Mayor Hermanek called the meeting to order at 7:00 pm 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 Administrator Belmonte, Finance Director Scarpiniti, Recreation Director Michalik, Police Chief Niemann, Fire Chief Basek and Attorney Hayes.

APPROVAL OF AGENDA

Trustee Demopoulos moved, seconded by Trustee Bianco to approve the agenda for this meeting with addition under New Business. 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 2016 in the amount of $1,538,076.63 as presented. Roll Call Vote:

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

APPROVAL OF THE MINUTES

Trustee Demopoulos moved, seconded by Trustee Mengoni to approve the May 16, 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)- No report

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

Trustee Decosola (Judiciary, Ordinances, Recreation)

Trustee Decosola read a brief report from the Recreation Committee as follows:

The 5K was held on Memorial Day with over 200 runners. The weather was perfect for a successful run honoring those that gave their lives serving our country. We would like to thank all Village Departments and our volunteers for coming together to put on this wonderful event and thank you to the Village Officials for your continued support.

We will be hosting our Annual Summer Flea Market on Sunday, June 12th. This event boasts over 110 sellers from 9am-2pm. Be sure to take advantage of the deals this upcoming Sunday.

The Mayor's Golf Outing will be held on Monday, June 13th. This year 43 young adults will be receiving scholarship money. We expect a great crowd as the event has sold out once again.

Day Camp will begin on Tuesday, June 14th for all camps. At this time, our 9-week Adventure and Action Camps are full, but we are taking a waiting list. Camp Commons is between 60 and 80 percent full at this time. We look forward to another great summer.

Trustee Demopoulos (Water, Sewers, Drainage & Zoning)

Trustee Mengoni (Police, Fire & License)

Trustee Mengoni submitted the Fire and EMS Calls for the month of May 2016 as follows:

<table>
<thead>
<tr>
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<th>MAY</th>
<th>YTD</th>
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</thead>
<tbody>
<tr>
<td>Fire</td>
<td>95</td>
<td>417</td>
</tr>
<tr>
<td>EMS</td>
<td>125</td>
<td>530</td>
</tr>
<tr>
<td>Inspections</td>
<td>71</td>
<td>396</td>
</tr>
<tr>
<td>Compliances</td>
<td>40</td>
<td>208</td>
</tr>
</tbody>
</table>
REPORT OF TRUSTEES (continued)

Trustee Wilt (Finance, Health & Appropriations)

Trustee Wilt read the following minutes from the Finance, Health and Appropriations Committee Meeting as follows:

Item #1: Discussion on Fiscal Year Budget 2017: Director Scarpiniti gave a very detailed financial overview of all funds ended April 30, 2016. She commended the Village Board for another strong year financially as all major funds have been projected to show positive surpluses at year end and the Village’s overall financial position has improved for the second consecutive year.

Director Scarpiniti started the discussion on the 2017 proposed operating budget by reviewing general budget trends and assumptions. Sales tax revenue is expected to remain relatively flat for the 2017 fiscal year, with a projected 3% growth factor over the prior year. With limited new business growth expected during the upcoming year, the majority of the sales tax growth will be captured from the additional revenue generated by businesses which opened during the prior year. However, this additional growth will be offset from the closing of Sports Authority expected in late summer of 2016. Income tax revenue is expected to plateau during the upcoming year as the underlying growth rate is driven from income tax withheld from wage income but offset by weaker non-withholding revenue and corporate profits in 2016. Local use tax will continue to be strong in fiscal year 2017 with expectations of higher consumer spending and strong on-line sales. Personal property replacement tax is expected to decline next fiscal year as the State looks to recover a calculation error made in prior years that resulted in an estimated overpayment to the Village of approximately $6,000. There is still some concern that the Village will see a sweep of its state shared revenues from the State as the Legislatures struggle to balance the State budget in upcoming months. As such, Director Scarpiniti cautioned the Board of this continued threat in its state shared revenues.

The Capital Projects Fund reflects $750,000 in grant funding received from Cook County for construction of Phase II of the 1st Avenue Bike Path Project. Although Brookfield-North Riverside Water Commission will be increasing their fees to the Village $0.10 in June/July, the Director was not recommending any additional water rate increases at this time. Chicago has yet to announce whether they will be raising water rates to suburban customers on July 1st in accordance with a recently passed ordinance increasing water rates by a minimum of the CPI Index every year. Director Scarpiniti did recommend to the Board reviewing the water rate structure again in 2017 to ensure that the existing rates continued to meet all operating costs and planned improvements.

Before starting with the individual departments’ budget reviews, Village Staff made mention of the two new recommended revenue sources within the 2017 proposed operating budget; a 1% increase to the places for eating tax and moving the amusement tax from a flat $0.25 per ticket to 5% of sales. These proposed increases would generate approximately $500,000 in additional revenue.
REPORT OF TRUSTEES (continued)

revenue each year. After some additional questions, further discussion of these items was
tabled until after the review of proposed department expenses. At this time, focus shifted to
the expense side as we began reviewing department expenditure requests for the upcoming
year. The meeting was recessed at 10:20 p.m. until 6:00 p.m. on Tuesday, May 24, 2016.

The meeting resumed at 6:00 p.m. on Tuesday, May 24, 2016.

The Recreation, Fire and Public Works Departments presented their respective budgets to the
committee and board members. A presentation of expenditures from the remaining funds was
provided by Director Scarpiniti. Major items proposed in the budget include the following;

$2.2 Million Street Resurfacing Program - Possible funding through alternate revenue bonds
$750,000 Phase II of the 1st Avenue Bike Path - Funded by a Cook County Grant
$1.16 Million Aerial Ladder Truck – Possible funding through an installment note
$175,000 New Financial & Recreational Management Package
$40,000 Replacement of a Skidster for Public Works
$11,000 Replacement of a Riding Lawn Mower for Public Works
$2.1 Million Pension Contributions to Police & Firefighters’ Pension Systems
Conversion from 2 part-time positions to 1 full-time position for the Accountant/Billing Analyst
Hiring of a part-time Athletic Coordinator for the Recreation Department
$185,000 annual replacement of squad cars in the Police Department
$105,000 replacement of the A/C system in Police Department
$60,000 repairs to the front entrance retaining wall, patio and replacement of the water heater
boiler at the Fire Department
2 ½% across the board salary increases
$30,000 Facility expansion for Recreation Department
$40,000 Phase I Tuckpointing & Phase II Garage Heater Replacement in Public Works
10% ($60,000) MICA Insurance premium increase
4% ($102,000) IPBC Health Insurance premium increase
2.5% ($12,000) PSI Paramedic contract increase
3% Roy Strom Garbage collection contract increase

There was a lengthy discussion on how to balance the proposed budget which was $272,784 in
the red with the suggested revenue increases included by staff. The first increase considered
by the committee was to increase the amusement tax to 5% of ticket sales instead of a flat
$0.25 per ticket (equivalent to approximately 3% of ticket sales). This would only affect Classic
Cinema but could generate an additional $40,000 in revenue. A motion was made by Trustee
Mengoni and seconded by Trustee Wilt to increase the Amusement Tax to 5% of ticket sales.
The committee passed the motion by a 2 to 1 vote with Trustee Demopoulos voting no,
Chairman Wilt polled the Mayor and other board members who agreed with the increase.
REPORT OF TRUSTEES (continued)
The Mayor then suggested that the Village raise the liquor licenses for Gaming Parlors/Cafes, since the Village can only charge a $25 license fee per machine. Many communities around us are getting anywhere from $1,000 to $2,000 license fee per machine. He suggested we double the liquor license fees for these establishments to $10,000 for a beer & wine license and $12,000 for a full liquor license. There was a motion by Trustee Mengoni and a second by Trustee Demopoulos to increase the cost of Gaming Parlor/Cafes liquor licenses to $10,000 for beer and wine and $12,000 for a full liquor license. Motion passes by a 3-0 vote with the Mayor and other Trustees agreeing.

The last recommended increase by staff was to increase the Places for Eating Tax by 1% going from 1% to 2%. There was considerable discussion by the committee and board members on this matter. Although the places for eating tax is a direct pass through tax, meaning establishments collect this tax on behalf of the Village and remit payment directly to us each month, some trustees were worried this would deter customers from eating in North Riverside. Director Scarpiniti informed the members that state statute allows non-home rule communities to charge up to a maximum of 2% for this tax. Currently, the Villages of Lombard and Villa Park have already adopted a 2% and 1.5% places for eating tax, respectively. A motion was made by Trustee Mengoni and seconded by Trustee Wilt to increase the Places for Eating Tax to 2%. The committee passed the motion by a 2 to 1 vote with Trustee Demopoulos voting no, and the Mayor and other board members were in favor.

Although the committee passed the recommended increases, there was still the estimated $272,784 operating deficit that needed to be addressed. Director Scarpiniti suggested that some of the capital purchases and improvements could be financed and incorporated within the scope of the alternate revenue bonds. She discussed the details of the funding and reviewed the Village’s current credit rating with Moody’s. Over the past two years, the Village has worked hard to address the financial concerns outlined by Moody’s Investor Services and should be in a good position at its annual rating review in June to discuss the positive changes that have been made to address these outlined deficiencies. She is optimistic that Moody’s will take into consideration the positive steps taken by the Village financially over the past years during its annual rating review. These steps include stronger diversification of the Village’s revenue base, 2 consecutive years of fully funding the police and fire pension obligations, strong growth in general revenue classifications, implementation of cost savings strategies, and restructuring of the Village’s water rates to cover all operating costs for the first time in over 20 years. Improving on the Village’s credit rating is important to ensuring that any new financing agreements are cost effective. Chairman Wilt, the committee, the board members and the Mayor thanked Director Scarpiniti and the Department Heads for their hard work and continued efforts to present a balanced budget and move the Village in a positive direction financially. Director Scarpiniti reminded the committee that a Public Hearing would need to be scheduled on Monday, June 20, 2016 at 6:30 p.m. with final action on the proposed appropriation ordinance for Fiscal Year 2017 at the July 11th Village Board meeting. All public notices have been published in accordance with state laws and the approved appropriation ordinance must be filed with the Cook County Clerk’s Office no later than July 31st.
REPORT OF TRUSTEES (continued)

Trustee Wilt moved seconded by Trustee Mengoni to concur with the Finance Committee’s recommendation to raise the Village’s Amusement to 5% of tickets sales effected August 1, 2016 and for the Village Attorney to prepare the proper ordinance for passage at the June 20, 2016 Village Board meeting. Roll Call Vote:

AYES: Trustees Bianco, Czajka, Decosola, Mengoni, Wilt
NAYS: Trustee Demopoulos
Motion carried

Trustee Wilt moved and Trustee Mengoni seconded to concur with Finance Committee’s recommendation to increase the Village’s Places for Eating Tax to 2% effected August 1, 2016 and for the Village Attorney to prepare the proper ordinance for passage at the June 20, 2016 Village Board meeting.

AYES: Trustees Bianco, Czajka, Decosola, Mengoni, Wilt
NAYS: Trustee Demopoulos
Motion carried

Trustee Wilt moved and Trustee Mengoni seconded to concur with the Finance Committee’s recommendation to increase Class G liquor licenses to $12,000 and Class G-1 to $10,000 effected August 1, 2016 and for the Village Attorney to prepare the proper ordinance for passage at the June 20, 2016 Village Board meeting.

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

Trustee Wilt called for a Public Hearing on June 20, 2016 at 6:30pm for final discussion on the Fiscal Year 2017 Budget.

MAYORAL REPORT

Mayor Hermanek read the following Community Development Department Updates as follows:

- Presales- The Community Development Department performed 10 single-family and one multi-family presale inspections totaling $4,541.25 in revenue.
- Permit Totals- The Community Development Department issued 80 residential and commercial permits totaling $34,676.68 in revenue.
- 2448 S. 9th Avenue- Permit issued for first floor addition. Value of construction listed at $47,000.
- North Riverside Park Mall- Obtained permit for repairs to the parking lot.
MAYORAL REPORT (continued)

Mayor Hermanek announced that today, Arbitrator Hayford, who is a lawyer and Professor of Business Law, Ethics and Dispute Resolution at Indiana University-Bloomington, denied the grievance of former Fire Department Lieutenant Michael Wisniewski appealing his termination by Civil Service Commission. This denial confirmed the validity of the decision of the Civil Service Commission which previously decided Mr. Wisniewski should be discharged for cause for misconduct while on duty. Arbitrator Hayford found that Mr. Wisniewski was terminated for just cause. Before the grievance was appealed to Arbitrator Hayford, the Civil Service Commission had also decided after a full and complete hearing that Mr. Wisniewski should be terminated.

CORRESPONDENCE

Youth Scholarship recipient, Christine Vassos, thanked the Mayor and Scholarship Committee for the generous scholarship money.

APPROVAL OF BILLS

Trustee Wilt moved, seconded by Trustee Demopoulos to approve the list of bills submitted for this meeting totaling $337,811.51 and to have the bills 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 Wilt moved, seconded by Trustee Demopoulos to Approve an Ordinance Budget Transfer for Fiscal Year 2016 \(16-O-06\) and to waive the reading. Roll Call Vote:

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

Trustee Wilt moved, seconded by Trustee Demopoulos to approve an Ordinance Designating Village's PSEBA Plan. \(16-O-07\) and to waive the reading. Roll Call Vote:

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

Administrator Belmonte stated that Raising Cane should be picking up their permit soon.

NEW BUSINESS

Trustee Decosola moved and Trustee Bianco seconded to concur with the Mayors appointment of PJ Folz to the Citizens Recreation Committee with an expiration date of April 30, 2017. Roll Call Vote:

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

AUDIENCE

Jim Zak asked if the new appointment was a paid position.

Craig Seidel asked about the new PSEBA plan and disabilities. Director Scarpiniti and Attorney Hayes explained the plans in detail to answer his questions.

ADJOURNMENT

Trustee Mengoni moved, seconded by Trustee Bianco for adjournment of this meeting at 7:40pm. Motion carried unanimously.

Respectfully submitted,

KATHY RANIERI
VILLAGE CLERK