LRP Update Key Messages

The Rate Increases for Home Rule Sales Tax and Hotel Tax are Generating Additional Revenue as Planned

- Allowed the Village to reduce the 2026 Property Tax Levy for Operations by $500,000
- Provides funding for General Fund operating expenses
- Provides funding for the construction of Guiding DG capital projects, such as Downtown Flexible Amenity Areas and the renovation of Linda Kunze Plaza
- Provides funding for Village facilities maintenance

The General Fund Continues to be Sustainable

- In 2027 and 2028, revenues are projected to increase 4% each year, while expenses are projected to increase at an annual rate of about 6%.
- If recent trends and practices continue, there should be sufficient revenue in the General Fund through FY29
- No changes in key strategies will likely be required over the next few years

The Property Tax Levy Will Continue to Increase Moderately to Pay for Public Safety Pension Contributions

- The 2027 total property tax levy is projected to increase by 2.9%, driven entirely by the increases in required contributions to public safety pensions
- The required contributions are projected to increase from $11.4 million in 2026 to $20.4 million in 2040.
- The Public Safety Pension Funds should be fully funded by 2040
- The following strategies should be implemented:
    - Continue to make the required contributions to the Public Safety Pension Funds using dedicated revenue from the property tax levy through 2040
    - Use other existing revenue sources to fund operations to avoid or minimize increases in the levy for operations
    - In 2027, use the remaining Pension Stabilization Assignment balance of $472,346 to make a one-time additional payment to the Public Safety Pension Funds to reduce future contributions
    - Consider making contributions in excess of the required contributions to reduce future pension expenses, if financial conditions in the General Fund allow

Maintaining a Sustainable Health Fund Will Require Increasing Revenues to Cover Expected Cost Increases

- The Health Fund has been managed financially sustainably for the past 20 years
- Industry-wide and Village health care costs are increasing due to inflation, health system consolidation, and the use of high-cost pharmaceuticals
- The following strategies should be implemented:
    - Continue to manage the Health Fund in a financially sustainable manner, focusing on the long-term viability, monitoring the cash balance as well as annual revenues and expenses
    - Over the next few years, take steps to achieve balanced annual budgets:
        - Consider increasing all Health Fund revenue sources
        - Control costs by continuing to educate employees on healthcare consumerism and utilization, such as advocating for early cancer screenings and pharmaceutical alternatives for expensive and specialty drugs

        - Consider incorporating plan design changes and technological advancements to assist with controlling health plan costs
    - Partner with the Village's health insurance consultants and vendors to monitor and comply with changing healthcare industry trends
    - Continue to fund the OPEB Trust to achieve 100% funding by 2050

The Other Post-Employment Benefit Trust is Performing Well

- The OPEB Trust Fund, established in 2019, is performing as planned, leveraging compound interest over time and significantly lowering the Village's long-term costs compared to a pay-as-you-go approach
- The OPEB Trust is in the "accumulation phase," which started in 2019 and is projected to end in 2034
- The following strategies should be implemented:
    - Continue to contribute at least $300,000 annually to the OPEB trust
    - Once the trust achieves an 80% funding threshold (expected by 2034)
        - Transition to making annual contributions based directly on an actuarially determined calculation
        - Start using funds from the trust to pay for retiree healthcare benefits, based on an actuarially determined amount

The Capital Fund Should be Able to Pay for Planned Streetscapes and Active Transportation Plan Improvements Over the Next 5 Years. With the strong fund balance, ongoing revenues bolstered by recent rate increases, and grants, the Capital Fund:

- Is likely to be sustainable through 2031
- Should be able to pay for all of the recommended projects in the Streetscapes Plan, repairs to the sidewalks in the downtown, and five prioritized projects in the Active Transportation Plan
- Can provide $200,000 annual funding for the public art program

A Facilities Maintenance Plan has been Developed Based on the Results of the Facilities Condition Assessment Report

- Approximately $1 million per year is required to properly maintain the Village's major buildings ($300,000 more than is currently being provided)
- The Village should develop a plan to replace Fire Station 3 by 2031 and the Fleet Garage by 2036

In the FY27 Budget, An Additional Staff Member will be Requested to Assist with Lead Service Line Replacements over the next 11 Years

If Funds are Available, the Following Identified Needs Should be Considered:

- Additional funding for public safety pension contributions
- Contributions to the Health Fund
- Begin saving money for the planned replacement of Fire Station 3

2025-2027
Long Range Plan Update

Report #3
August 18, 2026

Introduction and Overview

The Long Range Plan identifies and addresses issues affecting the long-term future of the Village. The Plan establishes the Village's goals and priority actions that guide annual budgets, daily operations, and delivery of services. The long range planning process is one of many strong management practices that led S&P to grant the Village its highest bond rating of AAA. The Long Range Plan consists of:

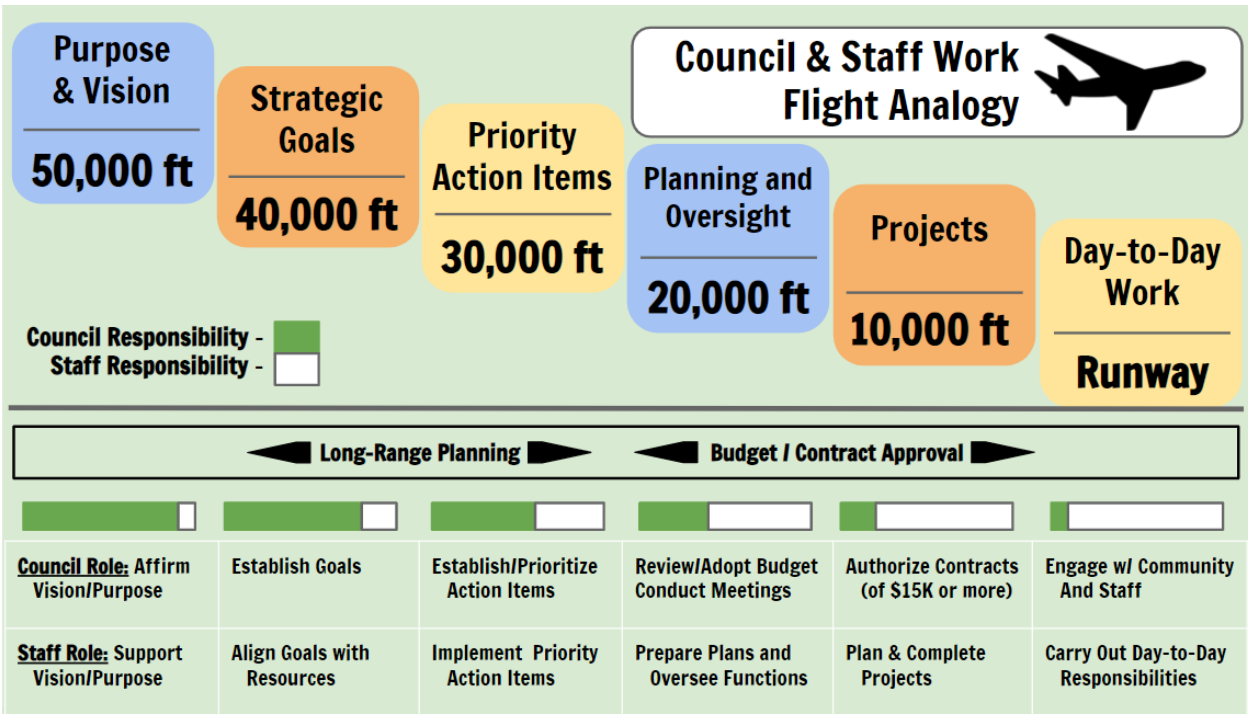
- Strategic Goals for 2025 to 2027 and beyond
- Key trends and issues affecting the Village's long-term future
- Strategies and solutions to address key trends and issues
- Priority Action Items to be completed by April 2027

To prepare the update to the Long Range Plan, the Village Council will meet multiple times in a workshop format from July through September. The meetings provide an opportunity for dialogue and collaboration among the Village Council, community members, and staff.

Date	Topics
July 21	• **Introduction and Overview** • **Strategic Goals** • **General Fund and Property Tax Levy** • **Health Fund and Other Post-Employment Benefits**
August 4	• **Village Facilities** • **Capital Fund and Guiding DG Implementation**
August 18	• **Water Fund** • **Priority Action Items Update**
September 1	• **Review and Accept the 2025-2027 Long Range Plan Update**

Flight Analogy

The graphic below compares the roles of the Village Council and staff with an airline flight. The Long- Range Planning process takes place at the 30,000--40,000 foot level. The Council and community also have opportunities for input at the lower levels throughout the rest of the year, such as during regular Council Meetings, as part of the budget process, and in communicating formally and informally with members of the Village Council and staff.



Water Fund Sustainability

Trends & Issues	• The Village received a $4.9M IEPA loan to help fund the Lead Service Line replacements. This is a 0% loan that will be executed by June 30, 2027. • Increasing material and labor costs for water projects are anticipated in the foreseeable future. Water main replacement bids are coming in 20% higher than historical averages. • Proactive replacement of lead services per the Lead Service Line Inventory and Replacement Plan starts in 2027 and will continue for the next 11 years • Many water meter transmitting units (MTU's) are failing prematurely during their warranty period and will be replaced starting in August 2026. Full replacement may take place over several years. • Replacement of water meters is required and planned for 2029 through 2031.

Background	• The Village is a member of the DuPage Water Commission (DWC), which purchases and distributes treated water from the City of Chicago.
	  ○ Three groundwater wells used before joining DWC have been maintained as an emergency backup and require rehabilitation or replacement
	• The Village has completed a Lead Service Line Inventory and Replacement Plan in compliance with both the State of Illinois and U.S. Environmental Protection Agency (USEPA) requirements
	  ○ Preliminary cost estimates from the LSLR Plan were used in the 2024 Water Rate Study
	  ○ Full implementation of Lead Service Line Replacements (LSLR) is anticipated to begin in 2027
	• In 2025, the Village received an IEPA loan for $5.3M to fund the replacement of one backup well and a portion of water main replacements
	• Water rates were increased 9% in 2025 & 2026 per the Water Rate Study.
	• In May 2026, the Village issued $15.0M in bonds per the Water Rate Study. These bonds will be used to fund water main projects, water storage tank rehabilitation and maintenance, and a portion of the costs for LSL replacements.

Strategies & Solutions	• Implement the 6% increase in water rates in 2027 per the Water Rate Study. • In 2027, conduct an updated Water Rate Study based on the finalized LSLR Plan. • Continue to pursue state and federal grants and loans for water projects • Execute the $4.9M loan from the IEPA by June 30, 2027. • Begin lead service line replacements in 2027 to ensure the Village is fully prepared for the first year of Illinois EPA-required lead service line replacements (November 2027 - December 2028). • Increase Village staff (1 FTE position) in the Water Fund to coordinate lead service line replacements. • Consider coordinating the replacement of the MTU's with the replacement of the water meters starting in 2027 and use revenue from water rates and the bond proceeds to pay for these costs.

Priority Action Items

A key component of the Long Range Plan are the Priority Action Items. These items reflect Council priorities and serve as the Village's work plan from September 2025 through May 2027. The work plan consists of action items that can be completed by May 2027.

For the 2026 Update, the Council should indicate if any changes should be made to the work plan for the period of September 2026 through May 2027. The current status of the Priority Action Items is noted in the attached slide presentation.

2025-2027 Priority Action Item Schedule

Attachments

- August 2026 Priority Action Item Update

Priority Action Item Update

Village Council Meeting

August 18, 2026

2025-27 Priority Action Items | Project Duration over 2025-2027

2025-27 Priority Action Items | Current Status 1

Project Title	Status
Fairview and Connection Area TIF District	Completed
Solid Waste Contract	Completed
Micromobility Device Regulations	Completed
Facilities Condition Assessment	Completed
Downtown Flexible Amenity Areas	Green
Linda Kunze Plaza	Green
North Train Station Plaza	Green
Lead Service Line Replacement Plan	Green
Public Art Program	Green

2025-27 Priority Action Items | Current Status 2

Project Title	Status
Update the Zoning Ordinance	Green
Redevelop Parking Lot I	Green
Enhance Engagement of Boards and Commissions	Green
Attainable Housing Study	Green
Private Tree Regulations	Green
Close Ogden TIF	Yellow (Schedule)

Fairview & Connection Area TIF - Completed

Recent

- Completed Feasibility Study and Housing Impact Study
- Hosted Public Meeting (Dec 10, 2025)
- Established Public Hearing and JRB Dates
- Joint Review Board (Feb 4, 2026)
- VC Approved Ordinances Establishing TIF (Apr '26)

Next

- Develop Plans for Public Improvements for Inclusion in FY27 Budget
- Facilitate Private Reinvestment

Solid Waste Contract - Completed

Recent

- Executed 6-YR Contract with Republic Services for a Cart-Based Program with Enhanced Sustainability Features
- Launched Public Information Initiative
- Coffee with the Council (Jan 17th)
- New Program Launched on April 1

Next

- Public Education & Engagement
- Continue to Work with Republic Services to Address Outstanding Issues

Micromobility Device Regulations - Completed

Recent

- VC Approved Regulations
- Launched Public Education Initiative
  - Webpage
  - Short Form Video
- Published Series of Videos
- State General Assembly Approved State-wide Regulations (SB3484)

Next

- Monitor State of Illinois Legislation – Waiting for Governor Signature
- Continue Public Education & Engagement
- Continue Partnership with D58, D99 and Park District

Facilities Condition Assessment- Completed

Recent

- Engaged McKinstry for Multi-Phase Assessment and Facilities Maintenance Plan
- Completed the Condition Assessment
- Established FY26 Budget for Major Buildings Fund
- Authorized Preparation of Maintenance Plan (Phase 2)
- Discussed Facilities Plan at Long Range Plan Update Meetings

Next

- Complete FY26 Projects
- Implement Long Range Plan Strategies & Solutions

Downtown Flexible Amenity Areas - Green

Recent

- Identified the Five Flexible Amenity Areas
- Engaged Hitchcock Design Group
- VC Provided Direction on Design
- Reviewed Plans with Downtown Management & Restaurants
- Completed Final Plans
- VC Awarded Contract for 5 Areas (April 14)
- Reviewed Construction Plans with Downtown Management & Restaurants
- Construction Commenced (July 6)

Next

- Complete Construction (November)

Linda Kunze Plaza - Green

Recent

- Engaged Hitchcock Design Group
- Began Work on Design
- VC Review of Preliminary Plans (Jan '26)
- VC Confirmed Final Design Plans
- Awarded Construction Contract (Jun '26)
- Construction Commenced (July 6)

Next

- Complete Construction (November)

North Train Station Plaza - Green

Recent

- Engaged Hitchcock Design Group
- Began Work on Design

Next

- VC Review of Preliminary Plans
- Commence Construction (Summer '27)

Public Art Program - Green

Recent

- VC Reviewed and Considered the Program (Nov ‘25)
- VC Reviewed Art Selection Process (Feb ‘26)
- Published RFP (Feb 13, ‘26)
- Engaged Sculpture Milwaukee (April ‘26)
- Public Visioning & Listening Session at Coffee with the Council (May ‘26)
- Key Stakeholder Meetings with Downtown Management Corporation (June ‘26)
- Staff Reviewed the Preliminary Recommendations for Artists and Artworks

Next

- Sculpture Milwaukee will Prepare Revised Recommendations for Artists and Artworks
- Art Installation is on Schedule for a Late Spring 2027 Installation

Lead Service Line Replacement Plan - Green

Recent

- Submitted Inventory and Plan to State
- Posted Prelim Replacement Plan on Website
- VC Approved 2026 Plan and Updated Inventory
- Submitted 2026 Plan & Updated Inventory to State (April '26)
- VC Authorized Bond Issuance (Mar '26)
- Bonds Issued (June '26)
- Began Excavating to Identify Materials of "Unknown" Service Lines

Next

- Continue with LSL Replacements in Conjunction with Watermain Replacements
- Continue to Identify LSL's

Update the Zoning Ordinance - Green

Recent

- Staff Identified Key Policy Recommendations & Topics
- Prepared Detailed Project Schedule
- VC Confirmed Key Policy Recommendations & Topics to be Addressed – Jan ‘26
- Presented Draft Text Amendments to PZC - Feb thru Dec
- VC Discussion & Review (ADU’s, Digital Signs, Home Daycares) – Jul ‘26

Next

- Continue Presenting Draft Text Amendments to PZC - Feb thru Dec

Redevelop Parking Lot I - Green

Recent

- Reviewed Agreement with Metra
- Developed Concept Site Plan Options
- Engaged Economic Development Corporation in Discussion of Project Scope Options

Next

- Work with Metra to Amend / Terminate the Agreement
- Obtain VC Direction on Project Scope and Program (Sep '26)

Private Tree Regulations - Green

Recent

- Key Staff Attended Training Hosted by Morton Arboretum
- Staff Completed Research on Other Municipalities' Regulations
- VC Provided Initial Thoughts and Feedback to Staff(Aug '26)

Next

- Staff will Prepare an Updated Presentation for VC Consideration at a Future Date

Close Ogden TIF – Yellow (Schedule)

Recent

- Developed a TIF Close-out Plan to Invest $7 M in Retail & Restaurant Redevelopments
- Executed Redevelopment Agreements Totaling $5.15 M
  - Perillo Motors - $2.5 M (Purchased by Fields)
  - Andy's Frozen Custard - $1.2 M (Completed)
  - 1250 Ogden Ave - $1.2 M (Under Construction)
  - 535 Ogden - $250 K (Under Construction)
- HB 4712 Was Referred to Committee (Did Not Pass)
- Executed RDA with Fields Automotive

Next

- Pursue Active RDA Request (1205 and 1219 Ogden)

Attainable Housing Study - Green

Recent

- Contracted with Metropolitan Mayors Caucus to Complete an Attainable Housing Study
- Advisory Group (PZC) Meeting (Apr 27)
- Focus Group Meetings (May 11-15)
- Public Survey (Apr through June)
- Coffee with the Council Discussion (Jun 13)
- Expert Panel Review and Discussion (Jul 9)

Next

- VC Consideration of Study (Aug 18)

Enhance Engagement of Boards & Commissions - Green

Recent

- Held Staff Level Project Kick off Meeting
- Met Individually with VC Members
- VC Initial Discussion (Feb '26)
- VC Discussion of B/C's Work, Additional Referrals and Role in Long Range Planning (Apr '26)
- VC Discussion of Final Actions (Jun '26)
- VC Discussed the Final Report (August 11, 2026)

Next

- VC Acceptance of the Final Report
- Consider Implementing Recommendations of the Final Report

Implementing Recommendations of the Attainable Housing Study and Enhance Engagement of Boards and Commissions

- Both Projects Consist of Report Preparation and Implementation of Recommendations
- The 2025-27 PAI Work Plan Addressed Report Preparation Only
    - Enhance Engagement of Boards & Commissions – Q1 thru Q4, 2026
    - Attainable Housing Study – Q1 thru Q2, 2026
- Recommended Actions for Both Projects Require Significant Effort and Resources
- May be Challenging to Undertake All of the Recommendations During the 2025-27 Work Plan
- Consider Identifying Prioritized Recommendations to be Undertaken from Sept 26 thru May 27

Proposed Implementation for Sept 26 thru May 27

Boards & Commissions

- Refer Additional Items to Boards and Commissions
- Continue to Refer Long Range Plan Priority Action Items to Boards and Commissions
- Planning & Zoning, Environmental Concerns, Transportation & Parking and Historic Preservation & Design Review Should Provide Input on Trends and Issues for Village Council Consideration in the Long Range Plan
- Make Appointments to Boards and Commissions each August
- Continue to Establish Clear Expectations about Roles and Responsibilities and Meeting Schedules
    - A minimum of two meetings per year
    - Most Boards and Commissions should expect to meet quarterly
- Village Council Members Should Attend One Meeting of Selected Boards and Commissions to Welcome Newly Appointed Members and Address All Members About Village Council actions

Attainable Housing Study

- Update Regulations for ADU’s
- Allow for Development of Missing Middle in Select Areas
- Allow for Multi-family and Mixed Use Development in Transit Corridors and Commercial Districts

Priority Action Item Update

Village Council Meeting

August 18, 2026