

Village of North Riverside
Finance, Health & Appropriations Committee
Meeting Date: November 6, 2019

Trustee Mengoni, Chairman
Trustee Flores
Trustee Sarro

Others in attendance were Mayor Hermanek, Trustee Mandel, and Finance Director Scarpiniti. Trustees Czajka and Demopoulos were absent.

The meeting was called to order at 6:05 pm and the following is a summary of the meeting:

Item #1: Discussion of 2019 Tax Levy:

Finance Director Scarpiniti discussed in detail the overly complex tax levy process in Cook County. She provided an in-depth evaluation of the components used to determine the property tax cap limits in North Riverside and their impact on the Village's upcoming levy request. State law requires the Village to determine its estimated tax levy at least 20 days prior to final adoption. The approved levy must be filed with the Cook County Clerk's Office before December 31st. A public hearing is only required if the estimated levy request is 5% or higher than last year's tax extension.

The annual levy sets the amount of money needed to be collected from local property taxes to support village operations for the upcoming budget year. The County will automatically add a 3% loss of collection factor to the Village's request each year. Because North Riverside is subject to tax caps, the 2019 levy request will be limited to an increase of 1.9%, the 2018 CPI Index. Based on detailed discussions with both Township Assessors, Staff anticipates very little new construction growth and a declining EAV environment due to the loss of several large retailers in 2019. As such, Staff recommended the Village Board freeze its 2019 tax levy request at last year's level of \$561,000. The Village has not collected its full levy request in any of the past five years. Director Scarpiniti emphasized that requesting a levy amount above \$561,000 would be futile since the County would be required to lower the Village's request to comply with the tax cap laws and therefore, limit the amount of revenue collected. After a question and answer session with the Committee, Trustee Mengoni asked the remaining board members present for additional questions, comments or clarification needed, which both replied they had none. Director Scarpiniti asked for questions or comments from the audience, which there were also none.

Trustee Sarro motioned and Trustee Flores seconded to accept Staff's recommendation and adopt the 2019 tax levy of \$561,000. When asked, Mayor Hermanek voted in favor of the motion and Trustee Mandel voted No. There was no further discussion on the question. The motion passed committee and Attorney Hayes was directed to prepare the proper ordinance for passage at the December 16th board meeting.

Director Scarpiniti then discussed the Village's outstanding 2016 revenue bonds and the impact to the Village's annual property tax levy. She explained how the Village legally pledged sales tax and other operating revenues NOT property taxes for the repayment of the annual principal and interest. However, because this debt is still backed by the full taxing authority of the Village, Cook County is required by law to collect property taxes to fund the annual debt service until the Village files the necessary directive to forgo the collection of property taxes. As such, the Village has a legal obligation to order the County not to collect property taxes unless the pledged revenues are estimated to be insufficient to cover the debt service. Director Scarpiniti explained that this is just an annual bookkeeping function and formality as the 2016 bond ordinance mandates the Village to repay the debt from revenues other than property taxes. She further confirmed that the estimated revenues pledged would be sufficient to fully fund the bond payments. Trustee Mengoni asked all present for any questions, comments or clarification needed prior to a formal motion; all responded there were none.

That being the case, Trustee Sarro motioned and Trustee Flores seconded to abate the 2016 Alternate Revenue Bonds and to certify the Village is in legal compliance with the bond ordinance. Trustee Mengoni agreed. When asked, Mayor Hermanek voted in favor of the motion and Trustee Mandel voted No. There was no further discussion on the question. The motion passed committee and Attorney Hayes was directed to prepare the proper ordinance for passage at the December 16th board meeting.

Item #2: Resolution for West Cook County Solid Waste Agency:

Administrator Belmonte previously distributed a draft resolution to all board members for consideration at the upcoming November 18th Village Board Meeting. The resolution set forth who will represent the Village of North Riverside in the position of Director and Alternate Director on the West Cook County Solid Waste Agency Board of Trustees. The purpose of the Solid Waste Agency is to band communities together in an effort to protect the environment and control the rising costs for the transfer and disposal of municipal solid waste by participating members. There were no questions or comments by the committee.

There being no further business the meeting was adjourned at 6:45 pm.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Joe Mengoni". The signature is written in a cursive style with a large, stylized initial "J".

Trustee Joe Mengoni, Chairman