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 Hayes, Fire Chief Basek, Recreation Director Michalik and Deputy Police Chief Garcia.

**APPROVAL OF AGENDA**

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

AYES: Trustees Bianco, Czajka, Decosola, Demopoulos, Mengoni, Wilt
NAYS: None. Motion carried

**BIDS**- None

**CASH RECEIPT REPORT**

Trustee Wilt moved, seconded by Trustee Demopoulos to accept the Cash Receipt Report for the month of April, 2015 in the amount of 1,706,589.83. Roll Call Vote:

AYES: Trustees Bianco, Czajka, Decosola, Demopoulos, Mengoni, Wilt
NAYS: None. Motion carried

Trustee Wilt moved, seconded by Trustee Demopoulos to accept the Cash Receipt Report for the month of May, 2015 in the amount of 1,630,162.10. Roll Call Vote:

AYES: Trustees Bianco, Czajka, Decosola, Demopoulos, Mengoni, Wilt
NAYS: None. Motion carried
APPROVAL OF MINUTES

Trustee Demopoulos moved, seconded by Trustee Mengoni to approve the June 1, 2015 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 stated there is a resolution on tonight’s agenda which allows the Village of North Riverside to work on State owned streets within the Village’s boundaries without obtaining an IDOT permit. The Village pledges its good faith and guarantees that all work shall be performed in accordance with the conditions of the permit to be granted by IDOT. This resolution covers the calendar years 2015 and 2016. Attorney Hayes will bring this resolution up during his report.

Trustee Czajka- (Buildings, Public Grounds, Lights, Public Services & Transportation) - No report

Trustee Decosola- (Judiciary, Ordinances, Recreation)

Trustee Decosola called for a meeting on July 13, 2015 at 6:00 pm to discuss Ordinances.

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

Trustee Demopoulos submitted the Brookfield-North Riverside Water Commission Meeting Minutes and Agenda from the June 10, 2015 meeting with the Clerk's office.

Trustee Mengoni- (Police, Fire & License)- No report

Trustee Wilt (Finance, Health & Appropriations)

Trustee Wilt read the following minutes from the Finance, Health & Appropriations Committee Meeting on May 12th and 13th 2015:

**Item #1: 2015-2015 Budget Meetings**

Director Scarpiniti opened the meeting with a power-point presentation recapping the 2015 fiscal year and 2016 proposed budget for all funds. A full copy of this presentation can be found on
REPORT OF TRUSTEES (continued)

the Village’s website. She explained in detail the historical trends of all major revenues and expenses and gave insight into the budget assumptions used for preparing the upcoming budget document. Director Scarpiniti informed the committee the water fund is expected to break even in fiscal year 2015 for the first time in 20 years due to a combination of water rate increases and better accountability on water usage. Although this was encouraging news, she did emphasize the large number of infrastructure related projects that will be necessary in upcoming years and explained the need to keep this fund financially solvent in order to pay for these costly repairs.

Recapping the 2015 fiscal year end projections, the General Fund is currently on pace to reflect a small deficit of $30,533, but final numbers will not be made available until late September when the Village’s audit is completed. Currently, the Village collects approximately 66% of general fund revenues from the tax category. These revenues consist of sales, property, places for eating, utility, telecommunications and video gaming taxes and are expected to grow over the next year to approximately 75% of the Village’s revenue base. Given the high level of uncertainty in Springfield and the State’s own financial troubles, state shared revenues are expected to decrease over the next year but to what extent is still unknown. As a result, forecasting of revenues for the upcoming year has been extremely difficult as the Village could see unexpected reductions in state shared revenues as high as $350,000. Director Scarpiniti outlined the numerous sweeps of state shared revenues already affecting the Village to date and detailed the Governor’s original budget reductions that would affect all local governments within the State.

On the expense side, public safety expenses (police and fire) comprise 70% of total operating expenses for the Village, with public works making up 8%, parks and recreation 7%, administration 13% and community development 2%. Director Scarpiniti stated that the requested 2016 operating budget submitted to the Board currently reflects a $2.6 million deficit and includes 100% funding of both the police and fire pension funds as determined by the most recent actuary reports. Each Department Head then presented an overview of their individual budget requests and answered questions by the Board. Chairman Wilt recessed the meeting at 10:15 p.m. until Wednesday, May 13th at 5:00 p.m.

The meeting reconvened at 5:00 p.m. on Wednesday, May 13th, 2015.

The meeting started with Director Scarpiniti discussing several changes to revenue assumptions. Originally, she was asked to consider changing the deadline for the renewal of vehicle stickers from April 30th to July 1st, thus, deferring the collection of approximately $140,000 to after fiscal year end. After some discussion, the committee agreed with Director Scarpiniti that no changes should be made to the vehicle sticker program at this time and revised the FY16 requested amount to include the addition of $140,000 in collections. State shared income tax revenue was also re-adjusted back to historical trends based upon additional
information received by the Mayor and Village Administrator with respect to the State’s budget cuts to local governments. As a result, $150,000 was added back to this line item increasing income tax receipts from $450,000 to $600,000. Red light ticket revenue was also increased from $850,000 to $1.7 million to better reflect the average number of tickets issued currently and the addition of extra cameras during the upcoming year.

Discussion then turned to operating expenses and in particular, the Village’s funding policy with respect to the police and fire pension obligations. Currently, state law requires the Village to make annual employer pension contributions to both the police and fire pension funds in an amount determined by an independent licensed actuary. The annual contribution is recomputed each year and must be sufficient to bring each fund to a 90% funded level by the year 2040. Failure to make this minimum funding each year would jeopardize the collection of the Village’s sales tax and other state shared revenues. Originally, the Village’s funding policy required annual contributions to be based upon 100% funding by the year 2034. This older funding method placed an additional financial burden on the Village by increasing its annual required contribution for both funds. By adopting the statutory minimum for budgetary purposes, the Village could reduce its annual pension obligation by over $200,000 and still meet all legal requirements. The actual payment made to the pension funds could be re-evaluated closer to year end to determine if additional funds are available to make the higher contribution. The Committee favored changing the budgetary method for funding of the police and fire pension funds to the minimum statutory requirement.

Additional discussion ensued within each individual department’s budget. In the Legislative budget, staff recommended deferring the $20,000 expense for iPads for the Village Board and departments. Trustee Mengoni made a motion and Trustee Wilt seconded to remove the $20,000 for iPads out of this year’s budget. It passed through the committee by a 2-1 vote with Trustee Demopoulos voting no. On the question, Trustee Demopoulos stated the Village has invested a great deal of money into improving its current information based technology infrastructure and would like to see it continue to build on that plan. Chairman Wilt asked the other board members their feelings regarding the subject and it was also a 2-1 vote in favor of dropping them, with Trustee Bianco wishing to keep them in the budget. Staff re-emphasized that the removal of the iPads from the proposed budget will not hinder the Village’s progress towards a completely paperless environment and achieving any of its IT related goals.

Staff also recommended removing a number of items from the Administration Department’s budget which could be pushed back another year totaling $21,250. These items included making the Village Commons a public hotspot for internet access, deferring the addition of more handicap accessible doors at Village Hall since we are already in compliance with minimum ADA requirements and removing the bushes around the Commons building and covering it under building maintenance. In the police department, total cuts amounted to $262,287 and included a reduction in the amount budgeted for accrued retirement benefits, revising the police pension contribution to reflect the new funding method, reducing the
remodeling costs for the police kitchen and funding the off-site back up system with 911 funds rather than general revenues. Cuts within the Fire Department totaled $673,144 and included adjustments being made to legal fees and accrued retirement benefits payables, revising the fire pension contribution to reflect the new funding method and the deferral of repairs to the fire truck, gear lockers and HVAC improvements to the 2017 budget. We will look for a grant to replace the fire truck rather than investing in the costly repairs to an older piece of equipment. Reductions within the Parks & Recreation Department totaled $30,000 as total operating costs for the implementation of the PACE bus transportation program were fine tuned to better reflect the anticipated start-up costs of the program and new go live date. Public Works’ operating budget was reduced $15,400 as the garage heating system replacement was phased in over a three year period rather than two.

After all adjustments were made, the new General Fund deficit was reduced from $2.6 million to $391,433. Staff recommended to the committee that we use the Village’s cash reserves to fund the remaining anticipated deficit. Although a budgeted deficit is anticipated at this time, Staff reminded the committee that revenue projections follow a conservative budgeting approach due to market volatility and high levels of uncertainty at the State level and will be closely monitored and revised throughout the year as actual collections and costs are more known. In addition, the operating budget builds in numerous contingency replacement costs that might not be necessary during the fiscal year. The budget document is only a roadmap for spending and revenue collections and is constantly changing throughout the year. Last year, the original approved budget called for an budgeted operating deficit in the General Fund of $668,493, but healthier than expected collections of numerous revenue sources and the implementation of additional cost containment strategies enabled the Village to refrain from using its cash reserves to fund operations.

A motion was made by Trustee Mengoni and seconded by Trustee Wilt to approve the recommended budget adjustments and authorize the use of approximately $392,000 of excess funds to balance the 2016 fiscal year budget. Motion passed through committee by a 2-1 vote with Trustee Demopoulos voting no. On the question, Trustee Demopoulos commended all the Departments for their hard work and for putting together a thorough and well disclosed budget document, but stated he could not support a budget which includes privatization of the Fire Department. Trustee Wilt polled the other members of the board where a majority concurred with the committee’s recommendation.

The last significant fund discussed was the water fund. Director Scarpiniti mentioned that the Village absorbed the City of Chicago’s January 2015 water rate increase. She also mentioned that the Brookfield-North Riverside Water Commission will be starting a major infrastructure project in the upcoming years and has already notified the participating communities that it
REPORT OF TRUSTEES (continued)

plans to pass a multi-year fee increase to fund these improvements. Although the exact amount of the increases is still unknown, the Commission has provided preliminary options ranging from rate increases of $.05 to $.10 per year for the next 5 - 10 years. Staff prepared and distributed a Water & Sewer Rate Survey of all communities within the Water Commissions as well as a large sample of neighboring towns. The average combined residential rate, which includes water, sewer and administration fees, within the BNRWC was $9.79 per 1,000 gallons and $10.67 per 1,000 gallons for communities outside of the BNRWC. Average commercial rates were $11.32 inside the BNRWC and $12.26 per 1,000 for other neighboring communities. After a lengthy discussion about the financial health of this fund and upcoming infrastructure repairs and improvements that will be necessary in the next 2-3 years; a motion was made by Trustee Demopoulos seconded by Trustee Mengoni to increase water rates effective July 1, 2015 to $9.05 per 1,000 gallons for residential customers and $14.74 per 1,000 gallons for commercial and multi-family customers. The motion passed through committee with a 3-0 vote and by the majority of the other Trustees present.

MAYORAL REPORT

Mayor Hermanek thanked Rizza Ford, Riverside Golf Club and the entire committee for another successful Mayoral Youth Scholarship Golf Outing held on June 8th. This year 46 recipients benefit from this event.

Mayor Hermanek encouraged all residents to attend this year’s July 4th celebration at Veterans Park. The day will start off with a parade and the Village in conjunction with the North Riverside Little League will host events at Veterans Park which includes the Tee Ball Classic game, food and beverages and games for children. All residents and guests are then invited to watch a firework display at the Riverside Country Club at 9:00 pm.

Mayor Hermanek also informed residents that next month there will be only one Village Board of Trustees meeting, which is on July 13th.

CORRESPONDENCE

- The North Riverside Fire Fighter’s Pension Board sent a thank you letter to the Mayor and Village Board thanking them for the recent pension contribution for fiscal year 2014-2015 in the amount of $723,859.

- The 2500 block of 5th Avenue sent a block party request for August 1st.
• The family of Ann Napolitano thanked the Village Board for the flowers sent to the family.

Trustee Czajka moved, seconded by Trustee Bianco to approve the above block party requests. Motion carried unanimously.

**APPROVAL OF BILLS**

Trustee Wilt moved, seconded by Trustee Demopoulos to approve the list of bills submitted for this meeting totaling $370,703.73 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, seconded by Trustee Mengoni to approve a Resolution for Construction on State Highways by Employees Or Designees of the Village of North Riverside. (15-R-03) Roll Call Vote:

AYES: Trustees Bianco, Czajka, Decosola, Demopoulos, Mengoni, Wilt
NAYS: None. Motion carried

Trustee Demopoulos moved, seconded by Trustee Wilt to approve an Ordinance Amending Title 13 “Utilities,” Chapter 12 “Water Meters and Rates.” (15-O-08) Roll Call Vote:

AYES: Trustees Bianco, Czajka, Decosola, Demopoulos, Mengoni, Wilt
NAYS: None. Motion carried

**UNFINISHED BUSINESS**- None

**NEW BUSINESS**- None

**AUDIENCE**

Resident PJ Foltz expressed her concerns about an abandoned home at 2244 Burr Oak. The home is infested with rodents, and overgrown shrubs which she has been maintaining and asked the Village for some help. She also thanked Trustee Mengoni for sending out Seguin
Services to help maintain the grass and shrubs. Mayor Hermanek said he will look into this issue with Code Enforcement Director, Karyn Bryne.

**ADJOURNMENT**

Trustee Mengoni moved, seconded by Trustee Bianco for adjournment at 7:45 pm. Motion carried unanimously.

Respectively Submitted,

**KATHY RANIERI**
**VILLAGE CLERK**