

Village of North Riverside

Finance, Health & Appropriations Committee

Meeting Date: November 12, 2013

Trustee Wilt, Chairman
Trustee Demopoulos
Trustee Mengoni

Others in attendance were, Mayor Hermanek, Trustees Bianco, Czajka, Decosola, Administrator Belmonte and Finance Director Scarpiniti.

Meeting was called to order at 6:00 pm. and the following is a summary of the meetings.

Item #1: PSI Contract Extension: Tabled

Item #2: Current Year Financial Report: Director Scarpiniti passed out a Preliminary Summary of Projected Revenues and Expenditures of All Funds for the six month period ending October 31, 2013. Most of the discussion was focused on the General Fund, the Village's main operating fund. Currently, revenues reported in the General Fund are trending below original budget targets as sales tax revenue and charges for services are underperforming during the first half of the fiscal year. The largest fluctuation in village revenues is occurring in the Village's sales tax base as the municipal sales tax revenue is performing 2% lower than projections and the non-home rule component is averaging 10% lower. Because the non-home rule share of the sales tax base is significantly underperforming compared to the municipal share, this is usually an early indication that general retail and restaurant sales throughout the Village are reporting sluggish sales for the first half of the year while automobile sales continue to remain robust. She is optimistic that revenues will pick up during the latter half of the year when Costco and Chick-fil-A open for business. Year to date department expenditures are expected to total \$13,819,701, approximately \$6,300 under budget. A freeze on future non-operating expenses has been instituted for the remainder of the fiscal year in light of the sluggish revenue projections. She further went on to give a quick overview of the remaining funds since these funds are performing as expected within their targets. The Director answered numerous questions from the committee and board about ambulance billing, how collections are handled and a number of other questions.

Item #3: Tax Levy Discussion: Director Scarpiniti passed out two reports; a History of CPI's Used for PTELL and a Historical Data Sheet showing the Equalized Assessed Valuation for North Riverside dating back to 1994. She stated that in accordance with State Statute, the Village must file its 2013 Tax Levy request with the Cook County Clerk's Office by the last Tuesday in December. As a tax capped community, North Riverside would be limited in the amount of additional property taxes to be raised for the upcoming fiscal year to the lesser of 5% or the stated CPI index of 1.7%. If a tax levy increase were considered by the Committee and full Board, the anticipated amount of additional revenue to be generated without a public

referendum under the current tax caps would be approximately \$9,000. The maximum levy request the Village Board could approve would be \$25,000 and a public hearing would need to be held prior to the adoption of such. When asked, it was staff's recommendation, at this time, not to raise property taxes and take a wait and see approach to future tax levy recommendations until the impact of Costco and other business opening within town could be accurately assessed. The committee discussed the matter and decided not to raise property taxes. A motion was made by Trustee Demopoulos and seconded by Trustee Mengoni not to raise property taxes. The committee passed through committee 3-0, Chairman Wilt polled the other Trustees and the Mayor and all agreed not to raise property taxes. Director Scarpiniti said she will work with Attorney Hayes to prepare the Tax Levy Ordinance for passage at the December 16th Village Board meeting.

Item #4: Actuarial Study: Director Scarpiniti informed the committee she was notified by Tim Sharpe, the Village's independent actuary for the past 20 years, that he will not be able to complete his actuarial duties in time to finalize the FY13 audit due to personal issues. She explained that Mr. Sharpe notified the Village of his inability to provide actuarial services after not meeting his original contractual obligations, thus forcing the Village to request a filing extension with GFOA for completion of the FY13 audit. The actuarial valuation is a necessary component for completion of the Village's audit in compliance with governmental accounting standards. Due to severe time constraints, the Village was unable to seek formal RFP's for completion of its actuarial services. However, the Director did verbally contact two firms that have experience in performing actuarial calculations of other post-employment benefits and was able to find one company, MWM Consulting, who could provide immediate services and deliver an actuarial valuation in time to finalize the Village's audit by the November 30th deadline. The cost for the work was quoted not to exceed \$3,500 which was \$1,000 more than Tim Sharpe fee. MWM Consulting has experience in providing actuarial services for numerous governmental entities in Chicagoland and is well respected within the industry. There was a motion by Trustee Mengoni and seconded by Trustee Demopoulos to contract MWM Consulting to perform actuarial services for the Village. The motion passed 3-0, Chairman Wilt polled the Mayor and other Trustees and all agreed.

There being no further business, a motion was made by Trustee Mengoni and seconded by Trustee Demopoulos to adjourn the meeting, motion passed 3-0 and the meeting was adjourned at 7:18 p.m.

Respectfully submitted,

Trustee Vera Wilt
Chairman