and food and beverage taxes have been trending positive while telecommunications tax and permit revenue have been decreasing. Mr. Cook noted that the sales tax collected on gasoline sales is the largest tax category that the Village receives and that due to rising prices this should have a positive impact on revenues. Chairman Kane suggested that the

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Village plan conservatively for this year's upcoming budget. The Commission also reviewed how water fund revenue is utilized.

Discussion of Draft FY 2010-11 Budget

Mr. Cook provided an overview of the draft budget for 2010 and discussed certain details of the plan. He discussed revenue items, expenses, contingencies and the methodology used for a number of calculations. He also discussed alternatives for new sources of revenue and places where expenses have been reduced to help balance the budget such as wage freezes, layoffs, decreased legal expenses, and a number of other items and procedures. Mr. Cook also discussed grants that have been received from projects such as the Garfield road reconstruction and funds for projects at KLM Park as well as other grants that the Village will be able to take advantage of in the upcoming fiscal year. General discussion took place over the comparison of the previous year's budget to the draft budget, certain layoffs that might take place, and the unpredictability of forecasting the budget for the upcoming year.

Chairman Kane expressed concerns regarding the draft budget including the amount of reserves available and the need to increase reserves to a more suitable level. He questioned the contingency amount and also issued raised concerns over the state's late payment of income tax revenue to municipalities. General discussion took place between the Finance Commission over other issues that each Commissioner felt the Village should be concerned about. Mr. Cook addressed most of these concerns and indicated that of the amounts presented in the draft budget the one concern he had would be with permit revenue due to the uncertainty of construction during this upcoming year. He also noted the rising costs of funding pensions. Discussion continued over the amount that should be budgeted for legal costs because of the unpredictability that can be associated with this item, specifically if there is litigation. The Finance Commission also discussed the possibility of a referendum approved increase in the sales tax and how that would impact the budget.

Overall the Finance Commission was in support of the Draft Budget. Although there was discussion and concern from some members regarding the amount to budget legal fees, the Commission agreed with the staff recommendation of \$250,000. It was the consensus of the Commission to recommend to the Village Board that the Contingency amount be increased from \$100,000 to \$300,000 and that this \$200,000 increase would be accomplished by reducing the amount transferred to the Infrastructure Fund by \$100,000 and a reduction of \$100,000 in departmental capital by accelerating projects to FY 2009-10.

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Adjournment

Commissioner Kushner motioned to adjourn the February 25, 2010 Finance Commission meeting, seconded by Commissioner Waldo. The vote was unanimous and the meeting was adjourned at 9:42 P.M.

Respectfully Submitted:

Darrell Langlois
Assistant Village Manager