

# *Village of North Riverside*

## **Finance, Health & Appropriations Committee**

Meeting Date: August 5, 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 7:45 pm. and the following is a summary of the meetings.

**Item #1: Fiscal Year 2013 Projection:** Trustee Wilt addressed the committee stating that although at the budget meetings the committee passed a water rate increase schedule of four \$0.50 increases from now until January 2016 the Mayor asked if this could be reviewed again to go over what the Village has already absorbed in increases and the additional increases which will be coming from the City of Chicago and the Brookfield-North Riverside Water Commission. Director Scarpiniti distributed a packet of information that consisted of a chart on the water fund revenues vs. expenses and unreserved retained earnings, historical information on the increases from the City of Chicago and the Brookfield-North Riverside water rate increases since the year 2000 and a rate survey showing the water rates from 14 area communities. The rate survey showed that the average residential water rate of the other communities which purchase their water from the Commission was \$8.27 per 1000 gallons and the average of the other eleven communities was \$7.58 compared to North Riverside's rate of \$4.54 per 1000 gallons. The Director informed the committee the Village has absorbed \$0.97 the past two years due to the increases in January of 2012 and 2013 by the City of Chicago and the Commission. She also reminded the committee that there will be an additional 15% increase in January 2014 and 2015 from the City of Chicago. She explained that the water fund is an enterprise fund with its main source of income being derived from water charges to its customers. As such, water rates need to be reviewed periodically in order to ensure that the revenues raised from the sale of water are sufficient to cover the annual operating and routine maintenance costs of the fund as well as future capital improvements planned in upcoming years. Historically, the Village's General Fund has subsidized the its water and sewer operations for years as the revenue generated from the sale of water to our customers has been insufficient to cover the annual operating costs of the fund without any major capital improvements. Consequently, this has created an increased financial burden on the Village's cash reserves over the years as the financial strength of the Water fund has rapidly deteriorated. In order to rebuild the financial health of the Water Fund, the Village must re-evaluate its reserve and funding policies and look to establish future water rates at more appropriate levels of funding. There was extensive discussion between the committee members, the Mayor and other trustees on what the increase should be to cover the past increases and future increases the Village will be receiving. The

committee was recommending an increase of \$1.50 per 1000 gallons affected with the September 1, 2013 billing cycle. Trustee Demopoulos asked about a \$2.00 per 1000 gallons increase but after a discussion neither the committee members nor the other officials were in favor of this increase. Trustee Mengoni motioned and Trustee Demopoulos seconded to increase the Village of North Riverside's water rate by \$1.50 per 1000 gallons affected with the September 1, 2013 billing cycle to both residential and commercial customers. The motioned passed by a 3 to 0 vote. Trustee Wilt polled the other trustees and the Mayor who all agreed with the increase.

There being no further business, the meeting was adjourned at 8:35 pm.

Respectfully submitted,

Trustee Vera Wilt  
Chairman

At this time I would like to make the following motion.

**To increase the Village of North Riverside's water rate by \$1.50 per 1000 gallons to residential and commercial customers affected with the September 1, 2013 billing cycle and for the Village Attorney to prepare the proper ordinance for passage.**