



River Forest Village Board of Trustees
September 13, 2010

Sue Lodgen, Observer

Participants and Visitors. Board President Rigas, Clerk Coldwell-Steinke, and Trustees Adducci, Conti, Dudek, Gibbs, Hoke, and Winikates were present.

Visitors included representatives of Dominican University, Keystone Montessori School, and Keystone Ventures and HSA Primecare, proposed Developers for the Plunkett furniture store site, as well as George Perry, Rex Burdett, Dorothy Walker, and Ralph Schuller of the community.

Timing The meeting began at 7:30 p.m. At 11:00 p.m., this observer left. A number of items remained on the agenda at that time, and the Board appeared to intend to continue.

Agenda Items Covered

Public Testimony: Village Financial Issues. George Perry referred to the Village's financial situation as a "quagmire." He stated that funding currently provided for the Village Fire and Police pension funds is more inadequate than stated by the Board. He reported that actuaries hired by the village used mortality tables from 1971 to estimate life spans and hence pension funding requirements for village fire and police retirees, thus underfunding the pensions. Use of more current tables (Perry tested for 2006 tables) would add an average four years of incremental life expectancy for each retiree. On this basis, he reported that we would have a 31% greater unfunded liability than currently reported by the village, and this gap would be further increased because of the trend to earlier retirement of RF police. He commented that we need to understand the potential impact of the underfunded pension liabilities on bond issuance, as well as on retirees. Perry recommended that 1) the Board direct its actuaries to use more current mortality tables, that 2) that the Board President and Village Financial Director certify the unfunded liabilities identified by their actuaries, and that 3) the Board reactivate a citizen's advisory board to review this issue.

Rex Burdett questioned whether most citizens of River Forest realize how dire the Village's pension funding situation is. He stated that the assumptions used for return on assets and growth of assets for pension funding calculations totaled over 10%, and that this level is inappropriately high given current and probable markets. He pointed out that if the actual rate of return is less than the assumption, this will require a much higher village contribution in the future. Burdett proposed as a partial solution that in the future the village hire for Fire and Police only people already retired and/or part-time people who are not pension eligible. He also suggested using all the proceeds of the sales tax referendum to pay down the unfunded pension liability, or taking all of the estimated \$3 million annual surplus to fund these pension liabilities. He referred to the current course as a "disaster." President Rigas stated that Burdett's hiring proposal was not feasible given current labor agreements.

Trustee Conti commented that the Village has a budget issue, and said that the Village needs to talk about this issue, and why the Village is promoting a sales tax increase in its November referendum. She commented that River Forest has an 8.5% sales tax, where neighboring towns have sales tax of from 9.0% to 9.75%. Trustee Hoke warned that the village should be careful about promoting a higher sales tax.

Public Testimony: Lake Street Flooding Compensation. Dorothy Walker, a 23-year resident of the village, questioned the criteria for reimbursement for flooding on Lake Street. She had been told that the geographic boundary for reimbursement cut off exactly at her location, and that she was therefore barred from receiving the maximum funding. She has not been able to locate any definitions for qualifying for the maximum reimbursement. President Rigas said he would get back to her.

Recommendation of Development Review Board (DRB) on Loyola Gottlieb Center for Health Planned Development Application. HSA Primecare, the proposed developer for the Plunkett Furniture Site on North Avenue, is asking development approval for a 10,000 square foot medical office building on North Avenue, to include immediate care, orthopedic services, and diagnostic services. They are looking to demolish this year, construct in spring, and occupy in late summer to fall of 2011.

Extensive discussion focused on the choice of a medical facility rather than the retail or restaurant development targeted in the Village plan, and on the loss of real estate taxes and sales taxes involved in moving to a medical facility. Trustee Dudek challenged the Village's making this decision without sufficient information on the real estate and sales taxes projected by the developer. This particular approval was described by a spokesperson for the DRB as a conceptual review, lacking some of this economic detail, which the Village DRB pushes to get during another stage several months later. The economic part is not included in the DRB charge, although they could include that at the direction of the Board. The subsequent stage of preliminary engineering is a lot of cost and effort, and far beyond this conceptual stage. Tim Hicks of the developer then compared the property and sales tax implications of the proposed development versus the Plunkett store.

Several Trustees questioned the Board's accepting this medical development because of its change of policy from the Village plan. They questioned what such change would mean more broadly for future development on North Avenue. They questioned whether waiting a couple of years - or five to ten years - would result in an improved real estate economy and a better offer. They discussed the alternative options that might be available, the risks of single-center retail use, the lack of entities interested in the site now, the challenges of the relatively small and shallow lot, and the risks to the area of a continuing long-term vacancy. They also discussed structuring the approval so that the Developer would be required to maintain ownership of the property, and could lease it to Gottlieb, but not sell it. Trustee Conti stated that these matters of development philosophy should be resolved earlier by the Board, not when the developer is present. President Rigas observed that the Village must play the cards it is dealt, or fold, and that folding was not a good idea.

The proposal passed, with two negative votes.

Recommendation of Development Review Board on Dominican University Development Applications. Speakers from Dominican University described their application for three projects: a library addition, a soccer field press box, and artificial turf and fencing for the soccer field. They reported that parking and traffic will not change with respect to prior growth projects, and that any added traffic will be in

non-peak school times. Trustees Dudek and Hoke asked whether the changes to the soccer field had considered the possible impact of its drainage on flooding in the area, reminding that the 1100 block of Keystone was significantly flooded during this summer. They suggesting that this flooding may have been related to the drainage of Dominican's previous soccer field project in 2002 having been tied for the first time to the Metropolitan Water Reclamation District sewer systems. They believed that the MWRD will require eliminating that tie for the new soccer field project, and questioned how the project would then achieve sufficient drainage. They stated that this issue needed to have been resolved before the project was brought to the Board.

Kramer of the Village Public Works was reported to have refused to signed permits for the projects because the MWRD had not signed approval. President Rigas had inquired to Dominican on the drainage issue, and was first told that drainage did not connect to the sewer, and then later told that it did. He stated that Public Works does review projects, but that drainage often gets missed. The Village attorney stated that Development Review Board review is at a conceptual level, not at this level of detail.

The speaker for Dominican said that the summer's flooding is requiring their rethinking of drainage in the 7/10 plan, and that the result will be a better project. Trustee Hoke stated that the University had yet to develop an alternative design, and that the Village should therefore postpone approval until an alternative drainage plan is clear. Dominican stated that drainage would be disconnected from the sewer next summer.

The proposals passed, with one abstention and two no votes.

River Forest - Keystone Montessori School Agreement. Two representatives of the school stated that their discussions with the Village had been a difficult process for the school. The Village wanted them on its tax roles, and they wanted relief from taxes due to their changed circumstances. They believe that the school benefits the community beyond only the taxes it pays. They believe that the school should be tax-exempt, and then should contribute some payment to the Village in lieu of taxes. This they are willing to do. The Village lawyer stated that the Village assumed that both remedies the village had were legally enforceable, but that under existing law, modification for use will not work. He also stated that a renewal of the current arrangement could not be contracted legally.

Process Notes 1) There appeared to be no stated time limits for public or Board member comments. 2) In several cases, the sequence of events and requirements preceding request for approval appeared not generally understood, so that Trustees were often disappointed to find that one or another vital piece of information had not been provided prior to the subject coming up for discussion. 3) Behavior of Board members to one another was generally civil, but 4) not always respectful of the time constraints for discussion. Repetition of points was considerable.

(online minutes: www.river_forest.us/government/agendas_minutes.php)