

**Village of Hinsdale
Finance Commission
Minutes of the Regular Meeting on November 12, 2015**

Members Present: Chairman Waldo, Commissioners D'Arco, Morris, Posthuma, and Tobia

Members Absent: Commissioner Morris

Staff Present: Darrell Langlois, Assistant Village Manager/Finance Director, Chris Webber, Assistant Finance Director, Gina Hassett, Park and Recreation Director

Also Present: None

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

Approval of Minutes

Chairman Waldo presented minutes from the February 26, 2015 meeting and noted one minor correction to the minutes. Commissioner Tobia moved for approval of the minutes, Commissioner D'Arco seconded. The minutes were unanimously approved.

Chairman Waldo asked for a motion to approve the minutes of the March 26, 2015 Commission meeting. Commissioner Tobia moved for approval of the minutes, Commissioner Posthuma seconded. The minutes were unanimously approved.

Agenda Items

Review and Discussion of the August 2015 Treasurer's Report

Mr. Langlois started by noting that with the August Treasurer's report the Village is starting to see the impact of the State budget impasse in that the Village has not received Motor Fuel Tax (MFT) distributions since July, 2015. This amounts to about \$33,000 per month and the State is currently about \$99,000 in arrears on MFT distributions. There is a pending bill that will hopefully release these funds. Commissioner Posthuma questioned the impact this delay would have on funding the MIP, Mr. Langlois noted that MFT revenues are spent every two or three years on MIP work and this delay does not have a significant immediate impact.

Beginning in September, the State also stopped making Use Tax distributions to municipalities due to the absence of a State budget. Although not making Use Tax payments, the Illinois Department of Revenue website is still reporting the revenue sharing allocations so we can determine how much is owed under the current revenue sharing formula. During September, the Village did not receive a payment of \$33,382 that should have been made, nor has the Village received \$30,949 for October. Use Tax revenue is reported as a component of "Sales Tax" revenue and is a funding source for the General Fund. If there is no additional Use tax monies distributed this fiscal year this would have an impact of approximately \$240,000 on the General Fund. Due to these uncertainties we

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have delayed some capital purchases. There was general dialogue about a number of issues related to the State budget impasse and its possible impact on Hinsdale finances.

Mr. Langlois reported that base Sales Tax receipts for the months of September (June sales) decreased by \$29,000 or -12.3%, and for October (July sales) revenue decreased by 3,800 or -1.5%. Year-to-date base sales tax receipts for the first six months of FY 2015-16 totals \$1,346,349 as compared to \$1,425,086 for the same period last fiscal year, a decrease of \$78,737 (-5.5%). This variance is unfavorable when compared to budget as this revenue source was projected to decrease 3% through December 2015 due to the expected impact of declining gasoline prices. Total Sales Tax revenue (including local use taxes of which \$64,331 is unpaid) for the first six months of the fiscal year totals \$1,533,021 as compared to \$1,573,039 for last fiscal year, a decrease of \$40,018 (-2.5%).

Income Tax revenue for the months of September (August liability) and October (September liability) amounted to \$97,624 and \$171,578 as compared to prior year receipts of \$89,380 and \$159,480 respectively. This represents an increase of \$8,244 (9.2%) for September and an increase of \$12,098 (7.6%) for October. This variance is favorable when compared to budget as this revenue source was projected to increase 3% in the FY 2015-16 Budget. Total Income Tax receipts for the first six months of FY 2015-16 total \$974,943 as compared to \$845,773 for last fiscal year, an increase of \$129,170 (15.3%). This variance more than offsets the negative budget variance from Sales Tax.

Regarding the delay in income tax payments from the State of Illinois, during September the State actually made two payments, lowering the amount owed to \$97,600 or one month behind the normal payment schedule. Considering the well-publicized cash flow issues at the State, the fact that they actually caught up one month of payment during September is surprising. For the month of October, however, we did not receive an income tax payment and the payment delay returned to two months or about \$200,000.

Food and Beverage tax revenue for September amounted to \$38,078 as compared to the prior year amount of \$33,403, an increase of \$4,675 (14.0%). Year to date Food and Beverage taxes earned for the first six months of the year amount to \$200,772 as compared to the prior year amount of \$180,816, an increase of \$19,956 (11.0%). This variance is favorable when compared to budget as an increase of 3% was assumed in the FY 2015-16 Budget. Commissioner D'Arco inquired as to whether the addition of the Fuller House has negatively impacted tax receipts from the other downtown restaurants. Mr. Langlois indicated he would research and report back on this at the next meeting.

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Utility Tax revenue through August was nearly flat, but the telecommunication tax component is up about 15% year to date. We continue to try to work with the State regarding a possible underpayment situation with a large telecommunication tax payer. Building Permit revenues for August were \$127,000 and were more than \$112,000 for September. Although not reported, building permit revenues for October will be in excess of \$400,000. Building Permit revenue is expected to well exceed budget.

Mr. Langlois noted that water purchases are very low, May through July were 23% below average and were 4% below average for August and September. This will negatively impact the financial results for Water Fund as the decline in water purchases will translate into lower water revenue. There was additional discussion about the potential impact of changes in LGDF and other state revenue sharing formulas.

Review and Discussion of Community Pool Operations

Ms. Hassett provided background information on the pool facility and pool operations. Of note was that personnel expenditures for the recently completed season were approximately 20% below the prior year. This was due to better management oversight and letting staff go home early due to bad weather. Ms. Hassett reviewed changes in revenues and note that implementing a new “neighborly pass” for certain non-residents has offset declines in revenue from residents. Approximately 66 neighborly family passes were sold this year and generated \$18,600 in new revenue.

There was general discussion regarding revenue trends for both resident and non-resident memberships. A village-wide park and recreation survey will be mailed soon and will have a number of questions related to pool usage. Ms. Hassett noted there is significant competition for pool users as there are approximately 15 pools in a five mile radius and many have more updated features. Ms. Hassett noted several possible improvements to the pool that may be considered but is not sure if these would necessarily improve the financial results.

Chairman Waldo requested additional information as to pool utilization statistics and inquired if similar information was available for the Clarendon Hills pool. She will try to seek this information out. Chairman Waldo noted that it would be helpful to compare our utilization statistics with other pools. There was general discussion about District 86 possibly constructing a natatorium and whether the pool at Clarendon Hills could absorb Hinsdale’s members, which Ms. Hassett noted that it is not big enough to do this and parking would be a major problem for them. There was general discussion about pool operations and the swim team utilization of the pool.

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Information Item-Village Board Review of Fees Presentation

Mr. Langlois noted that during October the Village Board reviewed the rates for a number of user fees such as building permits, ambulance fees, false alarms, vehicle and business licenses, etc. Many of these fee categories have not been reviewed for many years. The Village Board approved increases in several fee categories which will impact next year's budget. The Finance Commission had expressed interest regarding ongoing Village Board discussions on changes in parking fees, these discussions are ongoing and nothing has been decided.

There was some general discussion on rationale for increases in vehicle licenses fees, ambulance fees, and building permits. Mr. Langlois noted that it is important that there be some systematic increases in user fees in order to keep pace with increases in the cost of providing Village services. The Commission also inquired about the potential installation of safety bollards on Washington Street.

New Business

Chairman Waldo noted that there would be a subcommittee formed to review pension funding and actuarial studies. Commissioner Posthuma volunteered to serve on the Committee, Mr. Langlois would see if Commissioner Morris would be interested in serving. Chairman Waldo will serve if Commissioner Morris is not available.

Adjournment

As there was no further business to come before the Commission, Commissioner Tobia moved to adjourn the meeting, seconded by Commissioner Posthuma. The meeting was adjourned at 9:13 p.m.

Respectfully Submitted:

Darrell Langlois
Assistant Village Manager/Finance Director

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