

MINUTES
WINNETKA VILLAGE COUNCIL
Budget Review Meeting
October 30, 2025

(Approved: December 16, 2025)

A record of a legally convened regular meeting of the Council of the Village of Winnetka, which was held in the Council Chambers at Village Hall on Thursday, October 30, 2025, at 8:30 AM.

- 1) Call to Order. President Dearborn called the meeting to order at 8:36 AM. Manager Kazenas called the roll. Present: Trustees Kirk Albinson, Robert Apatoff, Kim Handler, Scott Myers, and Bridget Orsic. Absent: Trustee Tina Dalman. Also present: Village Manager Kristin Kazenas, Community Development Director Scott Mangum, Assistant Community Development Director Ann Klaassen, Village Engineer Jim Bernahl, Assistant Village Engineer Obaid Khalid, Chief Financial Officer Tim Sloth, Deputy Chief Financial Officer Dell Duckworth, Accounting Manager Kathy Sarapuk, Deputy Fire Chief Andy MacArthur, Fire Analyst Stephanie Wells, Chief of Police Brian O’Connell, Public Works Tom Powers, Assistant Public Works Director Erik Jensen, Director of Water & Electric Nick Narhi, Assistant Director of Water & Electric Sam Carrasco, and no persons in the audience.

Trustee Dalman enters at 8:38am.

President Dearborn acknowledges the significant effort by staff, department heads, Village Manager, and the finance team in preparing the FY2026 budget, emphasizing that while the focus is on the upcoming fiscal year, the budget is intentionally forward-looking, grounded in maintaining a strong foundation for the community, and preserving high-quality service as past and current Councils supported such standards.

Reflecting on what the Village has historically provided its community members, reliable utilities, strong public safety, well maintained infrastructure, and vibrant commercial districts, President Dearborn emphasizes the importance on continuing to support these values and that the budget discussion will involve major long-term planning projects from electric and water utilities, streetscape improvements, and stormwater infrastructure.

- 2) Budget Review Topic:

- a) Budget/CIP Overview/2023 Tax Levy.

Village Manager Kristin Kazenas provides an overview of the FY2026 Annual Budget and Capital Improvement Plan, reaffirming that the budget is upheld by the Winnetka Way, focusing primarily on maintaining a high quality of life through superior services and notes that each budget item is translated to Village-wide goals and objectives protecting public health and safety, preserving the natural environment, maintaining assets, and investing in critical infrastructure. Additional priorities include ensuring long-financial stability, supporting redevelopment of the Village’s business districts, enhancing communication with stakeholders, and promoting efficient and effective service delivery.

Village Manager Kazenas states that while there have been several challenges affecting this year’s budget, such as ongoing inflationary pressure, increased demands for capital project planning, economic uncertainty, unfunded mandates, and the high expectations of

the community, the proposed FY2026 budget seeks to meet the needs of the entire Village through thoughtful planning and a long-term vision focused on leaving the Village better than it was found. The proposed budget aims to maintain a safe and desirable community, strengthen the Village's overall image, identify sustainable funding for staffing, invest in long-term infrastructure improvements, support the business community, advance the implementation of the 2040 Comprehensive Plan, attract and retain skilled employees all while maintaining a balanced and fiscally responsible budget.

Village Manager Kazenas expresses deep appreciation for the extensive efforts of department heads, deputy directors and staff in preparing the proposed FY2026 Annual Budget.

Chief Financial Officer Tim Sloth presents an overview of the FY2026 budget and Five-Year Capital Improvement Plan, noting that the budget is balanced, however, inflation continues to impact higher operating costs, and that residents will see a 4.93% increase as a result of the proposed budget. Mr. Sloth reviews major capital investments across various funds consisting of various projects including Willow Road stormwater, water main, and road construction, stormwater conveyance, water main replacements, sewer system upgrades, facility improvements, downtown redevelopment components, planned electric generation projects, and Fire engine replacements.

Council is informed of outlined economic pressures, including rising labor costs, infrastructure inflation, and slowing economic indicators. Funding strategies and rate adjustments were reviewed, including proposed increases in electric, water, sewer, refuse, and stormwater rates. The proposed 2026 property tax increase is 1.45%, and the \$1.1 million transfer to the business district is proposed to be eliminated due to the implementation of a new home-rule sales tax. Expected revenue from major developments will not be realized until 2027–2028. Mr. Sloth confirms that departments are trending under budget.

Council is presented tax levy details, noting a total proposed levy of \$16.68 million, capital spending, significant capital initiatives, and required public safety pension levies. Comparisons show the Village has historically increased its levy below CPI and neighboring communities. The 2026 capital program totals \$39 million, with significant spending on roads, facilities, downtown improvements, electric system upgrades, water main replacements, and stormwater improvements.

In conclusion, the FY2026 budget is fiscally sound, maintains needed reserves and staffing levels, and continues investing in infrastructure, though future prioritization will be required.

Council discusses matters related to increases, capital, funding, utility increases, operating costs, property tax, and discussion regarding the Cook County tax levy comparison,

b) Public Affairs/Village Manager's Office.

Village Manager Kristin Kazenas presents the Public Affairs and VMO budget. Consisting of 8.5 full-time employees, the Public Affairs Department primarily focuses on Village wide support and Village Council initiatives. The VMO also provides

departmental specific operations specific to administration, communications, economic development, human resources, and sustainability.

Regarding 2025 accomplishments, Economic Development reported nine new business openings and four closures throughout the third quarter. Retail vacancy remains at a record low, with only one first-floor retail space available, representing a 0.43% vacancy rate. The One Winnetka project has broken ground and is progressing on schedule. Human Resources reviewed 1,825 applications, conducted 161 interviews, and managed 24 recruitments, including entry-level patrol testing. Communications updated website PDFs to meet ADA requirements effective January 1, 2026, and provided customer service training and special communications support. Additionally, the department assisted with the Farmer's Market, Music Fest, Memorial Day, and July 4th activities. The Village Clerk's Office completed 646 FOIA requests as of September 2025, with staff costs of approximately \$73,042, excluding legal costs. Sustainability hosted the Village's first zero-waste event, introduced composting in Village Hall, advanced the greenhouse gas inventory and climate action plan, drafted the adopted sustainability resolution, supported the solar array at the Yards, promoted the Hefty Renew program, and strengthened area partnership with sustainability.

The Public Affairs 2026 Goals and Objectives will support safe and enjoyable community events. Economic Development will continue to support existing businesses and attract new businesses. Communications will provide timely and effective outreach. Human Resources will recruit, train, and retain a high-quality workforce. Sustainability will continue implementing Pillar 4 of the Comprehensive Plan.

Key Budget Notes for Public Affairs will continue event sponsorships, with a reduced Music Festival sponsorship of \$12,500. Legal expenses have been consolidated under the Village Manager's Office for transparency. Communications will continue funding newsletters, the Winnetka Report, and social media. Economic Development will maintain event sponsorships, partnerships, co-advertising, and active business recruitment to support future business needs.

Additionally, Ms. Kazenas reported that Human Resources plans to conduct two police entry-level tests and one fire recruitment test in the coming year. Efforts will focus on recruitment and retaining a high-talent workforce, annual training and professional development, and Village-wide tuition reimbursement. In Sustainability, the budget includes completion of the Climate Action Plan and greenhouse gas inventory, continued work on the implementation plan, a special Wanaka sustainability report, expanded composting initiatives, and new solar and energy-efficiency rebates funded through the water and electric budget.

Council is informed that the significant change in the Managers and Public Affairs service supply area is driven by the reallocation of the legal budget.

Council discusses attraction to business districts, legal expenses, annual retainers, FOIA reports and costs, and hiring of a new Deputy Village Manager.

c) Finance Department.

Chief Financial Officer Tim Sloth reviews the 2026 budget, noting a department total of approximately \$1.9 million. The AMI-related capital expense from 2025 is not budgeted

for in 2026, as AMI costs will now be funded through utility funds. A slight decrease in salaries and benefits reflects position changes, while service costs increase due to the continued need for manual meter reading supported by a contracted service during the AMI transition. An updated organizational chart was presented noting that one meter reader has now been reclassified to the AMI transition coordinator, and the second has transferred to the refuse division. The Deputy Chief Financial Officer, Dell Duckworth, oversees utility billing and AMI transition coordination, while the accounting manager oversees accounts payable, the accountant, and customer service.

The department's focus includes safeguarding financial and technology assets, providing accurate and transparent financial information, and supporting internal and external customers.

Major 2025 accomplishments included reaffirmation of the Moody's Aaa rating, GFOA awards, completion of the audit, automated timekeeping, AMI pilot deployment, completion of the water rate study, renewal of the New Trier parking lease, and implementation of the local grocery replacement tax. Significant grant work was completed, with state stormwater funding received, continued due diligence on securing FEMA's \$21.2 million flood mitigation grant, and various other grants progressing. Additionally, cybersecurity tabletop exercises were completed, performance of comprehensive rate analysis and financial planning for utility funds, and support for internal departments purchases and bids.

For 2026, goals include pursuing grant opportunities, managing the FY27 budget and FY25 audit, continuing financial analysis for utility funds, overseeing Phase 1 of the AMI rollout, and beginning evaluation of a replacement ERP system.

Council discusses matters related to grants, funding, and finance cost operations.

d) Police Department.

Police Chief Brian O'Connell reported that the administrative commander position has been filled and significantly strengthened records management, FOIA responses, and incident support. The third detective position remains vacant but is expected to be filled by June or July of 2026 with four recruits currently completing the academy. Due to increased FOIA and body-worn camera demands, a part-time community service officer position was reassigned to a part-time records role. FOIA hours increased from 190 in 2024 to more than 230 to date. For 2026, Chief O'Connell confirms the only structural change proposed is increasing patrol staffing from 16 to 20.

The Police Department 2026 accomplishments consist of a successful partnership with P4 Security Solutions, launching the contracted crossing guard program, completing the MGT staffing study, and remodeling of the Police Department classroom. Ordinances addressing THC, kratom, and motorized devices were adopted, two grants totaling nearly \$40,000 were awarded, additional license plate readers were installed, and four new officers were hired. Chief O'Connell confirms that crime levels have decreased and now align with lower-crime neighboring communities.

The 2026 goals and objectives for the Police Department plan to continue its partnership with P4 Security Solutions, replace its aging use-of-force training range, continue wellness initiatives, maintain crossing guard services, and expand the drone program to

support water rescue response. The drone proposal includes enhanced communication, lighting, and life-preserver deployment, with an estimated shared cost of \$20,000. Additional goals include onboarding new officers, filling the detective vacancy, and expanding license plate readers.

The proposed 2026 budget is just over \$10 million, confirming a 13% increase, while most cost growth is tied to salaries, benefits, dispatch contract increases, and onboarding four new officers in late 2026. Key items include continued P4 services at the same rate, the range retrieval system replacement, three squad car purchases including potential hybrid models, and the shared drone program

Council discusses implementation of a drone pilot, funding, recruitment process, department positions and staffing, salaries, contract costs, budgeting matters, and pension funding.

e) Fire Department.

Deputy Fire Chief Andy McArthru reviewed the 2026 Fire Department budget, noting no staffing changes except the promotion of Stephanie Wells to Fire Department Program Manager. The department maintains 24 sworn personnel, one non-sworn staff member, and four part-time inspectors. Operational coverage remains consistent across three shifts and the administrative lieutenant position continues to backfill shift needs, reducing available administrative support but offsetting overtime costs.

It is noted that the call volume increased from 2023 to 2024 and remains high into 2025. The Fire Prevention Bureau continues inspections and contracted services for Glencoe and Northfield.

Key 2025 accomplishments included replacing hydraulic extrication equipment, continued PFAS free gear replacement, advanced cardiac life support training, expanded regional joint training, updates to the Village emergency operations plan, participation in a Cook County severe weather tabletop exercise, progress on IGAs for training tower repairs, and implementation of updated operating guides through the Lexipol platform.

Goals and objectives for 2026 include placing a new ambulance into service, improving Lake Michigan response capabilities, completing pediatric advanced life support certification, fully implementing Lexipol policies, conducting a Village EOC exercise, and enhancing electric vehicle fire response equipment.

The proposed 2026 budget is just over \$8 million, a 10% increase, with major expenses in salaries, benefits, operations, and capital, including a staff vehicle and carryover funding for the delayed ambulance. Expected revenue is approximately \$1.3 million from service contracts, ambulance billing, radio alarm monitoring, and inspection services. The department is also continuing its apparatus replacement plan to maintain reliable fleet operations.

Council discusses matters related to engine replacement and RED center participation and operations.

f) Community Development.

Community Development Director Scott Mangum briefs Council on the departmental provided functions consisting of planning and zoning, building construction activity, code

enforcement, and food service compliance. Regarding staffing, the department has not made any significant changes except for the hiring of the new Community Development Director, Scott Mangum. Mr. Mangum notes the outside contractors aiding in services provided by the department.

2025 accomplishments include staff overseeing the beginning of the construction phase of One Winnetka, Chase Bank, Engel & Volkers, 933 Green Bay Road development projects, ongoing progress on streetscape development, Hubbard Woods Metra Station improvements, Grace Presbyterian Church additions, assisting with the Affordable Housing Plan, and progress with mixed-use developments in Indian Hill, Hubbard Woods, and the recent Tower Court concept review.

Key goals and objectives for 2026 include continued support with the design stages of the Howard Woods and Indian Hill Streetscape projects, assisting Council in evaluating options for the Post Office site, anticipation of rewriting the zoning code planned to begin in 2026 and continue into 2027, noting the budget includes \$75,000 in 2026, with an anticipated additional \$75,000 in 2027. The department will continue monitoring construction activity in the downtown and commercial districts, assisting property owners and developers with redevelopment inquiries, providing permit and inspection services, and supporting the boards and commissions.

The 2026 budget reflects a decrease of approximately \$198,000, largely due to shifting legal service costs to the Village Manager's Office. Mr. Mangum noted higher-than-estimated legal expenses this year and the carryover of comprehensive plan implementation costs for next year. Salaries and benefits make up about 60% of the 2026 budget while third-party services account for roughly 30%, including the SafeBuilt contract, construction compliance services for One Winnetka and other commercial projects, zoning code rewrite costs, and part-time contractual review assistance. Staff reported that 2025 building permit revenue is estimated at \$3.63 million, about \$200,000 above projections. For 2026, revenue is projected at \$2.4 million due to the one-time spike from the Chase and One Winnetka projects in 2025. Permit activity remains steady, with approximately 1,150 permits and 2,700 inspections expected in 2025, and about 70 applicants assisted through zoning and design review processes.

The 2025 revenue is estimated at \$3.63 million, about \$200,000 above projections and revenue is expected to drop to about \$2.4 million in 2026 due to one-time permit spikes in 2025 from the Chase and One Winnetka projects.

Council discusses building permit review processes, implementation of the comprehensive plan, third party costs and functions, fees, streamlining Design Review Board requests through staff, and status of major developments.

g) Engineering Department.

i. Business District Revitalization Fund

Engineering Director Jim Bernahl advises Council that the Business District Revitalization Fund will be managed by the Engineering Department in coordination with the Community Development Department and the Village Manager's Office.

The 2026 main streetscape projects and budgeted costs include the continued phase I study for the Hibbard Road streetscape project, Post Office program refinement, concept design, demolition and improvement, implementation of EV charging stations, and the Hubbard Woods parking repairs and improvements.

Council is provided information regarding the five-year capital improvement plan for the Business District Revitalization Fund, cost estimates for various projects, funding considerations, capital expenses, and a projected beginning balance for 2026 at \$4.8 million. The fund is projected to maintain a positive balance in the near term.

Council discusses the utilization and costs of EV charging stations including IMEA funding, redevelopment of the Hubbard Woods parking deck, proposed financing for various projects and planning in the Business District Revitalization Fund, matters regarding IDOT and jurisdictional transfers, Green Bay Road improvements, improved bicycle access routes, and communication between the commercial districts regarding the home rule sales tax.

Engineering Director Jim Bernahl reviews the department's organizational chart and staffing levels including the implementation of an Assistant Village Forester. Council is advised that the proposed forestry personnel addition is intended to oversee projects, assist with permit reviews, and improve efficiency within the forestry division.

The Engineering Department primary functions include Capital and MFT improvement programs, public and private construction review and inspections, manage the Village's GIS program. Floodplain and stormwater management, and management of Village forestry services.

Key 2025 accomplishments include the completion of emergency repair work of the Elder Beach stormwater outfall in coordination with the Park District, 2025 street rehabilitation project, sanitary sewer evaluation study, continued the design of the reconstruction of Willow Road, advanced the phase I Engineering study for the Hubbard Woods Business District Streetscape project, structural repair of Elm Street bridge, and performance of annual general maintenance activities,

Key 2026 goals and objectives include the continued investment of critical infrastructure in coordination with the upcoming stormwater projects, complete the design and bid the Willow Road reconstruction project and jurisdictional transfer agreement with IDOT, finalize design of future phases of the proposed west side stormwater conveyance projects, and finalize east side stormwater master plan and complete IGA with New Trier District 203. Additionally, advancing the design for first phases of improvements for the Green Bay Trail, obtaining grant funding, improving Village roadway and pedestrian infrastructure, complete phase I study for the Hubbard Woods Streetscape project, and improvements to forestry and landscaping initiatives including oversight and management of the Village wide landscaping contract.

The Street Rehabilitation program is a large annual capital project performed by the Village on its existing infrastructure with a budget of \$1.8 million. Because many of the highest rated roadways are located within the tree streets, roads have been delayed due to upcoming stormwater improvements. Engineering is planning to use the proposed budget

towards two critical roadway projects; Willow Road Reconstruction project and professional design services related to the stormwater conveyance project.

Council is provided information regarding the Willow Road Reconstruction and Stormwater project including the reconstruction in the jurisdictional transfer of Willow Road, project limitations, road and intersection improvements, implementation of traffic signals and pedestrian crossing signs, installation of a new stormwater box culvert, water mains and a water main bypass line, and sanitary service. Engineering staff will require a significant amount of coordination and communication with residents, schools and businesses.

The proposed budget is estimated at \$18.4 million, paid by various accounts; stormwater fund, water fund, general fund, MFT/Rebuild Illinois fund, and STP Grant funding.

The Engineering Departmental proposed financial summary consist of salaries and benefits, services and supplies, insurance, total operating expenses, capital outlay, and a total proposed 2026 department budget at \$8.4 million.

Council discusses concerns regarding Willow Road construction in 2026 and IDOT, improvements to the Green Bay Trail and obtaining grant funding, budgeting for design services, stormwater improvements and roadway construction, IDOT coordination with Willow Road reconstruction and improvements, various project fundings and timelines, jurisdictional transfers, and departmental budgeting and funding.

h) Public Works Department.

Public Works Director, Tom Powers, reviews the department's organizational chart and staffing, noting that the Operations Manager has been reclassified as the Internal Services Manager overseeing facilities and fleet. Due to such organizational changes, Assistant Public Works Director, Erik Jensen, has been assigned to oversee streets and sewers. Additionally, due to the AMI project, some staff have been reallocated to the refuse department.

The Public Works Department consists of refuse collection and disposal, roadway and right-of-way maintenance including snow removal, operation maintenance of the stormwater drainage system and sewer drainage system, public facilities maintenance, and fleet services.

2025 accomplishments include the completion of facility projects, department restructuring, increased pavement patching, hosting inaugural Touch-a-Truck event, participation in 4th of July parade, and snow and ice operations.

The Public Works Department 2026 goals and objectives include the maintenance of Village streets, sidewalks and alleys.

2026 key budget items include the replacement of Public Works vehicles, equipment replacement, and the Spruce Street Outlet final design.

Council is advised of the Public Works budget consisting of salaries and benefits, services and supplies, total operating expenses, capital outlay, and a proposed 2026 budget at \$4.8 million.

i) Refuse Fund.

The Refuse Fund accounts for the solid waste management services including residential and commercial services, special refuse collections, and annual Spring Clean-up collections.

Key 2025 accomplishments include continued back-door and curbside pick-up services, recycling collection programs, completion of spring clean-up, implementation of a composting program, refuse scooter purchase under budget, deployment of recycling coach mobile application, hosting regular recycling events, providing training opportunities for refuse collectors, implementation of a hazardous household waste home collection program, and implementation of GIS workforce solution application.

Key 2026 goals and objectives consist of camera deployment, focus on training opportunities for refuse staff, improvements to improve operations, participation in the Chicago Metro Recycling Education and Outreach Campaign, and continue existing compost.

Mr. Jensen discusses the refuse fund financial summary consisting of revenue, expenses, operating income and expense detail, and overall fund expenses.

Council discusses refuse services, equipment purchases, implementation of camera deployment, and funding.

i) Fleet Services Fund.

The Fleet Services Fund accounts for all fleet operations including in-house repairs, required parts, fuel, and maintaining equipment.

Key 2025 accomplishments include ongoing maintenance of Village's fleet, improved communications between departments, utilization of hybrid vehicles, prioritizing in-house repairs, and providing support on vehicle replacement programs.

Key 2025 goals and objectives include the continued implementation of new software program, implementation of new Fleetmatics program, preparation of bidding specifications and replacement of equipment, mechanic development with Automotive Service Excellence and Emergency Vehicle Technician certifications, focus on cross-training.

Mr. Jensen discusses the fleet services fund financial summary consisting of revenue, expenses, operating income and expense detail, and overall fund expenses.

Council discusses the vehicle management software aiding in tracking repairs and maintenance.

ii) Facilities Fund.

The Facilities Fund, consisting of capital projects, provides funding for operational costs and capital costs.

2025 accomplishments include accessibility improvements and creation of nursing mothers' room at the Public Safety building, Village Hall A/V cabinet installation, phase I seating at Village Hall, phase II HVAC replacement and overhead door replacement at the Yards, and implementation of facility master plan.

2026 capital projects including public safety improvements regarding generator control modernization and HVAC and vehicle exhaust system, Village Hall improvements including mural refurbishment, upgrades to 2nd floor kitchen, facility improvement design, and HVAC and overhead door repairs at the Yards. Council is advised of anticipated facility repairs and improvements, noting the critical need for HVAC system and Fire system updates at Village Hall and improvements to the Public Safety building.

Mr. Powers discusses the Facilities Fund financial summary consisting of revenue, expenses, operating income and expense detail, and overall fund expenses.

Council discusses seating replacement at Village Hall, noting that Village staff have been working with the Winnetka Historical Society allowing residents to purchase benches, HVAC system at Village Hall, project funding, cost estimates,

iii) Sanitary Sewer Fund.

The Public Works Department is responsible for the operation and maintenance of the Village's sanitary sewer system including 246,955 linear feet of sewer main, 1,131 manholes, and 1 sanitary lift station.

Key 2025 accomplishments include the completion of final design and permitting of Ravines force main rehabilitation engineering, installation of trenchless structural linear in existing sanitary mains, root-foamed 4,288 lineal feet of sanitary sewer main, televised sewers in-house, cleaned 122 catch basins/manholes, completed 26 storm/sanitary repairs. Additionally, Public Works anticipates completing water main break concrete repairs.

Key 2026 goals and objectives include completing the Ravines sanitary sewer force main rehabilitation, perform annual cleaning and video inspection maintenance program, perform root intrusion foaming program, provide assistance to property owners to reduce infiltration/inflow and basement backups, replace vacuum excavator, the continuation of the annual sewer relining program, and implement latest phase of recommendations from the sanitary sewer infiltration/inflow study.

Assistant Engineering Director, Obaid Khalid, provides Council the 2024-2025 Sanitary Sewer Study results, evaluating the sanitary sewer system's existing condition, identifying defects and I/I sources, proposes remediation and provides recommendations to improve the overall system. Mr. Khalid provides Council the results for the smoke tests completed, manhole inspection findings, and CCTV inspection findings. A multi-air rehabilitation program was recommended to rectify all the defects based on their priority levels and MWRD requirements which mandate that high priority defects need to be rectified within one year, or

three years, depending upon the severity of their defects. Mr. Khalid provides Council the levels of priority and budgeting recommendations.

Council discusses the study findings, priority of repairs, repairs related to public and private roadways, communications with residents regarding timeline of repairs and expenses, permitting, and matters related to budgeting and funding.

Mr. Powers briefs Council on the sanitary sewer fund financial summary consisting of revenue, expenses, operating income and expense detail, as well as overall fund expenses.

Council discusses fund balance, expenses and costs.

Regarding the Stormwater Fund, Public Works is responsible for operating the Village's stormwater system consisting of 347,676 lineal feet of storm main, 1,788 basins and inlets, 33 outfalls, and 8 pump stations.

2025 accomplishments include responding to multiple emergency call-outs, responding to 8 flood assistance service calls, and performing department-wide stormwater system operation training.

2026 goals and objectives include conducting emergency repairs, planned excavation, and replacement of pipe sections, cleaning and maintenance operations of the stormwater system, beginning systematic inspection of storm sewer system with lining repairs, continued support to the Engineering Department with the Stormwater Master Plan.

Public Works Director Tom Powers briefs Council on stormwater sewer fund consisting of operating expenses, revenue and expenses, operating expense detail, salaries and benefits, services and supplies, debt service, capital outlay, total fund expenses, and net fund income.

i) Water & Electric.

i) Electric Fund.

Water & Electric Director Nick Narhi presents the department overview indicating that key responsibilities consist of providing residents and businesses with reliable and economical service including adequate power supplies, improving infrastructure, and providing uninterrupted service.

Mr. Narhi provides Council with a staffing overview, noting a few reclassifications. With the Water Superintendent retiring at the end of 2025, the position has been reclassified to a Water Production and Lab Supervisor. Additionally, an operator that only worked at the Electric Plant has been reclassified to a Plant Operator, permitting to work at both the Water and Electric Plants.

The 2025 department accomplishments include execution of an agreement with IMEA, department recognized by APPA for safety and reliability, preventative maintenance on the distribution system, installation of a new service connections for Skokie School, Crow Island School, and Chase Bank, installation of electric service connections, replacement of a 5KV underground cable at various locations to maintain system reliability, deployment of Advanced Metering Infrastructure project,

perform Generation Replacement Study, and responding to dispatch requests and electric interruptions.

2026 goals and objectives include continued deployment of the Automated Metering Infrastructure project, achieve APPA award, installation of new service connections, perform preventative maintenance programs to maintain reliability of electric distribution system, complete facilities projects at Water & Electric Plant campus, installation of underground switchgear, perform life cycle analyses of existing generating units, and begin design and permitting process for installation of new thermal generation.

2026 key budget items include continued deployment of AMI project, replacement of aging cable infrastructure, Yards rooftop solar project, infrastructure projects, continue budgeting for new service installations, and continue budgeting for a portfolio of preventative maintenance programs.

Council is informed of electric sales, historically from 2005 to current, indicating a slight increase due to higher temperatures during the summer months, however, Mr. Narhi confirms there is still an overall downward trend as community members increase energy efficiency resulting in less electric sales.

Council is provided with the electric fund financial summary consisting of revenue, expenses, operating income and expense detail consisting of salaries and benefits, service and supplies, purchased power, payment in lieu of taxes, as well as overall fund expenses. Mr. Narhi notes an increase in cost of service and supplies as a result of a \$1.25 million loan repayment. Additionally, Mr. Narhi provides the capital plan budget information and unrestricted net assets.

Council is advised of residential electric rate changes, rate comparisons to investor-owned utilities, operating expenses related to purchase power, various consulting services, sustainability, operating expense highlights related to maintenance programs, Electric Plant, buildings, and substation maintenance.

Mr. Narhi provides information related to the capital plan for the electric fund, projected spendings, costs, and revenue.

Council discusses matters regarding pier repairs and costs, matters related to phase I generation replacement, engagement of engineering services, and matters related to expenses, funding, and budgeting.

ii) Water Fund.

Water & Electric Director Nick Narhi states that primary functions of the Water & Electric Department consist of supplying potable water for the health and safety of the Winnetka and Northfield residents and is responsible for the installation and repair of the water distribution system. The Water Fund is classified as an enterprise (business) fund and the 2026 proposed budget is \$11.2 million.

The 2025 accomplishments include preventative maintenance on the water distribution system, completing preventative maintenance work at the Water Plant, completing water service connections, responding to water main breaks, replacement of lead service lines, and completing water main replacement projects.

The key goals for 2026 include adhering to regulatory requirements, installations of new service connections, continuation of removing lead service lines as part of the planned and emergent work, preventative maintenance programs for water system reliability, adhering to long-term capital plan, implementing water rate recommendations from the 2025 study, and investing in maintenance and improvements of the Water Plant.

2026 key budget items include continued deployment of automated metering infrastructure project, one water main project, continue planned and emergent replacement of lead service lines, budget for service installations, continue preventative maintenance programs, and repairs to the water distribution system.

Mr. Narhi states that there has been a slight increase in water sales due to a dry summer. Additionally, Council is provided with the budgeted amount of water sales per cubic feet and projected estimates of sales.

Council is provided the water fund financial summary consisting of revenue, expenses, operating income and expense detail consisting of salaries and benefits, service and supplies, payment in lieu of taxes, as well as overall fund expenses.

Additionally, Mr. Narhi provides the capital plan budget information, 2026 estimates, and information related to unrestricted net assets (fund balance).

Council is advised of the FY2026 rates based on water rate increases, water main replacement study, lead service line replacement plan, 2025 water rate study and residential rates.

The water fund operating expenses include expenses related to distribution maintenance and repair programs, expenses related to the water plant, and Village buildings.

Additionally, Mr. Narhi provides the capital plan fund information, confirming expenses related to various projects and budgeting matters.

Mr. Narhi provides information related to lead service line replacement, completion date, annual costs, and budget and long-term CIP.

Council discusses the Park District's reduction in water needs and utilization of storm water runoff, proposed FY2026 rates, concerns related to private homeowner landscaping and slope destabilization, and residential utility billing.

- 3) Public Comment. None.
- 4) Adjournment. Trustee Orsic, seconded by Trustee Apatoff, moved to adjourn the meeting. By voice vote, the motion carried. The meeting adjourned at 4:17 p.m.

/s/ Berina Gradjan, Deputy Village Clerk
Recording Secretary