

AGENDA
VILLAGE OF HINSDALE
SPECIAL MEETING OF THE FINANCE COMMISSION
AGENDA
November 12, 2015
7:30 P.M.-MEMORIAL HALL
(Tentative & Subject to Change)

1. Approval of Minutes
 - a. February 26, 2015
 - b. March 26, 2015
2. Review and Discussion of the August, 2015 Treasurer's Report
3. Review and Discussion-Community Pool Operations
4. Information Item-Village Board Review of Fees Presentation
5. New Business
6. Adjournment.

Items listed on the agenda will be discussed and considered by the Commission. Public comment on the agenda items is welcome during discussion by the Commission.

The Village of Hinsdale is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of the meeting or the facilities, are requested to contact Darrell Langlois, ADA Coordinator at 630-789-7014 or by TDD at 789-7022 promptly to allow the Village of Hinsdale to make reasonable accommodations for those persons.

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**Village of Hinsdale
Finance Commission
Minutes of the Special Meeting on February 26, 2015**

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

Members Absent: Commissioners Maali and Posthuma

Staff Present: Darrell Langlois, Assistant Village Manager/Finance Director, Kathleen Gargano, Village Manager; Chris Webber, Assistant Finance Director

Also Present: Trustee Elder; Trustee Hughes arrived at approximately 8:00 p.m.

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

Approval of Minutes

Chairman Waldo presented minutes from the June 24, 2014 meeting that were tabled at the January 5, 2015 meeting so that several revisions could be made. Commissioner Morris 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 January 5, 2015 Commission meeting. Commissioner Morris moved for approval of the minutes, Commissioner D'Arco seconded. The minutes were unanimously approved.

Agenda Items

Review and Discussion of the December 2014 Treasurer's Report

Mr. Langlois reported that base sales tax receipts for the months of December (September sales) decreased by of \$12,300 (-5.4%) and for January (October sales) increased by \$11,300 (4.9%). Although not reported, receipts for February were up 15,000 or 7.2% (we had projected a 3% decline. Year-to-date base sales tax receipts for the first nine months of FY 2014-15 total \$2,140,000 as compared to \$2,078,000 for the same period last fiscal year, an increase of \$62,000 (3.0%). This variance is right in line when compared to budget as this revenue source was projected to increase 3% in the FY 2014-15 Budget. Going forward, the impact of declining gasoline prices will likely start to have a negative impact on sales tax revenue. Total Sales Tax receipts (including local use taxes) through for the first nine months of the fiscal year total \$2,378,000, an increase of \$94,000 (4.1%).

Income Tax revenue for the months of December (November liability) decreased by \$2,600 (-3.1%) and for January decreased by \$17,500. Total Income Tax receipts for the first nine months of FY 2014-15 amount to \$1,171,125 as compared to \$1,217,269 for last fiscal year, a decrease of \$46,144 (-3.8%). Although not reported, February collections were up 40,000 or 25%. Counting the February payment income tax collections are at

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\$1,381,000 which is now only 0.4% below the prior year. While down compared to the prior year, during the budget process we noted that the May 2013 receipts were unusually high; in order to address this, during the budget process we projected a 20% decline in May receipts. In comparison with budget, the year to date amount is now \$25,000 over budget.

Regarding the delay in income tax payments from the State of Illinois, the State made two payments in January and now is only \$137,000 or one month behind the normal payment schedule.

Chairman Waldo asked Mr. Langlois if there was any indication as to why the February income tax payment was so high, which he replied that he was not aware of anything specific as to what might have caused such a large increase

Food and Beverage tax revenue for December amounted to \$36,700, which was an increase of \$8,900 (31.9%). Year to date Food and Beverage taxes earned for the first eight months of the year amount to \$246,200 an increase of \$13,800 (5.9%). This variance is favorable when compared to budget as an increase of 3% was assumed in the FY 2014-15 Budget. The Village is close to finding a restaurant tenant for the Brush Hill train station space, which will have a positive impact on this revenue source going forward

The results for the IMET Convenience Fund have not assumed there is a loss from the fraud issue with the First Farmers Financial repurchase agreement, of which Hinsdale initially had \$64,912 at risk. On February 11, 2015 we received a distribution from the liquidating trust of \$1,131, lowering the Village exposure to \$63,781. Accounting standards will require us to write this investment off and recoveries in subsequent years will be treated as investment income.

Combined Gas, Electric, Telecommunications, and Water Utility Tax revenue for December was \$156,000, which is \$700 or 0.5% above previous year's receipts. Year to date Utility Tax receipts amount to \$1,292,410, a decrease of \$85,158 or 6.2%. For the year, utility tax collections are projected to be \$146,600 below budget of which \$131,000 is attributed to declines in telecommunications tax revenue.

Several months ago we received specific tax payer payment information and compiled the data for a two year period. As a result of this review, we have noted several unusual changes but most of the decline is isolated to one large tax payer. We have made inquiries with the Illinois Department of Revenue in late October and again in early December as to the causes of the unusual changes. In February we received an unsatisfactory and incomplete response and have written back requesting further information. That being said, declining telecommunications tax revenue is consistent with a statewide trend. Mr. Langlois noted the difficulties he has had getting the Illinois Department of Revenue to actively pursue this matter.

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Building Permit revenues for December were \$181,000, which is \$65,000 or 56.0% above the prior year. For the first eight months of the year, total Building Permit revenue stands at \$1,780,000, an increase of \$742,000 or 71.5%. Even though over \$300,000 of the increase relates to the Hinsdale Hospital Cancer Treatment Center, the remainder is still well above budget. The year to date amount already puts the Village over the annual revenue budget by \$427,000, with total year end receipts currently projected to be \$837,000 over budget.

Mr. Langlois noted that the five year average revenue directive that was given by the Finance Commission for the FY 2015-16 budget may be adjusted upward do to a possible increase in fees. Commissioner Morris asked if staffing had been changed to address the high permit volumes. Mr. Langlois noted that some additional staffing had been added

OPERATING EXPENDITURES:

As December is only the eight month of the fiscal year, operating expenditures for all Departments are still within budgetary expectations. Staff has continued to monitor departmental expenditures, including overtime.

Although not yet reported, the Village did incur significant costs in responding to the early February blizzard. As a result of this, overtime costs are presently over budget by \$12,000; in addition we had to use approximately \$10,000 in outside contractors to assist with snow removal. Village Manager Gargano noted that the amount spent for salt had also exceeded budget.

Mr. Langlois noted the water purchased graph, which illustrates that water purchased from the DuPage Water Commission for the months of July to November was down 19.8% as compared to the prior year. For the month of December water purchased was only 7.6% below the prior year, but this was the point last year where we started notice significant water leakage form undetected water main breaks due to the harsh winter. When comparing December 2014 usage to the previous 12 year average, water purchased actually increased by 2%. Hopefully we are seeing the end of the low use pattern as this has a major effect on Water Fund revenues as year to date revenues are \$1,168,000 below the year to date budget.

Assistant Finance Director Webber reviewed the status of the water meter replacement project, whereby he noted that there had been 1,182 installations completed, which is about 22% of the project. The vendor is currently running ahead of schedule. The new reading system has already helped us address several leak situations with Village residents.

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Mr. Langlois noted that the Governor's budget would reduce the Village's share of the Local Government Distributive Fund (LGDF) by 50% which would potentially have an impact of \$800,000 to Hinsdale. Ms. Gargano noted that the threat of reductions in the local share of LGDF is a frequent target by the State, and that a reduction this high is very unlikely but there seems to be a very real threat this time that there may be some reduction. Village staff will prepare a contingency plan in the event that revenues are reduced, and that most capital spending will be put on hold until the State passes its budget.

Chairman Waldo noted the strong operating reserve numbers indicated in the December Treasurer's Report and also noted that almost all of the favorable financial results projected for FY 2014-15 are due to the strong building permit revenue numbers.

Review and Discussion of the FY 2015-16 to FY 2019-20 Capital Improvement Plan

Village Manager Gargano provided an overview of formulation and organization of the FY 2015-16 to FY 2019-20 Capital Improvement Plan (CIP). The plan includes all items over \$10,000, except for those items that are included in the MIP. It is expected that items in the first year of the five year plan will form the basis of the capital items for the FY 2015-16 Budget. Ms. Gargano also noted the plan attempt to smooth out the spending over the entire five year period. Chairman Waldo asked how often we review the life expectancy of vehicles; Ms. Gargano noted that reliability and maintenance costs are more of a determining factor as to when a replacement is made.

Ms. Gargano noted that the total amount in the CIP for FY 2015-16 is \$1.7 million. This amount includes \$247,000 for new parking pay boxes downtown, which are expected to pay for themselves in about one year due to increased parking fees. The implementation of this program is still to be discussed by the Village Board. Commissioner Morris asked if the numbers were similar to the prior year. Mr. Langlois noted that the numbers are similar but the parking pay boxes and safety bollards on Washington Street were new items. With new management some of the capital expenditures in Public Service have been re-prioritized.

Ms. Gargano also noted that there is a pool survey being contemplated to try to address the consistent decline in pool memberships. Chairman Waldo asked about the \$50,000 in improvements scheduled for the Arts Center Building. Ms. Gargano noted that this is on hold until a tenant is secured. Ms. Gargano noted a \$30,000 roof study to plan for significant future expenditures to repair/replaces the roofs at a number of Village buildings. The CIP includes \$198,000 for exterior improvements to the Brush Hill Train Station.

There was extensive discussion between the Commission members and Village staff regarding the meter pay boxes, the elimination of parking meters, and raising the rates

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for parking downtown in order to manage the problem of employees parking downtown. There was also discussion about the proposed safety bollards on Washington Street, and Chairman Waldo noted concerns about the precedent this could set in terms of cost should other areas in downtown want bollards installed.

Village Manager Gargano reviewed vehicle purchases for the Public Services Department. Due to the \$135,000 cost, Commissioner Morris inquired as to whether renting the Aerial Forestry Truck would be better economically. Mr. Langlois noted that this piece of equipment is used extensively, almost on daily basis, which results in purchasing being a better decision. There would also be concerns having an aerial truck available in times of emergency.

Commissioner Tobia again brought up concerns about the potential increase in parking fees and would like to discuss this further at another meeting. Mr. Langlois said he would circulate a copy of the CMAP study that made this recommendation. Chairman Waldo asked if there had been any discussion in regards to earmarking incremental revenue. Trustee Hughes noted that the intent of the program is not to generate additional revenue but to free up spaces for shoppers. This may result in additional funds that could be spent in the Central Business District.

Commissioner Morris asked about the parking resurfacing projects at KLM and how these projects are funded. Mr. Langlois noted that these items are part of the Park and Recreation Budget and are funded by the General Fund. There was dialogue about a number of projects that benefit specific user groups and the appropriate costs sharing should be pursued.

Ms. Gargano reviewed an update to the Master Infrastructure Plan that was previously presented to the Village Board.

New Business

There was no new business discussed by the Finance Commission.

Adjournment

As there was no further business to come before the Commission, Commissioner D'Arco moved to adjourn the meeting, seconded by Commissioner Morris. The meeting was adjourned at 8:54 p.m.

Respectfully Submitted:

Darrell Langlois

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Assistant Village Manager/Finance Director

**Village of Hinsdale
Finance Commission
Minutes of the Regular Meeting on March 26, 2015**

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

Members Absent: Commissioner Maali

Staff Present: Darrell Langlois, Assistant Village Manager/Finance Director,
Chris Webber, Assistant Finance Director

Also Present: Trustee Elder

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

Approval of Minutes

Approval of the meeting minutes from the February 26, 2015 meeting was deferred to the next Finance Commission meeting.

Agenda Items

Review and Discussion of the January 2015 Treasurer's Report

Mr. Langlois presented the January 2015 Treasurer's Report, which covers the ninth month of the 2014-15 fiscal year (75% on a straight-line basis). Total Sales Tax receipts (including local use taxes) through for the first ten months of the fiscal year total \$2.63 million as compared to \$2.52 million for the last fiscal year, an increase of 113K or 4.5% over the prior year. Keep in mind that there is a three month delay in the payment cycle so we are just beginning to see the impact of declining gasoline sales. With over \$500,000 of sales tax revenue coming from businesses predominately selling gasoline a 20% or 30% decline in the per-gallon price of gasoline can be significant. For the month of March, which was for the month of December, sales tax revenue was down 0.8%. Going forward, the impact of declining gasoline prices will likely start to have a negative impact on sales tax revenue

Total Income Tax receipts for the first ten months of FY 2014-15 amount to \$1,375,000 which is a decrease of \$5,700 (-0.4%). Mr. Langlois noted that the Governor's budget proposal would reduce LGDF revenues to Hinsdale by over \$800,000. Regarding the delay in income tax payments from the State of Illinois, the State did not remit payment in February and is now 2 months behind the normal payment schedule with \$340,000 outstanding.

Mr. Langlois provided an update on the recovery efforts for the IMET loss related to the e fraud issue with the First Farmers Financial repurchase agreement, of which Hinsdale initially had \$64,912 at risk. On February 11, 2015 the Village received a distribution from the liquidating trust of \$1,131, lowering the Village exposure to \$63,781. IGFOA

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has given an opinion that the balance must be written off during this fiscal year, which is about 53K to the village and recoveries will be recorded as revenue in future years

Property tax collections through January amount to \$5,906,669, which is approximately 92.7% of the Village's \$6.37 million tax levy. For next year the tax cap allows only a 1.5% increase, and for the year after will only increase by 0.8%, likely not even enough to cover pensions. Year to date Utility Tax receipts amount to \$1,476,042, a decrease of \$85,908 or 5.5%. For the year, utility tax collections are projected to be \$146,600 below budget of which \$131,000 is attributed to declines in telecommunications tax revenue.

Building Permit revenues have slowed down, for January were \$58,160, which is \$17,162 or 42.0% above the prior year but for February were \$68,000, which is \$55,000 below the prior year. For the first nine months of the year, total Building Permit revenue stands at \$1,837,683, an increase of \$759,573 or 70.4%. Even though over \$300,000 of the increase relates to the Hinsdale Hospital Cancer Treatment Center, the remainder is still well above budget. Going forward this increase is difficult to predict but can change dramatically from these levels.

Mr. Langlois reviewed the water purchased graph and noted that water purchased from the DuPage Water Commission for the months of July to December was down 19.6% as compared to the prior year. For the month of January water purchased was 16.0% below the prior year, but this was the point last year where we started notice significant water leakage from undetected water main breaks due to the harsh winter. When comparing January 2015 usage to the previous 12 year average, water purchased actually increased by 2%. February was also over the 12 year average.

Assistant Finance Director Webber reviewed the status of the water meter replacement project, whereby he noted that there had been 1,725 installations completed, which is about 30% of the project. The vendor is currently running ahead of schedule. The new reading system has already helped us address several leak situations with Village residents.

Review and Discussion of the Draft FY 2015-16 Annual Budget

Mr. Langlois presented the Draft 2015-16 Annual Budget. The General Corporate Fund, which is the major operating fund of the Village, is projected to end the year with an ending reserve of \$4.7 million, which is about \$700,000 over the 25% reserve requirement. Most of the reason for the surplus is due to the over budget performance of permit fee revenue. The FY 2015 ending expenditures include \$150,000 in extra contributions to the Police and Firefighters' Pension Funds. The ending fund balance is estimated at 29% of expenditures

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The revenues are based on the directions given by the Finance Commission, the maximum amount available for property taxes under the tax cap, and an additional \$125,000 in permit fee revenue (over the amount recommended by the Commission) due to market based fee adjustments. Sales tax revenues are budgeted to decline by \$115,000 due to the expected impact of declining gasoline prices on sales tax revenue.

Income tax revenue is budgeted to increase by \$73,000 or 4.5% based on assumptions provided by the Finance Commission. These amounts assume no reduction in the LGDF formula that is proposed by Governor Rauner. Until it is known what the impact of State budget is on LGDF, staff is recommending holding off on most capital projects and will develop contingency plans. Utility Tax revenues are budgeted to decline consistent with the Finance Commission direction.

Total General Fund expenditures are budgeted at \$19.4 million, of which approximately 50% is allocated to police and fire services. Commissioner Tobia inquired as to whether the Village is legally required to have a Fire Department. Mr. Langlois indicated that would take legal review. Commissioner D'Arco asked about the budget base for permit revenue, Mr. Langlois indicated it is based on 60-65 new homes plus amounts derived for the large number of permits related to repairs and renovations.

There was an extended discussion about how the Fire and Police Pension contributions are determined. Commissioner Posthuma questioned the FY 2015 results in that the investment earnings were significantly over budget for the Police Pension Fund and were significantly under budget for the Fire Pension Fund. Mr. Langlois noted that the budget amount is established using the 6.75% actuarial rate. The Police Pension Fund has generated investment returns that have well exceeded benchmarks; the Fire Pension fund investment has performed below benchmark rates but has recently changed their investment manager.

Mr. Langlois noted that the Corporate Fund Budget includes a \$1.5 million transfer for the MIP and a transfer of \$1.1 million to the department capital improvement account, which is slightly lower than last year but annual funding at this lower amount would be sufficient to fund the FY 2015-16 to FY 2019-20 Capital Improvement Plan (CIP). The ending fund balance is projected at 26.7% of operating expenses, which is in excess of the 25% policy minimum. Inclusive of the departmental capital reserve the ending fund balance is in excess of 30%. Chairman Waldo questioned the calculation of the ending fund balance ratio, Mr. Langlois noted he would review and report back to the Commission.

Mr. Langlois reviewed the Departmental Capital items that are included in draft budget. Moving forward on these expenditures will be dependent on what happens with the State budget. It is expected that the Village Board will be undertaking a comprehensive review of the CIP in the coming months, so changes are possible.

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Mr. Langlois reviewed \$18.2 million of spending on infrastructure improvements, of which \$10 million is related to Oak Street Bridge, which is 100% grant funded. Commissioner Tobia asked if the Village could be responsible for cost overruns on Oak Street Bridge. Mr. Langlois noted that the bids so far have come in well below budget and that there are sufficient grant funds available. There is \$1.5 million of Motor Fuel Tax money being spent in FY 2015-16.

Mr. Langlois reviewed the Water and Sewer Fund Budget. Next year's budget is based on the assumption that the Village will purchase 920 million gallons of water from the DuPage Water Commission (DWC), which is the most recent five year average, and that the Village bills 80% of this amount to customers. Water rates were increased at the beginning of 2015 in order to pass along the last of the large DWC rate increases.

Mr. Langlois reviewed the amount of debt outstanding, which totals \$22.7 million. This includes bonds related to the Library, the debt service which is funded by transfers from the Library. Chairman Waldo asked what the weighted average duration was for the bonds outstanding. Mr. Langlois did not know the answer but would try to get that question answered.

Commissioner D'Arco questioned the large decrease in operating expenses for the Community Development Department. Mr. Langlois noted that the Engineering Function is now reported in the Public Services Department. Commissioner Morris questioned the status of the parking meter pay box project and corresponding change in revenues. Mr. Langlois noted this is still be discussed by the Village Board and that neither the revenues nor expenditures had been included. Commissioner Morris asked about large increase in Cable TV franchise fees, which is due to the Village Board now collecting fees for ATT U-verse.

Chairman Waldo asked a number of questions regarding the future outlook for MIP funding and noted there is very little money left after funding Phase 3 of the Woodlands project in 2016. Commissioner Morris noted the large amounts budgeted in the Economic Development Program and Board of Trustee Program that have been categorized as "Other". He requested that this amounts be further described in future budgets. Commissioner Posthuma questioned the changes associated with the rent proceeds line item related to the train station rental and the large amount budgeted for the Burns Field tennis courts. Mr. Langlois reviewed what has transpired with both of these items.

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New Business

There was no new business discussed by the Finance Commission.

Adjournment

As there was no further business to come before the Commission, Commissioner D'Arco moved to adjourn the meeting, seconded by Commissioner Morris. The meeting was adjourned at 9:10 p.m.

Respectfully Submitted:

Darrell Langlois
Assistant Village Manager/Finance Director



To: Chairman Waldo and Members of the Finance Commission
From: Gina Hassett, Director of Parks & Recreation
Date: November 4, 2015
Subject: Community Pool Report

At the end of each swimming season, Village Staff reviews the operating results and provides the Parks and Recreation Commission with a detailed summary and analysis of the pool operations. This report assists in setting assumptions that will be used in guiding the development of the 2016 Budget.

The following report provides a summary of the activities for the 2015 swim season at the Pool.

Background

The Village of Hinsdale provides a municipal pool that offers the following amenities:

- 50 meter pool with 25 yard "L" shape design depth from 3.5 to 5 feet
- Diving pool with drop slide and two one-meter and one three-meter diving boards
- Wading pool area includes a zero depth walk-in wading pool with water play features and sand play area
- A separate sunbathing area, bathhouse with locker rooms and a concession area

For reference, the Village Pool is open seven days a week from Memorial Day weekend through Labor Day. The pool will be closed from time to time due to the Swim Club holding swim meets; however, the revenue loss due to the pool closure is offset by fees charged to the Swim Club. When the pool is closed for swim meets, season pass holders, through a negotiated arrangement with the Clarendon Hills Park District, may utilize the Clarendon Hills Pool free of charge.

Staffing and Personnel

The Village uses best practices for staffing a pool of this size and offerings. The staffing level is determined by water surface area and the bather load. The standard required by Starguard Aquatics, the lifeguard certification program, requires that lifeguards be able to recognize and reach a distressed swimmer within 20 seconds and that staff have a break from monitoring the water every hour. Lifeguards that are not monitoring the water perform utility positions, including cleaning of the facility. Cashiers are staffed according to operating hours; additional cashiers are utilized during peak bather loads.

Staff is hired to supervise and instruct swim programs and the swim team. The following table shows the staffing level on a weekday with good weather and a high bather loader; the corresponding staffing expense is shown for the past four years as well. In addition, staff levels and personnel expenses for programming and the Town Team program are provided.

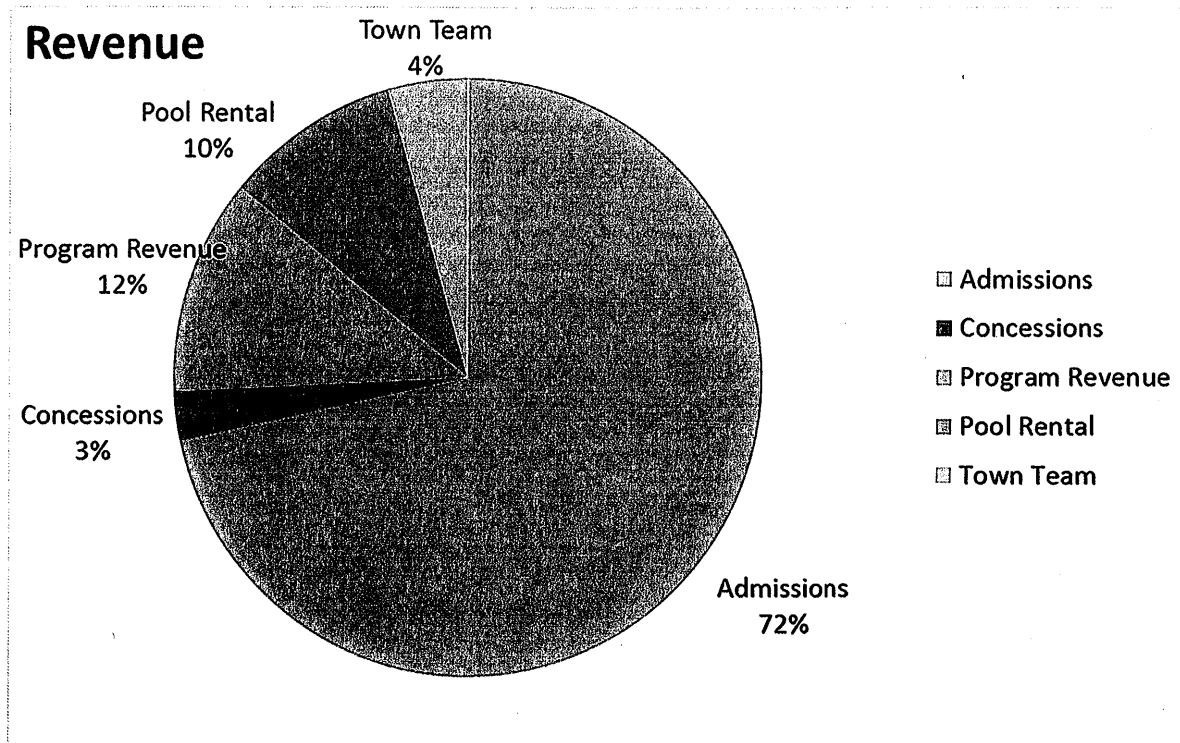
	2011	2012	2013	2014	2015
Manager	1	1	1	1	1
Head Guard	1	1	1	1	1
Lifeguards	12	12	13	13	12
Head Cashier	NA	NA	.5	1	1
Cashier	2	2	2	2	1
Total Staff per Shift	16	16	17.5	18	16
Personnel Expenses Per Day	\$1,603	\$1,603	\$1,833	\$1,924	\$1,614
Learn to Swim Staff	12	12	12	16	15
Learn to Swim Coordinator	NA	NA	1	1	1
Learn to Swim Expenses Day	\$ 357	\$ 357	\$ 428	\$ 542	\$485
Town Team (stipend positions)	4	4	4	5	5
Town Team Salaries	\$7,500	\$7,500	\$7,500	\$12,250	\$12,500
Total Personnel Expense	\$154,283	\$155,573	\$158,000	\$184,203	\$147,053

Personnel costs for 2015 declined 20% over the prior year. For the 2015 season, the staffing model was modified, which contributed to 12% of the decrease in personnel costs. The remaining 8% decrease is due to situations when the pool was closed due to inclement weather and that staffing levels were reduced when attendance was low.

REVENUES

The Village Pool derives its operational revenues to sustain the operations from the following sources:

- Admission fees - Daily, 10 visit passes and season passes (72% of budget)
- Programs - Swim and Dive lessons (12% of budget)
- Pool rental - Swim Teams and private rentals (10% of budget)
- Town Team Swim Team - (4% of budget)
- Concession fees - (3% of budget)



Admission Fees

The largest revenue source (72%) is admission fees, as described below. The fees may be further classified into Resident and Non-Resident offerings and further refined to fall into Daily, 10-Visit, Season and Super Pass. The following describes those categories:

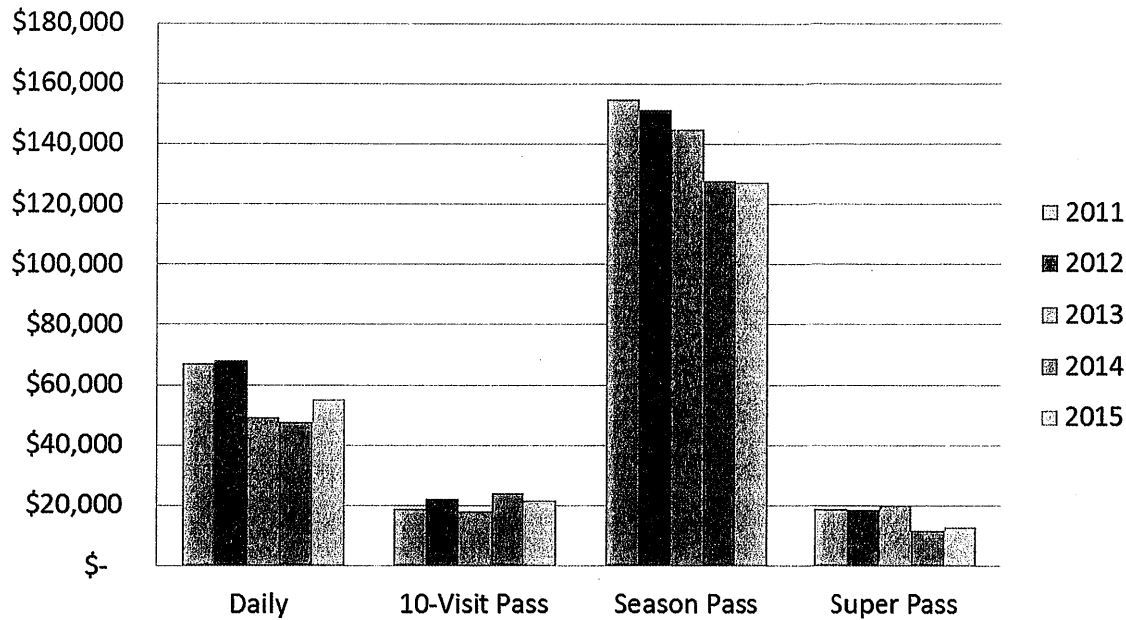
Daily – The fees paid by guests for a one-day admission at the pool. Fees are \$8 for Resident and \$12 for Non-Residents. After 5:00 pm, there is an evening rate of \$5 for all guests. Children 2 and under are free.

10-Visit – The pass is 10 pre-paid visits. The pass provides a \$1 discount off the daily admission for Residents and a \$2 discount for Non-Residents. The pass is transferable; unused visits expire at the end of the season. The pass was introduced in 2011.

Season Pass – Passes allow guests access to the facility for the season; rates are in place for Residents, Non-Residents, and a “neighborly rate” for certain nearby communities. Passes are further categorized to family, individual, senior and nanny rates. Pass sales start in March with an “early bird” discount available through April 30th. Passes are non-transferable.

Super Pass – Season pass holders can upgrade their pass to utilize the Clarendon Hills Park District pool; passes are limited to 100 members and only available to Residents. There is significant demand above the 100 members but Clarendon Hills Park District will not increase the amount.

Admission Revenue 2011-2015



As indicated in the tables below, overall admissions revenue increased 3% (\$6,071) over the prior year. Non-Resident admission rates increased by 56% (\$16,282) over the prior year. This is a direct result of a new “Neighborhood” pass. This is the first year that Neighborhood pass rates have been available; the fee is \$75 more than the Resident rate. The rates are offered to residents in the communities of LaGrange, LaGrange Park, Indian Head Park, Western Springs, Willowbrook and Brookfield; these communities do not have a municipal or park district pool. Staff marketed the rates in these communities. Clarendon Hills Park District (CHPD) has previously used this pass type with success, which is what led to the consideration of the Neighborhood pass offering here in Hinsdale.

Resident admission rates decreased 6% (\$10,211) over the prior year. Factors contributing to the decrease in resident admissions are likely the saturated market, cool temperatures and the aging facility.

A summary of admission revenue is below; a breakdown by resident and non-resident is also provided.

Admission Revenue					
	2011	2012	2013	2014	2015
Daily	\$ 67,069	\$ 67,928	\$ 49,280	\$ 47,747	\$ 55,142
10-Visit Pass	\$ 18,824	\$ 22,085	\$ 18,081	\$ 24,123	\$ 21,902
Season Pass	\$ 154,861	\$ 151,456	\$ 145,178	\$ 127,955	\$ 127,587
Super Pass	\$ 18,980	\$ 18,750	\$ 20,315	\$ 11,735	\$ 13,000
	\$ 259,734	\$ 260,219	\$ 232,854	\$ 211,560	\$ 217,631

Resident Admission Only

	2011	2012	2013	2014	2015
Daily	\$ 51,947	\$ 43,461	\$ 38,429	\$ 38,207	\$ 45,842
10-Visit Pass	\$ 14,824	\$ 14,375	\$ 12,346	\$ 13,903	\$ 13,852
Season Pass	\$ 139,966	\$ 136,442	\$ 135,936	\$ 118,837	\$ 99,777
Super Pass	\$ 18,980	\$ 18,750	\$ 20,315	\$ 11,735	\$ 13,000
	\$ 225,717	\$ 213,028	\$ 207,026	\$ 182,682	\$ 172,471

Non-Resident Admission Only

	2011	2012	2013	2014	2015
Daily	\$ 15,122	\$ 24,467	\$ 10,851	\$ 9,540	\$ 9,300
10-Visit Pass	\$ 4,000	\$ 7,710	\$ 5,735	\$ 10,220	\$ 8,050
Season Pass	\$ 14,895	\$ 15,014	\$ 9,242	\$ 9,118	\$ 27,810
Super Pass	NA	NA	NA	NA	NA
	\$ 34,017	\$ 47,191	\$ 25,828	\$ 28,878	\$ 45,160

Daily Passes

The daily pass sales are dependent on weather conditions. Weather condition in May and June were rainy with cool temperatures. July and August weather improved significantly resulting in an increase of 15% (\$7,395) over the prior year. Non-resident daily fees declined 3% (\$240) while resident daily fees increased by 20% (\$7,635). A contributing factor to the decrease in non-residents daily fees could be the offering of the Neighborly membership season pass.

10-Visit Passes

10-Visit Pass sales continue to be a strong revenue category; however, the 10-Visit pass sales decreased 9% (\$2,221) over the prior year. Non-Resident 10-visit Pass sales decreased 21% (\$2,170) over the prior year. A contributing factor to the decrease in 10-visit non-resident pass sales may have been the offering of the Neighborly season pass.

Season Pass

Season pass sales account for 59% of admission revenues; overall season pass sales declined 0.5% (\$368) over the prior year. Trends show a continued decline in Resident season pass sales; revenue declined 16% (\$19,060) over the prior year. Non-Resident season pass sales increased 205% (\$18,692) over the prior year. The revenue generated through the sales of the Neighborly pass helped to offset the decline in resident season pass sales. Of the 66 Neighborly passes that were sold, 13 had previously purchased a Village pool pass. The majority of the Neighborly pass holders were from Village of LaGrange (39).

Super Pass

Revenue from Super Pass sales, which were limited to 100 passes, increased 11% (\$1,265) over the prior year due to a change in the pricing structure. A number of Hinsdale residents who were unable to secure a Super Pass opted to purchase non-resident passes directly from Clarendon Hills. Clarendon Hills Park District (CHPD) reported an increase in the sales of Non-resident pass sales to Hinsdale residents selling 24 passes in 2015, which is an increase of 11 as 13 passes were sold in 2014. CHPD also reported a decline in the sales of Super Passes to their residents; selling 52 super passes in 2015 which is down from 76 passes in 2014.

Efforts to enhance sales

The Village staff implemented an advertising campaign at a cost of \$3,387 for the 2015 season. Below is summary of the marketing efforts that were implemented to boost admissions. The campaign helped to market the new Neighborly pass rate.

- Suburban Family Magazine – 3- ½ page advertisements included a full-page excerpt on the pool in summer edition, half page ad promoting memberships, 10-Visit passes and daily admissions.
- The Hinsdalean – 4 -1/2 page color advertisements promoting memberships and programs; flyer insert to promote memberships
- Glander Magazine- ½ pg. color advertisement
- Trib Local (The Doings, Pioneer Press; print and online) – 1- ¼ page color advertisement
- Ad in LaGrange Park District Summer Brochure
- Facebook Page – posts marketed pass sales and programs
- Banners - hung at Burlington Park and at the pool
- Channel 6 – slides promoting memberships and programs
- Mailings to LaGrange, LaGrange Park, Golfview Hills, Western Springs, Brookfield, Countryside and Willowbrook advertising the new Neighborly Rate.
- Display case at the Hinsdale Library decorated to promote pass sales
- Emails and flyers sent to past members
- Flyers distributed at Village special events and programs

Attendance

As the previous tables indicate, the attendance and the corresponding revenue at the pool have been declining in recent years. The attendance at the pool is influenced by several factors that include weather, admission fees and competition due to the more robust offerings at newer, private or renovated pools in the area. However, there is still a demand for a traditional pool setting that Hinsdale offers to the greater community.

In a five-mile radius, the Hinsdale Pool is in competition with fifteen neighboring facilities. Three of the facilities are Park Districts and the remaining twelve are associated with private clubs. Many of these have had substantial renovations, including the neighboring community of Clarendon Hills Park District that recently updated its offerings. The impact to the Village has certainly been felt in both attendance and anecdotal comments as relayed to the staff during the registration process. Competition notwithstanding, the recent cooler and rainy summers have further influenced attendance revenue.

This is not just a challenge for the Village of Hinsdale. Staff has surveyed other area entities that offer a public pools and have found that for the past two years, a number of facilities have experienced a year over year decline in revenue. In 2015, Oak Brook Bath and Tennis Club (OBBT) experienced a decline of 11% (\$29,679) in membership revenue; they attribute the previous year's weather to be the largest contributing factor. Clarendon Hills Park District's (CHPD) reported a decline in revenue of 6% (20,288) over the prior year. CHPD cited weather and overcrowding as the main reasons for their decline in revenue.

Agency	2014 Attendance	2014 Revenue	2015 Attendance	2015 Revenue
Burr Ridge Park District	NA	\$75,600	NA	\$85,995
Clarendon Hills Park District*	30,626	\$360,000	28,606	\$339,612
Oak Brook Bath and Tennis***	9,061	\$270,907	9,062	\$241,228
Hinsdale Community Pool	21,733	\$297,506	21,076	\$301,366

* Clarendon Hills Park District underwent major renovations that were completed prior to the 2013 season.

***Oak Brook Bath & Tennis revenue and attendance data is for tennis and swimming usage.

NA-These agencies do not monitor daily attendance.

Programs

As mentioned above, key revenue for the Hinsdale pool is swim and dive lessons. In proportion to the overall budget, swim and dive lessons account for 12% of the overall operating revenue.

	2011	2012	2013	2014	2015
Youth	\$ 21,771	\$ 21,009	\$ 16,339	\$ 16,418	\$15,160
Preschool	\$ 6,209	\$ 4,700	\$ 6,751	\$ 7,074	\$5,170
Parent-Tot	\$ 1,793	\$ 1,167	\$ 2,512	\$ 2,353	\$1,280
Dive Lessons	\$ 3,593	\$ 3,254	\$ 2,298	\$ 3,409	\$4,315
Private Lessons	\$ 7,938	\$ 7,263	\$ 5,898	\$ 8,295	\$9,575
Total	\$ 41,304	\$ 37,393	\$ 33,798	\$ 37,549	\$35,500

Program revenue decreased 5.5% (\$2,049) over the prior year. Private lessons increased by 15% (\$1,280), which offset some of the decline in other lesson categories. The growth of the private lessons can be attributed to staff marketing the program and the preference for smaller class sizes or individualized learning as indicated by parents in the end of year surveys. For the past two years, there has been a decline in youth swim lessons revenue. A contributing factor to the decline is that there are new indoor facilities in the area such as Goldfish Swim School in Burr Ridge, which opened just this year. The lessons at those facilities are offered in a controlled indoor environment, which eliminates lessons being cancelled due to weather related issues. For the past two years the weather has been unseasonably cold, which resulted in families withdrawing from the program.

Feedback provided through parent surveys indicates that smaller class sizes were preferred that would allow for increased instructional time for each participant. Staff worked to meet this expectation by hiring additional staff to reduce the student to teacher ratio to 6:1 (previously 8:1); program fees were increased to offset the additional staffing cost. Feedback provided in the end of year survey indicated that the staffing changes were well received. Staff will continue to modify the program offerings for the 2016 season. Consideration is being given to reducing the number of swim lesson times, which would then allow for additional swim team rentals.

Concessions

The Village retains a third party contractor to operate concession services. Concession revenue accounts for 3% of the budget; net revenue is \$8,200, an increase of 2% over the prior year. C&W Concessions has been the vendor for over ten years.

Pool Rentals

Pool rental revenue accounts for 8% (\$29,458) of the budget. Revenue increased 27% (\$6,347) over the prior year due to scheduled fee increases. Rental groups include area swim clubs and private parties. Rental fees from the Hinsdale Swim Club (HSC) account for 58% of the pool rental revenue. HSC practices at the facility five days per week and hosts an annual swim meet. Rental expenses include personnel costs and incidental costs related to the pool operation; net revenue is \$12,563.

Town Team

This category represents 4% (\$13,433) of the budget. Village staff coordinates the recreational Town Team Swim program. This was second year in the rebuilding of the program. Participation increased 3% over the prior year; however, revenue decreased 22% (\$3,853). The decrease is directly related to Village not hosting the swim conference annual meet and thus not collecting the participation fees related to the meet. As part required by the swim conference, the Village hosts the swim conference meet for two consecutive years every six years, with the next conference meet slated to return in 2020.

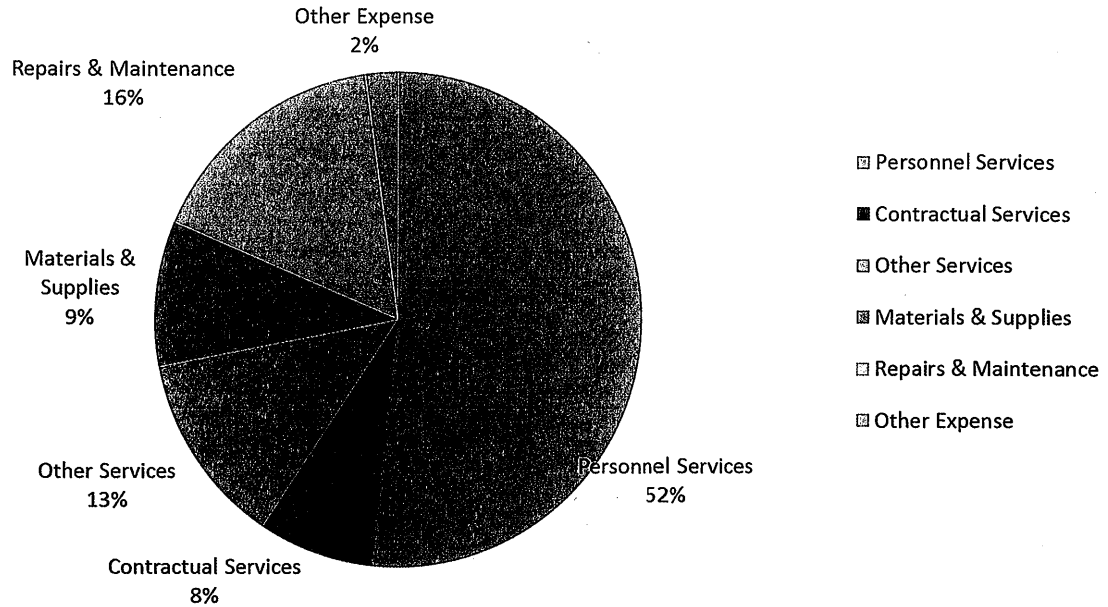
Feedback from the 2014 survey indicated that a number of parents expected the Town Team to be led by a more experienced coach; therefore, staff increased program fees to cover the increased personnel cost. Expenses include personnel, program supplies, conference fees and equipment; net revenue is (\$77). The program model is being evaluated to ensure that expenses for the program are covered by registration fees.

EXPENSES

It has been the philosophy of the Village Board and the Finance Commission that the revenues from pool operation should cover expenses from an operating perspective as well as most routine maintenance capital expenditure.

In 2015, the Pool revenue exceeded expenses by an estimated \$19,867. A summary of pool revenues and expenses for 2011 through 2015 is provided on page 13. The key expenses associated with the pool operation are as follows:

Expenses



As you can see, personnel costs make up the largest portion of the expenses at 52% (\$147,053) as pool operations are labor intensive. Other Services includes utilities, which is then followed by Repairs and Maintenance, Contractual Services, Materials and Supplies, and Other Expenses. The following provides more detail regarding each of the individual categories.

Personnel Expense

As indicated above, personnel services represents 52% (\$147,053) of the operating budget of the pool. As previously noted, the Village used a new staffing model for the 2015 season that decreased expenses 20% (\$37,734) over the prior year. In addition to the changes in the staffing model, during periods of low attendance staffing levels were reduced which contributed to the reduction in personnel expenses.

Other Services

Expenses in this category account for 13% (\$36,000) of the budget; costs include utilities (electric, natural gas, internet and phone) and marketing. The pumps systems run continuously for the duration of the season to manage the water quality. It is recommended that this expense be adjusted to reflect the three-year average for this expense category.

Contractual Services

Expenses in this category account for 8% (\$21,500) of the budget and include web hosting departmental software for the pool that is used for pass management; pre-season third party cleaning; grounds maintenance; repair services and recreational service providers.

Repairs and Maintenance

Expenses in this category account for 16% (\$46,500) of the budget, which included repairs to the pools and buildings. This category is estimated to be 26% (\$9,500) over budget due to unexpected repairs that included the replacement of water inlets for the lap pool and repairs to

the lap pool pump motor. Preventive maintenance is performed by Public Services staff; however, from time to time unexpected repairs arise.

Other Expenses

This category accounts for 2% (\$6,300) of the budget, which accounts for bank and sewer fees.

Capital Outlay

Projects in this category are given consideration under the Village's Five Year Capital Plan. Expenses for the year included the purchase of new lanes lines for the pool. After negotiation, this purchase was shared with The Hinsdale Swim Club and costs to the village were \$6,524 or 53% (\$7, 476) under budget.

Annual User Survey

The annual user survey included 100 responses; generally, positive feedback was received. Several items that received negative feedback are listed below.

- Prefer an updated Pool; want Hinsdale Pool Updated (17 respondents)
- Pool Closures – Guests felt that the pool closed frequently due to low attendance and guests noted they would like to see additional hours in August (12 respondents)
- Water Temperature – Guests indicated that the water temperature was too cold, and lap swimmers noted that water was too warm (10 respondents)
- Want the pool open later in the season (6 respondents)
- Healthier Food Options at the Concession Stand (6 respondents)

Prefer an updated Pool; want Hinsdale Pool Updated- The Hinsdale pool was constructed in 1992. Updating the water feature and replacing the sand area with interactive water features would provide opportunities to improve the facility and might increase attendance by keeping Hinsdale residents in town rather than going to Clarendon Hills or another local updated facility. Families would also like to see an updated family locker room and more amenities for their older children (slide, climbing wall etc.) Staff has no way to validate this statement, unfortunately, until such time that we would be in a position to measure attendance after the installation of any new feature.

Pool Closures – Based on the pool policies that are provided to members, if there are less than 10 guests for an extended period of time or if the air temperature falls below 68 degrees, the facility will close. Staff communicates closures to guests and information is posted on the department's Facebook page and the pool's message line. The majority of the season's closures were related to weather; evenings were cool which resulted in low attendance. For 2016, all attempts will be made to remain open as attendance permits. Regarding the Pool's August closures, weekday hours are reduced in August when the high school students employed as lifeguards return to school; this makes it difficult to staff the Pool, and past attendance during this time frame has been historically low as well.

Water Temperatures - The State of Illinois recommends water temperature should be maintained between 77 to 84 degrees, the water at the pool is maintained in the range of 78-82 degrees. The three pools are heated and water temperature is maintained within the state guidelines, however when overnight air temperatures drop below 60 degrees, water in areas of the pool can drop below the normal range. The diving well is more difficult to heat due to the water depth.

Want the Pool open later in the season- Currently the pool closes during the week when school starts again, generally around mid-August. The pool remains open on weekends through Labor Day. This request has been received more in the past two seasons due to warmer August weather. This request is difficult to address from a staffing perspective as most pool employees return to school at this time.

Healthier Food Options- The concession stand offers a variety of items ranging from burgers and nachos to yogurt and fresh fruit. Unfortunately, the concession vendor has found that offering healthy food leads to spoiled and wasted product, as these items did not sell particularly well.

Facility Maintenance

The Public Services Department performs facility maintenance. At the end of the season, an evaluation of the facility was completed. The evaluation noted needed repairs to areas of the lap pool walls where there were signs of deterioration. In addition, the caulk line along the gutter system in both the lap and dive well needed to be replaced. These repairs will help limit the potential damage that can be incurred during the freezing conditions of the winter season. Public Services staff is working with a contractor to evaluate the condition of the pool pumps and motors. In the spring of 2015, the lap pool pump motor failed resulting in emergency repairs. The pool was able to open on time, but this failure nearly resulted in the pool not being ready to open for Memorial Day weekend. The past practice has been to send the pump motors out for periodic maintenance; however, staff is evaluating the cost to purchase new equipment. This would allow the old equipment to be on hand should an emergency occur.

In late 2015, the Village reorganized the Public Services Department and going forward the pool facility operations will now be the responsibility of the newly created Water Superintendent position. We believe that this change will bring necessary focus and improve preventative maintenance at the pool.

For the 2016 season, the following items are recommended to be included in the operating budget: painting of the shower area in the locker rooms, replacement of the lifeguard stands, painting of the pergolas in the wading pool area, painting of the diving board and slide stairs, and the replacement of the portable American with Disabilities Act (ADA) compliant staircase.

Capital Budget

Purchases and repairs with a budgeted cost of \$10,000 are included in the capital improvement plan. The following three items are expected to be included in the FY 2016-17 Budget:

Pool Painting- The most recent painting of the lap and dive pools was completed in 2010. With chemicals and high traffic, paint deteriorates quickly. An estimated cost to pressure wash and paint the three pools is \$50,000. The work will be bid in early spring in order to be completed prior to the facility opening in May.

Pump Motor Maintenance- \$10,000 has been allocated for maintenance of the pump motors. The pool motors run continuously during the pool season and require frequent maintenance to increase the longevity of equipment.

Interior Bathhouse Painting- \$15,000 has been allotted to paint the interior of the locker rooms, guardhouse and office. Staff is recommending that this expense be deferred to 2017. Painting to the shower area only would be completed which would be included in the operating budget.

The table below indicates projects that included in the most recent five-year capital improvement plan.

Item	Year 1 Projected FY 2015-16	Year 2 Projected FY 2016-17	Year 3 Projected FY 2017-18	Year 4 Projected FY 2018-19	Year 5 Projected FY 2019-20	Five-Year Plan Total
Replacement of Lane Lines	14,000					14,000
Community Pool Survey	0					0
Paint Interior of Bathhouse		15,000				15,000
Pump Motor Maintenance		10,000	12,000			22,000
Paint Pool		50,000				50,000
Restore Slide - Diving Well				15,000		15,000
Replace Wading Pool Slide				12,000		12,000
Replace Pool Heaters (3)				18,000		18,000
Community Pool Renovation Design					20,000	20,000
Total - Swimming Pool	14,000	75,000	12,000	45,000	20,000	166,000

Summary

Over the past three years, the Village has seen a decline in pool memberships. In an effort to determine the reason for this decline, staff proposed to survey residents, focusing on non-pool users to find out their needs as it relates to swimming. In addition, it was determined that it would be beneficial to expand the survey to gain feedback regarding residents' overall recreational needs. The data collected through a survey will be used to help to refine current service offerings and determine long-range plans for the Community Pool.

The Village is working with Eastern Illinois University to administer the survey through its undergraduate Recreation Administration program for a cost of only \$1,850 to cover postage for the survey mailing. The survey is being conducted as part of the 2015 fall semester course work; preliminary data from the survey will be available in January of 2016. The students, with oversight, will administer the survey that will include staff and stakeholder interviews, survey development, data collection, analysis, and results.

Looking ahead to the upcoming season, staff is evaluating ways to improve the operation in order to increase revenues and to improve overall customer satisfaction. Staff will continue the marketing efforts with the hope of attracting both new Resident and Non-Resident season pass holders. Staff is developing a strategic marketing calendar to assist in this process.

Community Pool Financial Summary

	2011-12	2012-13	2013-14	2014-15	2015-16	2015-16	2015-16	Difference	% Of	Difference	%
	Actual	Actual	Actual	Actual	Budget	to Date	Estimated	Over	Budget	Over	Over
							Actual	budget	Prior Year	Prior Year	Prior Year
REVENUE											
Membership											
Pool Resident Fees	158,948	155,192	156,251	139,690	172,000	140,587	140,587	-31,413	82%	897	1%
Non-Resident Fees	14,895	15,014	9,242	130,572	160,000	113,012	113,012	-46,988	71%	-17,560	-13%
Daily Fees	67,069	67,928	49,280	47,747	65,000	55,142	55,142	-9,858	85%	7,395	202%
Locker Revenue	93	93	62	0	0	0	0	0	0%	0	15%
Concession	7,350	7,350	7,950	8,000	8,000	8,200	8,200	200	103%	200	0%
Class Revenue				37,549	39,700	35,500	35,500	-4,200	89%	-2,049	2%
Resident Class	26,575	26,575	22,813	25,232	26,500	19,586	19,586	-6,914	74%	-5,646	-5%
Non-resident Class	3,555	3,555	5,087	4,022	5,200	6,339	6,339	1,139	122%	2,317	-22%
Private Lessons	7,938	7,263	5,898	8,295	8,000	9,575	9,575	1,575	120%	1,280	58%
Misc. Pool Revenue (Rentals)	14,721	11,460	22,646	23,112	26,000	29,458	29,458	3,458	113%	6,347	15%
Town Team Fees	19,001	18,951	23,509	17,286	24,500	13,433	13,433	-11,068	55%	-3,854	27%
10 Visit Pass	18,824	22,085	18,081	24,123	22,000	21,902	21,901	-99	100%	-2,222	-22%
Total Revenue	320,145	313,381	320,819	297,506	357,200	304,220	304,220	-52,980	85%	6,714	2%
OPERATING EXPENSES											
Personnel Services	154,283	155,573	155,078	184,787	166,858	147,053	147,053	-19,805	88%	-37,734	-20%
Contractual Services	15,253	24,246	27,601	33,123	22,750	19,533	21,500	-1,250	95%	-11,623	-35%
Other Services (utilities & printing)	27,651	37,749	40,932	45,303	36,500	25,485	36,000	-500	99%	-9,303	-21%
Materials & Supplies	25,055	33,368	27,580	31,081	30,950	20,109	27,000	-3,950	87%	-4,081	-13%
Repairs & Maintenance	15,366	19,124	12,231	42,295	37,000	46,409	46,500	9,500	126%	4,205	10%
Other Expense (sewer & bank fees)	1,442	5,993	5,298	5,014	6,700	2,699	6,300	-400	94%	1,286	26%
Total Operating Expenses	239,050	276,053	268,720	341,602	300,758	261,288	284,353	-16,405	95%	-57,249	-17%
Operating Income (Loss)	81,095	37,328	52,099	-44,096	56,442	42,932	19,867	-36,575	35%	63,963	-145%
Capital Outlay	72,058	76,029	106,409	14,078	14,000	6,524	6,524	-7,476	47%	-7,554	-54%
Net Income (Loss)	9,037	-38,701	-54,310	-58,174	42,442	36,408	13,343	-29,099	31%	-44,831	-123%