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**WITH MOUNTING STATE PRESSURE TO FUND MILLIONS IN PUBLIC PENSIONS,
NORTH RIVERSIDE EXPLORES FIRE DEPARTMENT PRIVATIZATION**

***Village prioritizes health and safety, seeks to retain current firefighters by
expanding longstanding paramedic contract with PSI***

NORTH RIVERSIDE – June 19, 2014 – In an open letter to North Riverside residents and businesses yesterday, Mayor Hubert E. Hermanek, Jr. announced that the Village is exploring options to privatize its Fire Department by expanding its existing contract with Paramedic Services of Illinois (PSI) to include fire protection services. For the past 28 years, PSI has provided paramedic services to the Village, saving lives and working side-by-side with the Village’s firefighters to provide emergency response services to local residents and businesses.

PSI has been asked to develop a proposal that will offer employment to all 16 of the Village’s current firefighters, who are municipal employees of the Village and represented by the International Association of Firefighters Local 2714. Even while maintaining the firefighters’ current base salaries, earned pension benefits, health insurance and a new 401(k) plan through PSI, it is estimated that privatization could generate savings of more than \$700,000 per year for North Riverside and substantially reduce the adverse impact of future pension obligations imposed by the State.

“North Riverside prides itself on providing top-notch municipal services even with minimal reliance on property taxes. The lives, homes and businesses of our Village are our most important assets,” said Village Mayor Hubert E. Hermanek, Jr. “We will always put the health and safety of our community first—even as we face the same extremely challenging economic times confronting communities throughout Illinois and the State itself.”

The announcement follows public hearings last week in which Village officials presented a proposed budget for fiscal year 2014-2015 that projects an operating budget deficit of \$1.9 million. A full \$1.8 million of this deficit is a direct result of the Village’s growing public pension obligation. The State Department of Insurance has summoned Village officials to a June 26 hearing to explain how they plan to resolve this issue.

The Village’s financial stability is further threatened by a new State law that requires all municipalities to fully fund their annual public pension requirements by 2016. If North Riverside does not comply, legislation passed by the Illinois General

Assembly allows the State to take the Village's sales tax revenue to fulfill this pension obligation. This would be devastating to North Riverside, as more than 60 percent of the Village's general operating funds come from this important revenue source—largely because of North Riverside Park Mall.

“The good news is that we have an excellent solution, one that allows us to keep the strongest emergency and fire protection services in place and avoid layoffs without having to sacrifice other Village services or seek unaffordable tax increases to fund fire services and pension obligations,” said Hermanek.

Under the terms of the proposal, PSI would also provide cross-training to ensure that current North Riverside firefighters eventually all become certified to provide both firefighting and paramedic services. Many PSI paramedics, including all those working in North Riverside, are also certified firefighters, trained to meet the standards set by the Illinois State Fire Marshall.

“To address the ongoing and future needs of our community, despite extremely challenging economic circumstances, we have to be innovative and bold,” said Hermanek. “We see an expanded contractual services partnership that includes fire protection services as the best of all worlds— maintaining the safety and protection our residents and business expect and deserve, retaining the firefighters and paramedics who have capably served this town for decades, and fulfilling our obligation to fully fund current pensions and benefits already earned by our firefighters.”

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