

**VILLAGE OF NORTH RIVERSIDE
BOARD OF TRUSTEES MEETING OCTOBER 17, 2016
COUNCIL ROOM 7:00 PM**

Mayor Hermanek called the meeting to order with a Pledge of Allegiance and a Roll Call. In attendance were Trustee Bianco, Trustee Czajka, Trustee Decosola, Trustee Demopoulos, Trustee Mengoni and Trustee Wilt.

Others in attendance were Attorney Hayes, Administrator Belmonte, Finance Director Scarpiniti, Deputy Police Chief Garcia, Public Works Director Kutt, Recreation Director Michalik and Fire Chief Basek.

APPROVAL OF AGENDA

Trustee Demopoulos moved seconded by Trustee Mengoni to approve the revised agenda for this meeting. Roll Call Vote:

AYES: Trustees Bianco, Czajka, Decosola, Demopoulos, Mengoni, Wilt

NAYS: None. Motion carried

BIDS- None

CASH RECEIPT REPORT

Trustee Wilt moved and Trustee Demopoulos seconded to approve the Cash Receipt Report for the month of September, 2016 totaling \$1,936,347.84. Roll Call Vote:

AYES: Trustees Bianco, Czajka, Decosola, Demopoulos, Mengoni, Wilt

NAYS: None. Motion carried

APPROVAL OF MINUTES

Trustee Demopoulos moved, seconded by Trustee Wilt to approve the October 3, 2016 Village Board Meeting Minutes as presented. Roll Call Vote:

AYES: Trustees Bianco, Czajka, Decosola, Demopoulos, Mengoni, Wilt

NAYS: None. Motion carried

REPORT OF TRUSTEES

Trustee Bianco- (Streets, Alleys, Sidewalks & Refuse)

Trustee Bianco read the following report from Public Works Director Kutt:

We currently have 370 fire hydrants through town of which there are 9 remaining hydrants left to rebuild. We had a very busy tree trimming year as well. We trimmed well over 750 trees and have one more list to complete as soon as the road paving is completed.

All the antique street lights on DesPlaines Avenue have been sanded down, primed and painted. We have been very aggressive with our Combination Sewer System as we high pressure cleaned and televised over 30,000lf of main sewer line. With the televising, all of the repairs noted have been corrected. Currently, we are installing sewer liners in areas that had some minor fractures. The lining project is well over \$250,000 and provides an extended life of 40 to 60 years. The lining project has started and should be completed by November 1st. This is another program that occurs every single year as we truly are pro-active within our utility systems.

The road paving project is in full swing and should be completed weather permitting, the first week of November. This project included over 60 streets that had surface work done totaling over 10,000 tons of surface. There was over 6,000 LF of curb replaced. Sidewalk R/R is over 12,000 square feet and another 600 yards in concrete for sub-base work. There were over 200 sewer structures either rebuilt or replaced within a scope of work. This Thursday, the landscaper is to start all restoration throughout the project. The last street that will be paved is 14th Avenue. Before that road receives any work, we have a new sewer liner to be installed. The liner will be installed October 24th to 26th. After that, the street will be ground down, structures repaired, curb the same and then the final surface applied.

The bike path is also in full swing with a completion date of early November as well. This project will now be the last phase of connecting our current path to Riverside Brookfield High School and provide another source of access for our children in town.

Still to come is our sidewalk program that replaces any walkway that shows a trip and fall of 1 ¼ inches through town. This work should be starting next week taking approximately one week.

In November, our Tree Planting Program will start. Once again we will be planting parkway trees upon resident request FREE of CHARGE. This program has been around for many years creating replacement above and beyond our season's loss. Our plan is to plant Native Origin Trees and provide diverse species through town. Diversification is very important with all the merchandise traded overseas, we have seen infestation such as E.A.B. come through and destroy huge numbers of Ash Trees. By being diversified, we will not lose a large number of trees if another event like that happens again.

REPORT OF TRUSTEES (continued)

Within the Water system, we also replaced 6 valves throughout town including new basins. Having operable valves allows us to limit the amount of homes affected on water main repair. Having the ability to isolate the problem really limits the amount of customers/residents without water. This too is a project that takes place every year to remain pro-active.

At the baseball fields (Veterans Park), Public Works installed state of the art batting cages to help with the growing interest within our community. We now can double the amount of kids that use our complex at any given time. These cages were quoted at \$75,000. Public Works Department installed them for 1/3rd of the cost.

We are now underway with hydrant flushing. This operation improves fire flow, allows us to see if there are any repairs needed and improves quality of drinking water. There is more information on flushing on our website.

Once complete we will begin exercising all our water valves. Again, this is a practice that makes certain every valve is in working condition and operates easily for when called upon.

Trustee Czajka-(Buildings, Public grounds, lights, Public Services & Transportation)- No report

Trustee Decosola- (Judiciary, Ordinances, Recreation)- No report

Trustee Demopoulos(Water, Sewers, Drainage & Zoning)- No report

Trustee Mengoni- (Police, Fire & License)

Trustee Mengoni submitted the Fire and EMS calls for the month of August 2016 as follows:

	SEPTEMBER	YTD
Fire	73	734
EMS	126	1039
Inspections	71	712
Compliances	41	377

- Shift Personnel helped Disabled American Veterans collect for their “Forget Me Not Collection Fundraiser” outside of Jewel Foods on September 2nd and 3rd.
- Shift personnel attended a block party on 20th Court on September 10th.
- Blood Pressure Screenings were provided for the seniors at the Village Commons on the first Wednesday of the month from 9-11am. Screenings were also provided Monday-Friday 1-5pm at the fire station.

REORT OF TRUSTEES (continued)

Trustee Mengoni read the following report from the Police, Fire & License Committee held on October 3, 2016 at 6:00 pm

Item #1 Update on Telecommunication Merger: Administrator Belmonte updated the committee on the telecommunication merger between North Riverside, Riverside and Brookfield. He explained the group received about 23 applications for the Executive Director's position. A company, Gov HR, was hired to handle the advertising, review the interviews of applications and Assessment Center for the West Central Consolidated Communications (WC3). The Administrator also mentioned there were two other communities, Forest View and McCook, who are thinking of joining WC3 as contracted communities which means they would be charged a flat fee each year from WC3. These communities would be charged \$150,000.00 a year and have a deadline of November 15th to let WC3 know if they wish to join, WC3 is asking for a three- year commitment. Chief Niemann informed the committee Northern Illinois University (NIU) was hired to research the fiber-optic options for WC3 and to come back with their recommendations as to what is most cost effective for the group. The committee asked questions about the budget and because the group is still researching options there is no hard-fast budget at this time. Administrator Belmonte said he will distribute a "Preliminary Budget Draft" to everyone showing what the cost may be without two contracted communities and with them. Chief Niemann said the group feels WC3 will be up and running by the target date of July 1, 2017.

Trustee Wilt (Finance, Health & Appropriations)

Trustee Wilt read the following memo from Finance Director Scarpiniti:

On October 14, 2016, S&P Global Ratings released their formal public rating of the Village of North Riverside, IL, Series 2016 General Obligation Bonds-Alternate Revenue Source. I am happy to report that S&P assigned a rating of "A" to this issue and views the outlook for this rating as **STABLE**. This rating is two levels above the equivalent rating of Baa1-Negative Outlook issued by Moody's Investors Services back in 2014 and upheld in June 2015.

S&P's rating reflects North Riverside's:

- Strong economy, with access to a broad and diverse metropolitan statistical area;
- Good financial policies and practices as assessed through S&P's Financial Management Assessment Methodology;
- Adequate budgetary performances, with operating surpluses in General Fund and at the total governmental fund level in fiscal year 2016;
- Strong budgetary flexibility, with an available fund balance in 2016 of 29% of operating expenditures, but noted a limited capacity to reduce expenditures;
- Very strong liquidity, with total government available cash at 12.9% of total governmental fund expenditures and 2.4x governmental debt service in 2015, and access to external liquidity S&P considers strong; and

REPORT OF TRUSTEES (continued)

- Strong institutional framework score.

Negatively affecting the Village's rating, however, is the underfunding of the police and fire pension funds in past fiscal years. S&P noted that "If the full annual required contribution had been paid (in fiscal years 2011 through 2014), the Village would have been structurally imbalanced."

S&P also views the Village's debt and contingent liability profile as very weak. It noted that the driving factor for this conclusion is the Village's large pension and OPEB (Other Post Employment Benefit) obligation, without a plan in place that S&P views will sufficiently address those liabilities in the future. It further stated the Village has limited capacity to reduce future pension costs and noted the additional stress these growing liabilities will place on the Village's financial condition in future years.

Although the rating did recognize the positive steps taken by the Village the past two years to fund its growing pension liability and the formal pension funding policy recently adopted that calls for an annual employer contribution that is above the minimum amount required by Illinois State Statutes, S&P still felt that due to the large unfunded pension liability, the funded levels of the police and fire pension funds would not significantly increase for many years even with full funding by the Village.

S&P views the outlook of the Village of North Riverside as stable and believes our budgetary performance will remain at least adequate and flexibility will remain strong. They do not expect to change the rating in the 2-year outlook period. However, they will consider raising the rating if the Village's pension funding ratios were to improve in the next two years and the Village demonstrated the ability to consistently make the full pension payments. A downgrade will only be considered if economic indicators were to fall below what they perceive as strong.

MAYORAL REPORT

Referring to Trustee Wilt's report, Mayor Hermanek thanked Finance Director Scarpiniti, Department Heads and the Village Board for working together to get our financial house in order. We have come a long way.

Mayor Hermanek also stated that when he was elected three years ago, He pledged to improve the financial condition of the village and find a way to consistently make the Village's annual contributions to the police and fire pension funds. We recognize that the past two plus years have not been ones financially, not for the Village nor the residents and businesses that been asked to share more in the costs to provide essential public services. We have made tremendous strides in our goals to fund our public pensions. However, we still have so much

MAYORAL REPORT (continued)

more to accomplish. S&P's rating of an "A" clearly recognizes this board's efforts the past two plus years to balance our budget and fund the public pensions, but it also highlights the future struggles of the Village to continue making its annual pension payments and find innovative ways to control these costs; costs that will grow despite how much we pay each year and that will continue to add more and more pressure on the Village financially for many years to come. Funding of our pension funds is not a short term issue so we must stay diligent in finding a manageable solution to this ongoing problem and continue to work together as a board and community to find a long term solution.

CORRESPONDENCE

- Thank you card from the Zakosek Family.
- Thank you card from Eagle Scout Recipient Casey Gomorzak.

APPROVAL OF BILLS

Trustee Wilt moved, seconded by Trustee Demopoulos to approve the list of bills submitted for this meeting totaling \$284,707.67 and to have them paid out of proper funds when such funds become available. Roll Call Vote:

AYES: Trustees Bianco, Czajka, Decosola, Demopoulos, Mengoni, Wilt

NAYS: None. Motion carried

ORDINANCES AND RESOLUTIONS

Trustee Bianco moved and Trustee Decosola seconded to approve an Ordinance Authorizing the Execution of a 10-year Contract Extension with the Roy Strom Company to Provide Municipal Solid Waste, Recycling and Landscape Waste Collection Services **(16-O-20)** and to waive the reading. Roll Call Vote:

AYES: Trustees Bianco, Czajka, Decosola, Demopoulos, Mengoni, Wilt

NAYS: None. Motion carried

UNFNISHED BUSINESS-None

NEW BUSINESS-None

AUDIENCE

Frank Spale stated that he has heard a few complaints from residents regarding their water being shut off due to a water main break and would like to better communication amongst residents affected by the water shut off. Mayor Hermanek stated he also received these complaints and will look into the situation.

Kevin Melvin asked about the recent trash along Commons Park and if the Village was aware of the issue. Deputy Chief Garcia responded and to his complaint and is handling the issue. Mr. Melvin also asked if a permit was needed to have a picnic in the Commons Park. Administrator Belmonte answered his question and explained when a permit was needed. Mr. Melvin also asked what the Village had spent thus far on attorney fees regarding the Fire Department and Mayor Hermanek explained the amounts spent thus far.

Barbara Wilson thanked the Village board once again for their dedication to the Village.

ADJOURNMENT

Trustee Decosola moved and Trustee Bianco seconded for adjournment at 7:27 pm. Motion carried unanimously.

Respectfully Submitted,

**KATHY RANIERI
VILLAGE CLERK**