



# FLOSSMOOR

*Welcoming. Beautiful. Connected.*

*MAYOR: Michelle I. Nelson | VILLAGE CLERK: Cecil Porter | VILLAGE MANAGER: Bridget A. Wachtel  
TRUSTEES: Gary Daggett | Kevin Dorsey | Rosalind Henderson Mustafa | George Lofton | James Mitros | Carolyn D. Rodgers*

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## AGENDA

### FOR THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE VILLAGE OF FLOSSMOOR, ILLINOIS

**MONDAY, MARCH 16, 2026 • 7:00 PM • VILLAGE HALL**

Join Zoom Meeting: <https://us02web.zoom.us/j/85210894513?pwd=uZUHbLuNGHvJ6BUE21v70fK1RLbeBa.1>  
ID: 852 1089 4513 Passcode: 60422 Or join by phone (312) 626-6799

#### **CALL TO ORDER**

#### **ROLL CALL**

#### **RECOGNITIONS AND APPOINTMENTS**

#### **PUBLIC PRESENT WISHING TO ADDRESS THE BOARD**

#### **CONSENT AGENDA**

- 1. Approval of the Minutes of the Meeting Held on March 9, 2026**
- 2. Presentation of Bills for Approval and Payment as Approved by the Finance Committee (March 16, 2026)**

#### **REPORTS OF COMMITTEES, COMMISSIONS AND BOARDS**

#### **ACTION ITEMS**

#### **DISCUSSION ITEMS**

- 3. Discussion of the Fiscal Year 2026-2027 Preliminary Budget — Capital Equipment Fund**

- If you plan on attending a Village Board meeting and need an accommodation, please call 708-798-2300 or TDD 708-647-0179 at least one full business day prior to the meeting. •

**4. Discussion of Water and Sewer Rates**

**OTHER BUSINESS**

**5. A Motion to go into Executive Session to Discuss the Employment of Specific Individuals, Property Acquisition, and Litigation**

**ADJOURNMENT OF MEETING**

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MINUTES OF MAYOR NELSON AND BOARD OF TRUSTEES FOR THE  
RESCHEDULED REGULAR MEETING OF THE VILLAGE OF FLOSSMOOR, ILLINOIS  
HELD ON MARCH 9, 2026

VILLAGE HALL

March 9, 2026

7:00 PM

**DRAFT**

Village Clerk Porter took roll. There was a quorum.

**PRESENT:** Mayor Nelson and Trustees Daggett, Dorsey, Lofton, Mitros, Mustafa, and Rodgers.

**ABSENT:** None

**ALSO PRESENT:**

Ann Novoa, Finance Director	Carl Estelle, Chief of Police
Scott Bugner, Director of Bldg & Zoning	Bob Kopec, Fire Chief
John Brunke, Public Works Director	Nicole Castagna, Asst to Vlg Mgr/Comm. Mgr
Bridget Wachtel, Village Manager	Joe Miller, Village Attorney

**GENERAL STATEMENT/RULES OF ORDER** (Announced by Mayor Nelson):

The meeting was streamed via Zoom. Mayor Nelson reviewed the public comment policy, which is available on the Village website.

**RECOGNITIONS AND APPOINTMENTS:** None

**PUBLIC WISHING TO ADDRESS THE BOARD:**

**Pastor Doyle Landry:** Pastor Doyle Landry is a United States Marine Corps. veteran whose spouse passed away 25 years ago from breast cancer. He spoke in support of Treveyon Kinnard, owner of a small landscaping business.

**Treveyon Kinnard:** Mr. Kinnard is the owner of “Quality Works Trademark” (<https://qualityworkstrademark.com/>), a licensed and insured, landscaping business. His company provides a wide spectrum of year around residential home maintenance services.

**Prior to the approval of the Consent Agenda, Mayor Nelson asked Finance Director Novoa to provide an update regarding Cook County property taxes:**

**Finance Director Novoa** reported the following:

- (a) The Village is about 92% collected on 2024 tax levy second installment payments. This is only half of the property tax money that the Village is expected to collect in the

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current fiscal year and represents approximately \$3.3M. Typically, the Village receives over 97% of its levy which is over \$7M.

(b) Finance Director Novoa, along with Mayor Nelson and Village Manager Wachtel, had a conference call with the Cook County President's Office and were told that starting March 16, 2026, the County will be distributing the 2025 first installment bills with an April 1, 2026, due date.

Mayor Nelson reported that WGN is running a feature on the local news that discusses the problems the Village is facing from Cook County's failure to issue property tax disbursements. The news feature will also discuss the impact on the Village from President Trump's freeze on the Village's Section 219 funds for the continued phases of the Flossmoor Road Viaduct project.

**CONSENT AGENDA:**

Mayor Nelson called for a Motion to approve **Consent Agenda Items #1-5**. Trustee Daggett so moved, Trustee Mustafa seconded. Mayor Nelson asked if there were any items on the Consent Agenda that were requested to be removed for discussion, and there were none.

A vote on the Motion was presented and passed unanimously by a roll call vote.

AYES: Trustees Daggett, Dorsey, Lofton, Mitros, Mustafa, and Rodgers  
ABSENT: No  
ABSTAIN: None  
NAYS: None

**REPORTS OF COMMITTEES, COMMISSIONS AND BOARDS:** Mayor Nelson announced that the Community Relations Commission is supporting the Village's 19<sup>th</sup> Annual St. Patrick's Day Parade on March 14, 2026, starting at Flossmoor Community Church and the Community House.

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**ACTION ITEMS:**

**Agenda Item #6: Consideration of A Liquor License Request for a Class AB-VGP Liquor License (Beyond Borders Café)**

Mayor Nelson called for a Motion to approve Agenda Item #6. Trustee Mitros so moved, Trustee Mustafa seconded. Village Manager Wachtel presented this Action Item and provided information about Beyond Borders Café and this request for a Class AB-VGP (alcoholic beverages - video gaming prohibited) Liquor License. This liquor license will allow the café to expand its menu to include mixed drinks.

Mayor Nelson voiced support in favor of Beyond Borders Café. She provided information about the wide variety of events that the café owners, Chris and Jennifer Zarzony have brought to the community through the café. The events have ranged from jazz nights to open mic nights to acoustic guitars and family-oriented events.

Mayor Nelson asked for comments/questions from the Board about this action item. The Board, overwhelmingly, praised the owners, expressed much appreciation and fondness for their café and discussed the benefits it has brought to the Village. The Board had complete support for this action item.

A vote on the Motion was presented and passed unanimously by a roll call vote.

AYES: Trustees: Daggett, Dorsey, Lofton, Mitros, Mustafa, and Rodgers

ABSENT: None

ABSTAIN: None

NAYS: None

**DISCUSSION ITEMS:**

**Agenda Item #7: Discussion of the FY27 Preliminary Budget**

Mayor Nelson introduced Village Manager Wachtel to present this discussion item. Village Manager Wachtel provided a very detailed and thorough presentation about the Preliminary FY27 Budget, with a focus on two of the Village's major funds: (a) The General Fund that accounts for general operations, including daily department operations; and (b) the Water and Sewer Fund which is an enterprise fund where water and sewer revenue supports water and sewer expenditures.

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It was noted that this budget was more challenging compared to past years because of the problems and unknowns that have resulted from Cook County's failure to timely remit property tax payments. Village Manager Wachtel's budget presentation included, in part, information about the following topics:

- Water Fund Summary
- General Fund Summary
- Cook County Property Taxes
- Expenditures
- FY26 projections compared to FY26 budget
  - Significant Expenses under budget (FY26 proj'd vs. FY26 budget)
  - Significant Operating Expenses over budget (FY26 proj'd vs FY 26 budget)
  - FY 26 Capital & Non-Operating Expenses
- FY27 budget compared to FY26 budget
  - Significant Expenses under FY26 budget (FY27 v FY26)
  - Significant Operating Expenses greater than FY27 budget (FY27 vs. FY26)
  - FY27 Capital and Non-operating
- Revenues
  - Significant Revenues projected over budget (FY26 proj'd vs. FY26 budget)
  - Significant Revenues projected under budget (FY26 proj'd vs FY26 budget)
  - Major Non-Property Tax Revenues Over Time
- FY27 budget compared to FY26 budget
  - Significant Revenue over budget (FY27 – FY 26)
  - Significant Revenue under budget (FY27 vs FY26)
- EAV (Equal Assessed Valuation) Impact
- Moving Forward
  - FY27 General Fund Operating Costs Less Major Fixed Costs
- Strategic Planning and Decisions

During the presentation, Village Manager Wachtel and Finance Director Novoa responded to questions from the Board about interest owed by Cook County due to Cook County having withheld property tax payments. Questions were raised about the potential impact on the Village's grant opportunities because of Cook County's failure to issue property tax payments.

Village Manager Wachtel advised that part two of the budget presentation will be on March 16, 2026, and part three of the budget presentation will be on April 6, 2026. The final budget draft will be presented on April 20, 2026, for public hearing and adoption.

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Mayor Nelson expressed thanks to the Village's management team for their work in preparing the budget, thanked the Board for their work, and recommended that everyone read the Executive Summary that is on the Village's website. Mayor Nelson reported on the following: (a) The Village is going to continue to work with the South Suburban Mayor's and Manager's Association to lobby against legislation that increases our costs but does not improve services; and (b) Commented how user-based fees have been part of the mix of revenues that contribute to successfully maintaining the Village's top quality services.

Mayor Nelson asked for comments from the Board. The Board gave much praise for Village Manager Wachtel's budget presentation, for the impressive work that goes into the annual preparation and management of this budget, and the incredibly high standards maintained by the Village on financial matters. Trustee Lofton noted that he will have questions on capital expenditures at the next Board meeting. Trustee Mustafa inquired whether the senior freeze on property taxes impacts the Village. In response, Finance Director Nova and Village Manager Wachtel stated that there are many in the Village that have this senior freeze or other exemptions on their property taxes. Cook County has a "loss and cost" value that is added to each levy line to make up for the exemption as well as for people who do not pay their taxes, and that the Village has not reached a tipping point where this exemption is a burden on the system.

**EXECUTIVE SESSION:** Mayor Nelson stated there was no need for Executive Session.

**OTHER BUSINESS:**

Mayor Nelson called for Other Business and the Board responded as follows:

**Trustee Daggett:** Gave thanks for the new crosswalks and for Village officials advocating for grant monies for a flood mitigation project that needs to be conducted on Latimer Lane. Mayor Nelson noted that the Village is optimistic about receiving a grant for the Latimer Lane project.

**Trustee Dorsey:** Very appreciative of being part of the Village and seeing the hard work that goes into the Village budget.

**Trustee Lofton:** No comments.

**Trustee Mitros:** No comments.

**Trustee Mustafa:** Expressed optimism that the Village will successfully navigate the County's delays.

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**Trustee Rodgers:** Gave thanks for the budget transparency, the plain language explanation during the budget presentation, and the work performed by the Village staff and the Board.

**Clerk Porter:** No comments.

**Village Attorney Miller:** Praised the Village for its precision in the budget, and the excellent work that the Village puts into this annual budget.

**Village Manager Wachtel:** Gave thanks to Finance Director Novoa and the other department directors for all their work in making the budget a success.

**Mayor Nelson** reminded the audience that the Village's Annual St. Patrick's Day Parade is on Saturday.

**ADJOURNMENT OF MEETING**

Mayor Nelson called for a motion to adjourn the meeting. Trustee Mitros so moved, seconded by Trustee Daggett. All were in favor, none opposed.

AYES: Trustees Daggett, Dorsey, Lofton, Mitros, Mustafa, and Rodgers

ABSENT: None

ABSTAIN: None

NAYS: None

The Regular Meeting was adjourned at approximately 8:49 p.m.

Respectfully Submitted,

Cecil E. Porter  
Village Clerk

**VILLAGE OF FLOSSMOOR  
3/16/2026  
CLAIMS LIST SUMMARY**

HAND CHECKS	\$0.00
INVOICES	<u>\$368,976.02</u>
TOTAL	<u><u>\$368,976.02</u></u>

## Village of Flossmoor Detail Board Report

**Invoices Due On/Before: 03/17/26**

Vendor Name	Invoice #	Invoice Date	Invoice Amount	PO #	Invoice Description	GL Number	GL Description	Line Amount
<b>AAA SUPPLY CORP</b>	172430	01/28/26	\$113.28		COUPLINGS FOR 4" HOSE	08-11-3-605	OPERATING SUPPLIES	\$113.28
<b>VENDOR TOTAL:</b>								<b>\$113.28</b>
<b>AIR ONE EQUIPMENT INC</b>	232860	02/25/26	\$20.00		SCBA MAINTENANCE	01-49-6-674	EQUIP MAINTENANCE & SUPPLI	\$20.00
<b>VENDOR TOTAL:</b>								<b>\$20.00</b>
<b>AIRGAS USA, LLC</b>	5522634247	02/01/26	\$915.95		WELDING GAS CYLINDER LEASE 3/1/26-2/28/27	01-60-6-671	MAINTENANCE AND SUPPLIES	\$228.98
						08-11-6-671	MAINTENANCE AND SUPPLIES	\$228.99
						08-21-6-671	MAINTENANCE AND SUPPLIES	\$228.99
						07-01-6-671	MAINTENANCE AND SUPPLIES	\$228.99
<b>VENDOR TOTAL:</b>								<b>\$915.95</b>
<b>AMAZON CAPITAL SERVICES</b>	1KLCC1GYNWV3	10/10/25	\$130.01		DPW-PENS/TAPE/RUBBER STAMP/HANGING FILE FOLDERS/COFFEE	01-55-3-601	OFFICE SUPPLIES	\$130.01
	1TQK9FPXG4HL	02/26/26	\$56.41		DIGITAL VOICE RECORDER	01-44-4-646	LOCAL ADJUDICATION SERVICE	\$56.41
	1MT3X39YH9CX	02/27/26	\$(56.41)		RETURN-DIGITAL VOICE RECORDER	01-44-4-646	LOCAL ADJUDICATION SERVICE	\$(56.41)
	1T61C6Q617KL	02/26/26	\$68.91		LAUNDRY DETERGENT/DISHWASHER PODS/DISHWASHING LIQUID	01-49-3-616	CLEANING SUPPLIES	\$68.91
	1TMQ61LMXWJP	02/26/26	\$13.98		IPHONE CHARGING ADAPTER	08-11-3-605	OPERATING SUPPLIES	\$13.98
	1TVV1YQ6HVCY	02/25/26	\$42.54		HALOGEN BULB REPLACEMENT	01-49-6-671	VEHICLE MAINTENANCE	\$42.54
	119DCV43DLMH	02/25/26	\$59.99		DIGITAL VOICE RECORDER	01-44-4-646	LOCAL ADJUDICATION SERVICE	\$59.99
<b>VENDOR TOTAL:</b>								<b>\$315.43</b>
<b>BARCO PRODUCTS LLC</b>	INVRCO36714	01/13/26	\$325.58		METAL BENCH PLAQUE	27-01-3-619	PROGRAM COMMODITIES	\$325.58
<b>VENDOR TOTAL:</b>								<b>\$325.58</b>

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Vendor Name	Invoice #	Invoice Date	Invoice Amount	PO #	Invoice Description	GL Number	GL Description	Line Amount	
<b>CASE LOTS INC.</b>	6606	02/19/26	\$147.80		MULTIFOLD TOWELS	01-67-3-616	CLEANING SUPPLIES	\$147.80	
							<b>VENDOR TOTAL:</b>	<b>\$147.80</b>	
<b>CHICAGO COMMUNICATIONS, LLC.</b>	367683	02/27/26	\$1,993.28		RADIO MAINTENANCE-STATION COMMUNICATIONS MAINTENANCE	08-11-6-677	WATER FACILITY MAINTENANCE	\$1,993.28	
							<b>VENDOR TOTAL:</b>	<b>\$1,993.28</b>	
<b>CIRCLE TOOL SUPPLY LLC</b>	33444	03/04/26	\$515.16		SAFETY GLOVES RESTOCK	01-60-3-618	SAFETY EQUIPMENT & SUPPLIES	\$227.58	
							08-11-3-618	SAFETY EQUIPMENT & SUPPLIES	\$60.00
							08-21-3-618	SAFETY EQUIPMENT & SUPPLIES	\$227.58
							<b>VENDOR TOTAL:</b>	<b>\$515.16</b>	
<b>COMCAST</b>	0001890 022326	02/23/26	\$115.45		FD XFINITY 3/1/26-3/31/26	28-01-4-639	COMCAST SERVICE	\$115.45	
							<b>VENDOR TOTAL:</b>	<b>\$115.45</b>	
<b>COMED</b>	2611372222 020626	02/06/26	\$171.90		WESTERN TOWER POWER 1/9/26-2/6/26	08-11-4-631	ELECTRIC, POWER, AND LIGHT	\$171.90	
							<b>VENDOR TOTAL:</b>	<b>\$171.90</b>	
<b>CROSSMARK PRINTING, INC.</b>	103189	03/05/26	\$2,825.29		SPRING 2026 NEWSLETTER	01-41-4-653	MARKETING PROGRAMS	\$2,825.29	
							<b>VENDOR TOTAL:</b>	<b>\$2,825.29</b>	
<b>RICHARD G. CRUSOR, JR.</b>	022626	02/26/26	\$390.00		ADMIN HEARING OFFICER 2/12/26	01-44-4-646	LOCAL ADJUDICATION SERVICE	\$390.00	
							<b>VENDOR TOTAL:</b>	<b>\$390.00</b>	
<b>DACRA TECH LLC</b>	202602054	02/28/26	\$1,000.00		DACRA MUNICIPAL ENFORCEMENT SYSTEM-FEBRUARY 2026	01-44-4-646	LOCAL ADJUDICATION SERVICE	\$1,000.00	

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Vendor Name	Invoice #	Invoice Date	Invoice Amount	PO #	Invoice Description	GL Number	GL Description	Line Amount
<b>VENDOR TOTAL:</b>								<b>\$1,000.00</b>
<b>DINGES FIRE COMPANY</b>								
	9808	03/03/26	\$9,808.00		FARLEY/VANO STRUCTURAL PPE			
						01-49-3-612	UNIFORMS & RELATED SUPPLIE	\$9,808.00
<b>VENDOR TOTAL:</b>								<b>\$9,808.00</b>
<b>EAGLE UNIFORM CO INC</b>								
	475603	03/02/26	\$40.00		MERKLE UNIFORM ALTERATIONS-VEST MIC STRAP/VEST CAN STRAP			
						01-48-3-612	UNIFORMS & RELATED SUPPLIE	\$40.00
<b>VENDOR TOTAL:</b>								<b>\$40.00</b>
<b>EBEL'S ACE HARDWARE</b>								
	353557	02/23/26	\$13.49		MAGNET TOOL			
						08-11-3-605	OPERATING SUPPLIES	\$13.49
<b>VENDOR TOTAL:</b>								<b>\$13.49</b>
<b>EMS MANAGEMENT &amp; CONSULTANTS</b>								
	EMS022106	12/31/25	\$2,145.32		AMBULANCE COLLECTIONS DECEMBER 2025			
						01-49-4-656	AMBULANCE COLLECTION SERVI	\$2,145.32
	EMS022980	01/31/26	\$2,691.71		AMBULANCE COLLECTIONS JANUARY 2026			
						01-49-4-656	AMBULANCE COLLECTION SERVI	\$2,691.71
<b>VENDOR TOTAL:</b>								<b>\$4,837.03</b>
<b>EVT TECHNOLOGIES</b>								
	7626	02/24/26	\$17,065.61		UPFITTING NEW POLICE VEHICLE			
						16-01-7-748	CAPITAL EQUIPMENT-POLICE	\$17,065.61
	7628	02/24/26	\$17,065.61		UPFITTING NEW POLICE VEHICLE			
						16-01-7-748	CAPITAL EQUIPMENT-POLICE	\$17,065.61
<b>VENDOR TOTAL:</b>								<b>\$34,131.22</b>
<b>GASVODA &amp; ASSOCIATES INC</b>								
	INV26PTS0086	02/18/26	\$163.74		FILTER ELEMENT RESTOCK.			
						09-01-6-683	LIFT STATION MAINTENANCE	\$163.74
<b>VENDOR TOTAL:</b>								<b>\$163.74</b>
<b>HARVARD COLLECTION</b>								
	FLOSSAR2070201	08/16/24	\$153.75		AUGUST 2024 COLLECTIONS			
						01-43-4-656	COLLECTION SERVICES	\$153.75
	FLOSSAR209731	05/28/25	\$31.25		MAY 2025 COLLECTIONS			

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Vendor Name	Invoice #	Invoice Date	Invoice Amount	PO #	Invoice Description	GL Number	GL Description	Line Amount
						01-43-4-656	COLLECTION SERVICES	\$31.25
							VENDOR TOTAL:	\$185.00
<b>IL DEPT HEALTHCARE &amp; FAMILY SVCS</b>								
	GEMTFY26Q2093	02/27/26	\$57,216.02		GEMT 10/1/25-12/31/25			
						01-49-4-661	GEMT COLLECTION FEE	\$57,216.02
							VENDOR TOTAL:	\$57,216.02
<b>HOLLAND PRINTING INC</b>								
	79035	02/26/26	\$995.05		QUARTERLY WATER BILLS/REPLY ENVELOPES			
						08-10-4-635	PRINTING	\$756.29
						08-20-4-635	PRINTING	\$238.76
							VENDOR TOTAL:	\$995.05
<b>HOMEWOOD DISPOSAL SERVICE INC</b>								
	9778014	02/16/26	\$410.40		CUSTOMER #601101-PALLET DISPOSAL			
						01-67-4-654	SCAVENGER AND DISPOSAL SER	\$410.40
	9781208	02/19/26	\$80.00		CUSTOMER #601101-TRASH DISPOSAL			
						01-67-4-654	SCAVENGER AND DISPOSAL SER	\$80.00
							VENDOR TOTAL:	\$490.40
<b>INTERSTATE BATTERY OF CHICAGO</b>								
	496261	02/24/26	\$866.82		FD TRUCK 19 BATTERIES			
						01-49-6-671	VEHICLE MAINTENANCE	\$866.82
							VENDOR TOTAL:	\$866.82
<b>INVOICE CLOUD</b>								
	189120262	03/05/26	\$322.90		INVOICE CLOUD FOR SERVICE PERIOD			
						08-10-4-654	CUSTOMER PAYMENT PORTAL	\$242.18
						08-20-4-654	CUSTOMER PAYMENT PORTAL	\$80.72
							VENDOR TOTAL:	\$322.90
<b>K-TECH SPECIALTY COATINGS LLC</b>								
	426020086	02/14/26	\$7,326.35		LIQUID DE-ICER			
						02-01-3-619	LCD-BULK CHEMICAL PURCHASE	\$7,326.35
							VENDOR TOTAL:	\$7,326.35
<b>MCCANN INDUSTRIES, INC.</b>								
	P19261	02/20/26	\$5,539.00		WATER PUMP			
						07-01-6-675	STORM SYSTEM MAINTENANCE	\$5,539.00

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<b>VENDOR TOTAL:</b>								<b>\$5,539.00</b>
<b>MENARD'S-HOMEWOOD</b>								
	18143	02/19/26	\$95.52		CONCRETE BAGS			
						01-65-3-619	PROGRAM COMMODITIES	\$95.52
<b>VENDOR TOTAL:</b>								<b>\$95.52</b>
<b>MONARCH AUTO SUPPLY INC</b>								
	6981677706	02/24/26	\$297.16		L13 HYDRAULIC REPAIR			
						01-60-6-671	MAINTENANCE AND SUPPLIES	\$99.05
						08-11-6-671	MAINTENANCE AND SUPPLIES	\$99.05
						08-21-6-671	MAINTENANCE AND SUPPLIES	\$99.06
	6981677398	02/19/26	\$44.99		GRINDING DISC RESTOCK			
						01-60-6-671	MAINTENANCE AND SUPPLIES	\$15.00
						08-11-6-671	MAINTENANCE AND SUPPLIES	\$14.99
						08-21-6-671	MAINTENANCE AND SUPPLIES	\$15.00
<b>VENDOR TOTAL:</b>								<b>\$342.15</b>
<b>NEXT DAY PLUS</b>								
	5374279	02/13/26	\$87.72		DPW COPIER MAINT 1/1/26-1/31/26			
						01-55-6-670	OFFICE EQUIPMENT MAINTENA	\$87.72
<b>VENDOR TOTAL:</b>								<b>\$87.72</b>
<b>NICOR GAS</b>								
	96444410003 02202	02/20/26	\$2,437.75		DPWSC GAS BILL 1/21/26-2/20/26			
						01-67-4-653	GAS, ENERGY/PUMPS, & HEATIN	\$2,437.75
<b>VENDOR TOTAL:</b>								<b>\$2,437.75</b>
<b>THE HOWARD E NYHART CO. INC.</b>								
	153622DB202511	11/26/25	\$6,500.00		ACTUARIAL/DB CONSULTING-BENEFIT COST ANALYSIS			
						01-43-4-632	ACTUARY SERVICES	\$6,500.00
<b>VENDOR TOTAL:</b>								<b>\$6,500.00</b>
<b>OTTOSEN, DINOLFO, HASENBALG</b>								
	MARCH 2026	02/01/26	\$12,407.75		RETAINER FOR LEGAL SERVICES MARCH 2026			
						01-44-4-630	VILLAGE ATTORNEY RETAINER	\$12,407.75
<b>VENDOR TOTAL:</b>								<b>\$12,407.75</b>
<b>PARAMEDIC SERVICES OF ILLINOIS INC</b>								
	9552	03/01/26	\$72,500.00		CONTRACTED FD PERSONNEL-PERIOD ENDING 3/31/26			

## Village of Flossmoor Detail Board Report

**Invoices Due On/Before: 03/17/26**

Vendor Name	Invoice #	Invoice Date	Invoice Amount	PO #	Invoice Description	GL Number	GL Description	Line Amount
						01-49-4-650	CONTRACT FF/PM PERSONNEL	\$72,500.00
						VENDOR TOTAL:		\$72,500.00
<b>PUBLIC SAFETY DIRECT, INC.</b>								
	106914	03/02/26	\$1,000.00		UNIT M6 FULL-COLOR FLOSSMOOR PATROL GRAPHICS PACKAGE	16-01-7-748	CAPITAL EQUIPMENT-POLICE	\$1,000.00
						VENDOR TOTAL:		\$1,000.00
<b>RAY O'HERRON CO INC</b>								
	2447178	11/25/25	\$171.48		LEVY SERGEANT BADGE/TIE BAR/SGT CHEVRONS/BELT	01-48-3-612	UNIFORMS & RELATED SUPPLIE	\$171.48
						VENDOR TOTAL:		\$171.48
<b>SAM'S CLUB/SYNCHRONY BANK</b>								
	030226	03/02/26	\$200.00		2026 MEMBERSHIP FEES	01-48-5-660	DUES AND SUBSCRIPTIONS	\$66.66
						01-49-5-660	DUES AND SUBSCRIPTIONS	\$66.67
						01-55-5-660	DUES AND SUBSCRIPTIONS	\$66.67
						VENDOR TOTAL:		\$200.00
<b>KEN SCHMIDT</b>								
	021326	02/13/26	\$546.10		WWETT SHOW 2026 INDIANAPOLIS-LODGING/PARKING/MILEAGE	08-11-5-661	TRAINING	\$546.10
						VENDOR TOTAL:		\$546.10
<b>SECURITAS TECHNOLOGY CORPORATION</b>								
	6005616610	02/18/26	\$110.67		DPWSC ALARM MAINTENANCE & MONITORING	01-67-6-680	MAINTENANCE CONTRACTS	\$110.67
						VENDOR TOTAL:		\$110.67
<b>SUTTON FORD</b>								
	746300	02/19/26	\$100.00		SQUAD 325 KEY FOB PROGRAMMING	01-48-6-671	VEHICLE MAINTENANCE & SUPP	\$100.00
	653354	02/18/26	\$83.94		PD T12 FUEL TANK CAP/VALVE	01-48-6-671	VEHICLE MAINTENANCE & SUPP	\$83.94
						VENDOR TOTAL:		\$183.94
<b>THOMSON REUTERS-WEST</b>								
	853271468	03/01/26	\$909.59		ONLINE/SOFTWARE SUBSCRIPTION 2/1/26-2/28/26	01-48-6-672	DEPARTMENT IT MAINTENANCE	\$909.59

## Village of Flossmoor Detail Board Report

**Invoices Due On/Before: 03/17/26**

Vendor Name	Invoice #	Invoice Date	Invoice Amount	PO #	Invoice Description	GL Number	GL Description	Line Amount
<b>VENDOR TOTAL:</b>								<b>\$909.59</b>
<b>VILLAGE OF HOMEWOOD</b>								
	HOMEWOOD WATE	02/13/26	\$136,377.21		HOMEWOOD WATER BILL			
						08-11-4-635	HOMEWOOD-LAKE MICHIGAN W	\$136,377.21
<b>VENDOR TOTAL:</b>								<b>\$136,377.21</b>
<b>WELLNESS IQ INC</b>								
	55636	02/24/26	\$125.00		PERSONIFY HEALTH REWARDS 1/16/26-1/31/26			
						01-43-2-592	EAP & WELLNESS PROGRAMS	\$50.00
						01-48-2-592	EAP & WELLNESS PROGRAMS	\$50.00
						01-60-2-592	EAP & WELLNESS PROGRAMS	\$25.00
<b>VENDOR TOTAL:</b>								<b>\$125.00</b>
<b>WERNING MAINTENANCE</b>								
	9716VFNH	02/26/26	\$3,315.00		VH CLEANING SERVICE FEBRUARY 2026			
						01-67-4-630	CLEANING SERVICE	\$3,315.00
	9717VFPW	02/26/26	\$780.00		DPWSC CLEANING SERVICE FEBRUARY 2026			
						01-67-4-630	CLEANING SERVICE	\$780.00
<b>VENDOR TOTAL:</b>								<b>\$4,095.00</b>
<b>WORKING WELL</b>								
	38763	02/02/26	\$102.00		R JONES DRUG & ALCOHOL TESTS			
						01-55-4-647	CDL DRUG AND ALCOHOL TESTS	\$102.00
<b>VENDOR TOTAL:</b>								<b>\$102.00</b>

**Village of Flossmoor**  
**Detail Board Report**  
**Invoices Due On/Before: 03/17/26**

**Vendor Name**

<b>Invoice #</b>	<b>Invoice Date</b>	<b>Invoice Amount</b>	<b>PO #</b>	<b>Invoice Description</b>	<b>GL Number</b>	<b>GL Description</b>	<b>Line Amount</b>
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**Total Amount Being Paid: \$368,976.02**

**Total Number of Invoices: 58**

AP VENDOR ACTIVITY REPORT FOR VILLAGE OF FLOSSMOOR

Activity From 03/16/2026 To 03/17/2026

Vendor Code	Vendor Name	1099	Invoice Total	Check Total	Difference
AAASUPPL	AAA SUPPLY CORP	N	113.28	0.00	113.28
AIRONEEQ	AIR ONE EQUIPMENT INC	N	20.00	0.00	20.00
AIRGASUS	AIRGAS USA, LLC	N	915.95	0.00	915.95
AMAZON	AMAZON CAPITAL SERVICES	N	315.43	0.00	315.43
BARCO	BARCO PRODUCTS LLC	N	325.58	0.00	325.58
CASELOTS	CASE LOTS INC.	N	147.80	0.00	147.80
CHICOMM	CHICAGO COMMUNICATIONS, LLC.	Y	1,993.28	0.00	1,993.28
CIRCLETO	CIRCLE TOOL SUPPLY LLC	Y	515.16	0.00	515.16
COMCAST FD	COMCAST	N	115.45	0.00	115.45
COM2611	COMED	N	171.90	0.00	171.90
CROSSMAR	CROSSMARK PRINTING, INC.	N	2,825.29	0.00	2,825.29
CRUSOR	RICHARD G. CRUSOR, JR.	Y	390.00	0.00	390.00
DACRA	DACRA TECH LLC	Y	1,000.00	0.00	1,000.00
DINGES	DINGES FIRE COMPANY	Y	9,808.00	0.00	9,808.00
EAGLEUNI	EAGLE UNIFORM CO INC	N	40.00	0.00	40.00
EBELSACE	EBEL'S ACE HARDWARE	N	13.49	0.00	13.49
EMSMANAGE	EMS MANAGEMENT & CONSULTANTS	N	4,837.03	0.00	4,837.03
EVTECH	EVT TECHNOLOGIES	N	34,131.22	0.00	34,131.22
GASVODA	GASVODA & ASSOCIATES INC	N	163.74	0.00	163.74
HARVARD	HARVARD COLLECTION	N	185.00	0.00	185.00
HFS GMET	IL DEPT HEALTHCARE & FAMILY	N	57,216.02	0.00	57,216.02
HOLLANDP	HOLLAND PRINTING INC	N	995.05	0.00	995.05
HOMEWOOD	HOMEWOOD DISPOSAL SERVICE IN	N	490.40	0.00	490.40
INTERSTA	INTERSTATE BATTERY OF CHICAG	N	866.82	0.00	866.82
INVOICE	INVOICE CLOUD	N	322.90	0.00	322.90
KTECH	K-TECH SPECIALTY COATINGS LL	N	7,326.35	0.00	7,326.35
MCCANN	MCCANN INDUSTRIES, INC.	N	5,539.00	0.00	5,539.00
MENARDHM	MENARD'S-HOMEWOOD	N	95.52	0.00	95.52
MONARCH	MONARCH AUTO SUPPLY INC	N	342.15	0.00	342.15
NEXTDAY	NEXT DAY PLUS	N	87.72	0.00	87.72
NICOR-DPW	NICOR GAS	N	2,437.75	0.00	2,437.75
NYHART	THE HOWARD E NYHART CO. INC.	N	6,500.00	0.00	6,500.00
OTTOSENNORR	OTTOSEN, DINOLFO, HASENBALG	P	12,407.75	0.00	12,407.75
PARAMEDICS	PARAMEDIC SERVICES OF ILLINO	N	72,500.00	0.00	72,500.00
PUBSAFET	PUBLIC SAFETY DIRECT, INC.	N	1,000.00	0.00	1,000.00
RAYOHERR	RAY O'HERRON CO INC	N	171.48	0.00	171.48
SAMSCLU	SAM'S CLUB/SYNCHRONY BANK	N	200.00	0.00	200.00
SCHMIDTK	KEN SCHMIDT	N	546.10	0.00	546.10
SECURITAS	SECURITAS TECHNOLOGY CORPORA	N	110.67	0.00	110.67
SUTTONFO	SUTTON FORD	N	183.94	0.00	183.94
THOMWEST	THOMSON REUTERS-WEST	N	909.59	0.00	909.59
VILHMD	VILLAGE OF HOMEWOOD	N	136,377.21	0.00	136,377.21
WELLNESSIQ	WELLNESS IQ INC	N	125.00	0.00	125.00
WERNING	WERNING MAINTENANCE	N	4,095.00	0.00	4,095.00
WORKING	WORKING WELL	Y	102.00	0.00	102.00
Report Total:			Total: 368,976.02	Total: 0.00	

# MEMORANDUM



FLOSSMOOR

*Welcoming. Beautiful. Connected.*

**TO:** Mayor Nelson and Board of Trustees  
**CC:**  
**FROM:** Bridget A. Wachtel, Village Manager  
**DATE:** March 16, 2026  
**RE:** Discussion of the Fiscal Year 2026-2027 Preliminary Budget — Capital Equipment Fund

To control fluctuations in capital equipment spending and to provide the basis of long-range financial planning, the Village developed a Capital Equipment Fund. This fund receives an annual contribution, or revenue source, from the General Fund and Water/Sewer Fund to save for future equipment needs. This plan ensures that the Village makes constant and relatively consistent savings to meet tomorrow's equipment needs. This fund is based on a ten-year replacement schedule for existing equipment. All non-computer equipment listed in the schedule is for replacement items estimated to cost \$5,000 or greater, and new equipment above and beyond our current inventory must be approved separately. The fund also includes computer equipment as well as building maintenance items such as painting, carpeting, etc. Both the Equipment Replacement Schedule and Fund are reviewed and considered each fiscal year as part of the budget process. No replacement is automatic, but instead, our staff diligently assesses our ability to continue to maintain a piece of equipment for another year versus the purchase of new equipment.

The FY 27 contribution to this fund is a total of \$1,345,007, with \$1,006,511 from the General Fund, \$150,714 from the Water Fund and \$187,781 from the Sewer Fund. During the budget preparation this fund is "trued up" to account for deferrals, additions, removals and adjustments to budgeted costs. This process ensures that there is not too much or too little saved for in each year.

The delayed supply chain we began to experience a few years ago continues today, with some orders taking up to a year or more. In addition, Cook County's delay in remitting property tax receipts has also impacted this fund this year; although the monies are separate from General Fund monies, staff's concerns about cash flow impacted spending decisions starting in November. One of the worst-case scenarios would have involved inter-fund borrowing from the Capital Equipment Fund to support General Fund spending. Further, to ease expenses in the General Fund, staff is withholding the fourth quarter General Fund transfer in the amount of about \$212,000, the impact of which will be absorbed in the FY 27 transfer calculation.

In FY 26, Public Works replaced a 3-ton asphalt roller, a tractor/backhoe/loader, and a ¾ ton pick up with a utility box and hoist. The budget included plans to replace the water division's step van as well as install a generator at the Butterfield Lift Station and procuring a towable back-up generator to use at the water pumping, booster, and lift station facilities during power outages. Those later purchases did not happen due to cash flow concerns, and all three pieces of equipment were re-budgeted in FY 27.

Public Works completed a comprehensive review of their equipment and vehicles and revised several cost estimates for future years, affecting the replacement costs. Factors influencing these adjustments include the storage of equipment in the Public Works Service Center, the rise in equipment costs, and the supply chain issues with respect to the receipt of new equipment.

Adjustments included the following: two utility vehicles were adjusted from a six year schedule to a seven year schedule; the aerial bucket truck was adjusted from a ten year schedule to a twelve year schedule; six pick-ups used throughout operations were adjusted from a eight year schedule to a ten year schedule; the water division step van schedule was adjusted from an eight year schedule to a fifteen year schedule; and two mowers that are due for replacement in FY 27 were deferred one year.

In FY 26, the Police Department replaced two squads and an administrative vehicle. Police administration reviewed the vehicle replacement schedule this year after an extended period of being down a car last year. The end result was adding a patrol vehicle to the fleet. Further, when the Village added the commander position about five years ago, there was not a vehicle dedicated to the position, which has caused some operational issues if the commander is called back. Patrol vehicles are on a three-year replacement schedule given the wear and tear on running squads nearly 24/7, and the administrative vehicles are on a five-year replacement schedule. In FY 26, the department replaced two patrol vehicles and the Chief vehicle. Looking ahead to FY 27, the department plans to replace Patrol unit 4 as well as the Deputy Chief vehicle. The current Deputy Chief vehicle will be allocated to the detective division. The Commander vehicle was added to FY 28, and the Supervisor patrol vehicle, which was originally planned for FY 26 was also moved to FY 28.

Another project planned for FY 26 was the replacement of the department's pistol range equipment and the range's HVAC unit; a significant budget has been set aside to accommodate an anticipated extensive project only to learn that the HVAC solution may be more simplified.

Two thirds of that budget, \$400,000, will be carried over to FY 27 to complete that work. Part of the remaining monies have been allocated toward the additional patrol vehicle and new radar units, which are new to the schedule and will be placed on a 8 year replacement schedule. In FY 24 and 25, the Police Department worked with our IT company and Administration to replace the CCTV system in the municipal complex and expanded the system to cover the municipal parking lots in the downtown area. This work was offset by an Illinois State Attorney Organized Retail Crime Grant. Utilizing a second grant, plans include expanding the camera system to other retail areas of the Village and the Public Works facility in the future; work which is planned for FY 26 and FY 27. The department's pistols were moved up in the schedule from FY 30 to FY 27 to accommodate the red dot technology which will enhance accuracy and safety. New portable radios are also planned for next fiscal year. Finally, three ballistic shields were added to the equipment inventory in FY 30 and assigned a five-year replacement schedule.

Over the last two years, fire apparatus costs have increased by more than 20% and nearly doubled over the previous five years. Last year, as the Fire Department reviewed the capital schedule, they identified an option that would provide mid-term and long-term financial relief while maintaining our current level of service and reducing the number of apparatuses currently in the fleet. The department operated a 2009 Squad/Pumper (SQ19), a 2015 Pumper/ Tanker

(E19), a 2021 75' Tower ladder (TL19), and a 1999 Pumper (E119). After assessing the operational efficiency of the current apparatus in addition to the current market value, the department adjusted the schedule for an early sale of E19 (2015 due to be replaced in 2033) and the sale of E119 (a 1999 apparatus currently in shared reserve with Park Forest) with the replacement purchase of one new engine that provides the department with more operational efficiency and lower maintenance costs. E19 is a larger vehicle, in part because it was designed to carry extra water to service the non-hydrant (unincorporated) areas where we respond. Our automatic aid response plans have advanced so that we no longer need a vehicle with this capacity. During this past year, the department sold E19 for \$395,000 and started the order process for the replacement which is due to be received in FY 28. E119 will then be sold after the replacement of E19 is received.

An additional piece of equipment sold this year was the Brush Truck for \$25,000. These funds along with donation from the Flossmoor Fire Department Volunteer Corporation and the use of Foreign Fire Tax Funds helped to secure a UTV outfitted with an EMS cot, providing off-road vehicle access in unincorporated and hard-to-reach areas. The replacement was added on a twelve year schedule. A second drone was also donated from the volunteer corporation, and both drones were placed on a five-year schedule.

FY 26 purchases also included the Village's share of new fire radios through our joint dispatch agency that will be high frequency, allowing for advanced technology that will improve communication, reliability and safety with cellular, wi-fi and GPS location as well as interoperability with police frequencies. Moving forward, the replacement of the fire radios will be on a new ten-year schedule. Also included in FY 26 was funding to replace vehicle stabilization equipment that allows first responders to lift and hold vehicles during a rescue operation; the current equipment is past its useful life and has been added to the schedule with a fifteen-year replacement schedule. The receipt of that equipment is anticipated in FY 27, thereby resulting in a FY 27 expense to the fund. The FY 26 budget also includes replacing batteries for the department's small equipment. As the number of battery-operated tools in the Fire Department has increased, the comprehensive replacement of the batteries has met the threshold of the replacement program.

Purchases in FY 27 include a new compressor and fit test machine for the air packs at a cost of \$65,000 and \$22,000 respectively. Additional equipment costs were modified in future years; both engine 19 and squad 19 replacement costs were increased by \$350,000 each. Adjusting these replacement costs are important to the integrity of the fund and ensuring that cash is on hand to purchase this replacement equipment. That said, the rate at which this equipment is increasing in cost is alarming.

The use and reliance on technology throughout Village operations is significant in today's world. The last full network infrastructure upgrade and computer replacements throughout the departments was in Fiscal Year 24. Fiscal Year 2025 included the upgrade of server hardware and software and other network infrastructure like upgrading our Storage Area Network Device and a few servers, some of which were rebuilt and repurposed. The Village migrated the majority of our files from servers to Microsoft 365 as part of our transition to the cloud in FY 25. Due to this migration, some servers were taken out of service as we move more software and storage to

the cloud. The most significant migration completed in FY 26 was moving our financial software, BS&A, to the cloud. Staff continues to work with the Village's IT vendor to complete a comprehensive review of all our computer equipment, from network infrastructure to desktop replacement, and replacement costs were updated throughout the ten-year schedule as part of the budget process. The main Village Hall copier was planned for replacement in FY 26 but has not been completed since the number of large copy jobs is decreasing; the Board has gone to electronic packets and many administrative files are only being stored digitally now. That expense was carried over to FY 27. Finally, three printers in Finance and the Village Manager's Office and the Public Works copier and AutoCAD printer/plotter will also be replaced in FY 27. The FY 27 budget includes replacement of the network backup appliance, switches and firewall as well as four computers out of sync with the village-wide replacement cycle.

Additional capital equipment projects relate to the municipal building maintenance. Both boilers at Village Hall were replaced this year at a cost of \$140,980. The Police and Fire workout room was a conglomeration of purchased and donated equipment over the years that needs to be maintained and serviced. Staff put together a plan to address these needs beginning in FY 25, which is anticipated to be completed in FY 28. The Village Hall parking lot was patched, seal-coated, and striped this year. Although the replacement of the Public Works Service Center Bay Floor, which is on a twenty-year cycle, was scheduled for FY 26, it is being carried over to FY 27, in part due to the delay in property tax receipts and the slowdown in spending. Also planned for FY 27 is replacement of the bay area and mechanic area heaters at the Public Works Service Center in the budgeted amount of \$25,000. Monies have also been set aside annually to complete some painting as well as upgrades to the HVAC systems at facilities as needed.

In 2016, the Village Board and staff worked with the Linden Group to assess the Village Hall facility and plan for the future. As a 47-year-old building, there are space, storage and functional deficiencies that need to be addressed. While basic maintenance and routine replacement of fixtures occur through our Capital Equipment Fund, there are several "big ticket" maintenance and improvement issues that were identified. While it is ambitious to think we will be able to assume significant remodeling, the annual budget has included set asides for smaller projects identified from that study. Having completed the front desk security improvements and improvements to the Fire Department and Police Department women's locker rooms, our current focus has been on improving security and access to the Building and Zoning Department and the PD women's bathroom. Finalizing the plans for the front desk of the Building and Zoning Department as well as constructing those improvements are planned for FY 27 along with remodeling the Police Department break room and reglazing the building's windows to improve energy efficiency.

Replacement costs continue to be upgraded throughout the schedule and several continue to become more expensive, such as fire engines, vehicles, building maintenance and computer equipment. The cost of the fund continues to grow as equipment becomes more expensive, more technology is relied upon to complete our work, and as our budgeting and replacement schedule becomes more sophisticated. Staff has evaluated pulling certain costs out of this budget, which obviously creates an immediate financial relief to the General Fund and Water/Sewer Fund (this would certainly be one of our first responses to any financial crisis); however, the funding for these items would still need to be identified. Further, by not planning

for the replacement of our capital equipment, we erode our “save then spend” philosophy and still need to identify alternative funding sources. The establishment and discipline of this fund has been one of the fundamental practices to the Village’s financial and operational success.

**Strategic Initiative (s) Addressed**

- 1.1. Identify what core services/programs/areas are inadequately funded, by how much and prioritize these needs against other existing services.
- 1.4. Continue financial planning to consistently achieve a balanced general fund budget not dependent on fund balances, anticipate needs, and address risks.

# MEMORANDUM



FLOSSMOOR

*Welcoming. Beautiful. Connected.*

**TO:** Bridget Wachtel, Village Manager  
**CC:**  
**FROM:** Ann Novoa, Finance Director  
**DATE:** March 16, 2026  
**RE:** Discussion of Water and Sewer Rates

Traditionally, as part of the analysis associated with preparing and approving the annual budget, there has also been a review of the Village water and sewer “retail” utility rates, and this memo is prepared for this purpose.

The Village recently received notice of the increase in the water supply costs under the Water Sale and Purchase Agreement with the Village of Homewood. Similar to the Agreement between Flossmoor and Homewood, the various water supply agreements “upstream” of the Village’s Agreement with Homewood (involving Hammond, Chicago Heights, and Homewood) have common provisions for increasing rates annually based on the change in the Consumer Price Index (CPI-U) with a 3% annual cap. Based on the higher inflation rates at this time, a 2.7% increase occurred.

From the notification letter received from Homewood in February, and the additional information that has been provided (copy of the January 2026 notification letter from Chicago Heights to Homewood and supporting CPI-U statistics), the CPI-U measurement period is December to December. With inflation rates slightly down subsequent to last year’s utility rates memo, the actual water supply increase will be 2.7%. The water supply cost under the Agreement is now \$5.15 (per thousand gallons), increasing \$0.14 from the previous rate of \$5.01. The water cost has increased to the Village of Homewood effective 1 February 2026, resulting in an effective date to the Village of 1 March 2026 due to the 30-day notice provision under the Agreement.

There are a number of factors to consider in establishing the Village “retail” rates:

1. Recovering the water supply costs.
2. Coverage of Flossmoor’s operating costs of the utility (Water and Sewer) systems.
3. Providing sufficient funds for the necessary reinvestment in the utility system infrastructure and equipment.
4. Maintain any established Net Asset or Reserve requirements applicable to the Village’s Enterprise Funds.

In accounting terminology, the various utility funds are considered “Business-Type Activities,” or also referred to as Proprietary Funds, or Enterprise Funds. As Proprietary Funds, the various utility funds should be operated similar to a private business and should be “self-sustaining.” Each utility fund should be paying for its related system expenses and improvements from its own financial resources without reliance on the Village’s other assets (e.g., the General Fund).

In fiscal year 2026, the Water and Sewer Fund financed the CBD sanitary sewer relocation which demonstrates this fund approaching a “self-sustaining” manner. Seeing the results of the FY25 audit and the projections for FY26, it can be interpreted that in order to keep the fund moving in the direction to be self-sustaining, the utility rates should be adjusted to produce more revenue needed to support the current operations of the Water and Sewer systems.

The details found as part of this memo will explore the methodologies utilized in formulating the rate options and their components based on cost accounting principles.

Rate options – Establish rates to:

1. Remain unchanged
2. Cover water supply increase only(2.7%)– Option A
3. Cover water supply and operations only– Option B
4. Cover water supply, operations, and bad debt– Option C
5. Cover operations and fund capital reinvestment (Estimated Full Cost)– Option D

Each of these options are discussed in further detail and are incorporated and summarized in the tables in Exhibit A. This detail is presented in the same sequence as the rates are found in the Flossmoor Municipal Code.

### **Recommendation**

In the previous year, the Board opted to pass through the water supply increase only (Option A), which is the least complex discussion. In FY 25, the Board opted to elect Option C, which was a fairly significant increase to the water rates. For the FY 27 budget, the recommendation is to meet in the middle, and increase water rates by half (50%) of Option C.

As stated above, the Fiscal Year 24 and Fiscal Year 25 financial statements, the FY26 Mid-Year analysis, and the FY27 Budget preparation have shown that the Water and Sewer fund is reaching self-sustainability levels and growing a healthy fund balance. The increase in the water rates in the prior years along with valiant efforts from the Board to update the large and small meters and infrastructure over the last decade all contribute to the growing fund balance of the Water and Sewer Fund. Although with the recent completion of the small water meter replacement project in September 2024, we estimated a larger increase in revenue in FY26 than we are seeing come to fruition. Further, the Preliminary FY 27 budget reflects a small operating fund budgeted deficit of approximately \$234,000. The total fund position includes the SCADA replacement project and the engineering associated with lead line service replacement, increasing the budgeted fund deficit to approximately \$1.1M.

Therefore, my recommendation is to increase the water rates in order to sustain the fund's operating costs and help fund capital projects. For reasons described below, my recommendation is half (50%) of the Option C calculation, which takes into consideration water supply costs, operations, and bad debt. With the consideration of half of Option C, the rates would increase by \$3.30 per 1000 gallons across Water (\$2.54) and Sewer (\$0.77)– a total of 17% increase to the current total rates. Based upon the preliminary budget, the increase would bring the fund to a \$447,000 operating surplus -yet still draw down approximately \$420,000 of fund balance to support the FY 27 capital improvements. My recommendation would also be to take this approach with the Storm Water rates as well – increasing by \$0.61to \$3.08 per 1000 gallons. The recommendation to only increase by half (50%) of Option C instead of the full Option C calculation is an effort to be sensitive to customers' budgets while recognizing that the Village needs to cover its expenses.

My recommendation for the Sanitary Sewer Surcharge fee is to increase by \$1.00 (3.7%) to \$28.00 to help support the operating costs of this fund.

The following is an analysis of the various components that contribute to a rate increase – a description of the component and a calculation of its cost. After the Board's discussion, I will be looking for direction on which option the Board would like to adopt. Flossmoor Municipal Code ordinances will be presented for adoption at the April 6 meeting with an effective date of April 1, 2026.

## **Water Rate (Flossmoor Municipal Code 150-9-9A)**

Prior to FY25, the Village utilized water purchased as the denominator for calculating rates. Beginning in the FY25 budget, the Village changed its calculation approach and considered recovering operating utility costs including water purchased, water loss, bad debts, and capital infrastructure or reinvesting into the water system.

The volumetric rates (both for water purchase, and for sales) are in the commonly used thousand-gallon units. Accordingly, where water volumes are referenced, they are also presented in thousand-gallon units (000 omitted). Calculations use an estimated water purchase of 330,000 units and estimated 249,000 billed units which are based in part on the average of the five most recent years from Village records. The water sales revenue projections for FY 2027 have utilized the current \$14.36 rate and 223,778 billed units and is arguably appropriately conservative for budgetary purposes based on activity history.

### **Water Loss**

As referenced, the Village has a history of experiencing a relatively high “water loss” ratio, defined for this purpose as the difference between the amount of water purchased and the amounts billed to customers.

Some water losses are to be expected due to undetected leaks in the system. Main breaks and hydrant flushing, as well as public water use for fire services, are all part of the water purchased but not resold. These “uses” can typically be estimated and quantified to account for some of the unbilled water purchases. The goal, of course, is to minimize the water losses and their sources. The water purchased and billed should be regularly monitored and reconciled with a constant goal of minimizing the water loss, and especially unaccountable losses. Even though the aforementioned “uses” can be quantified, they still result in an operating cost that will not be recovered when using Water Purchased as the basis for setting rates.

It should go without saying that where water is purchased, but is not sold (billed), this unsold water volume adds to the operating overhead. With expected ongoing repairs to the system, and the recent meter replacement program, it would be anticipated that this ratio should be improving (i.e., decreasing) over time.

### **Impact on rates for water loss**

Assuming that 24% (average for the past seven years) of the water purchased did not get rebilled, this unbilled water creates an additional rate of \$1.64 that must be added to the initial water rate calculations.

Recalculating the “cost recovery” for the other operating expenses using the projected billed gallons instead of the purchased gallons and subtracting the cost of the unbilled water purchases (the \$1.64 calculated above), adds another \$3.08 to the rate.

### **Uncollectible accounts**

It has been noted that the Village experiences a relatively low level of uncollectible utility billing. While the level of collection is generally favorable, rates should also consider recovery of the impact of “bad debts.” Based on the total of the other rate components, this equates to an additional \$0.22 to be factored into the rate.

### **Reinvestment in water system infrastructure**

The fiscal year 2025 financial statements reflect over \$16 million in water system assets. These assets were purchased over a number of years and represent the historic costs. As

an accounting principle, depreciation is recorded to reflect the reduced value and usefulness of these assets over time due to use, age, and normal wear and tear. It has not been uncommon to view covering/recovering the depreciation in the rates as setting aside funds for replacements. However, as current replacement costs will undoubtedly be higher than the original costs, recovering only depreciation in the rate structure is not sufficient for the fund to continue to operate self-sufficiently and adequately maintain its operating infrastructure.

Based on experience, with the typical aging infrastructure of a water and sewer system, money should be programmed on an annual basis for capital reinvestments including, for example, replacement or lining of mains. The amount of water loss also supports making annual incremental improvements to “tighten up” the system.

A reasonable rule of thumb is to look to reinvest 5% or more of the asset value (before depreciation) on an annual basis. This approach would add \$2.21 to the rate based on gallons billed.

#### Total Water rate

Collectively, all the pieces discussed above, would produce a total “full cost” rate of \$21.64 which would represent an increase of \$7.28, or approximately 50.7% above the current established rate.

Recognizing that this collective total may be more than the Village Board would be willing to move the water rate in one rate change, the three rate options (A, B, and C) reflect adding the rate components discussed earlier incrementally, finally arriving at the “Total Cost” rate (Option D).

#### **Sewer (Collection and Transmission) Rate (Flossmoor Municipal Code 150-9-9B)**

The Village’s Sewer rate is intended to cover the ongoing costs associated with the operation and maintenance of the Village’s sanitary sewer system. The sanitary sewer system collects the sewerage wastes from each business and dwelling unit and transports it to an “intercept sewer main” maintained and operated by the Metropolitan Water Reclamation District of Greater Chicago (MWRD). As its name implies, the MWRD reclaims and treats the water so that it may be safely returned to our waterways and disposes of the remaining solid wastes. While sanitary sewer collection systems utilize a slight pitch to the sewer line and gravity to move wastes through the mains, due to the local topography and geography, lift stations are often required to pump wastes up to a new grade to continue the gravitational downhill flow towards its delivery point destination.

Studies have shown that most of the water brought into a location will end up going down the drain. It is because of this relationship that municipal sewer collection rates have traditionally been based on water consumption for determining the charges.

As you are aware, the MWRD continues to push municipalities to expend greater efforts toward the elimination of Infiltration and Inflow (I/I) into the sewer systems that are tributary to the MWRD’s services through the various provisions of the Watershed Maintenance Ordinance adopted in 2014. The most recent requirement was that each satellite entity served by the MWRD needed to adopt a Long-Term Operation and Maintenance Plan (LTOMP) and related Private Sector Program (PSP). The former (LTOMP) focused on the Village’s municipal sewer system, the latter (PSP) on the private sewer laterals that connect each building to the Village’s sewer system. In any case, all satellite entities served by the MWRD are expected to increase their maintenance efforts to identify and eliminate I/I.

These requirements support ongoing sewer system evaluations and assessments and investment in sewer lining and replacements on an ongoing basis.

#### Cost of Operations

The proposed FY 2025 budget for Sewer reflects operating costs of \$1,380,000, or roughly \$1,580,000 (rounded) with expected depreciation included. If these costs were divided by anticipated water purchases using the traditional methodology referenced earlier, it would produce a rate of \$4.80 per thousand gallons.

#### Water Loss impact on Sewer rates

As referenced under the water rate discussion, the current rate analysis assumes that 24% of the water purchased did not get rebilled. Recalculating the “cost recovery” using the projected billed gallons instead of the purchased gallons, adds another \$1.56 to the rate.

#### Uncollectible accounts

It has been noted that the Village experiences a relatively low level of uncollectible utility billing. Rates should also consider recovery of the impact of “bad debts” otherwise it will not be covering all of its operating costs from its net billing revenue. Based on the total of the other rate components, this equates to an additional \$0.10 rate.

#### Reinvestment in sewer system infrastructure

The fiscal year 2025 financial statements reflect nearly \$22 million in sewer system assets. As referenced under the water rate discussions, these assets were acquired over a number of years and the total assets represent the historic costs. Depreciation is recorded to reflect the reduced value and usefulness of these assets over time for accounting purposes. It has not been uncommon to view covering/recovering the depreciation in the rates as setting aside funds for replacements. However, as current replacement costs will be undoubtedly higher than the original costs, recovering only depreciation is not enough for the fund to continue to operate self-sufficiently.

Based on experience, with the typical aging infrastructure of a water and sewer system, money should be programmed on an annual basis for capital reinvestments into the system infrastructure including, for example, replacement or lining of mains. Such activities are further supported by the newer requirements that have been imposed by the MWRD referenced earlier. A reasonable rule of thumb is to look to reinvest 5% or more of the asset value (before depreciation) on an annual basis. This approach would add \$3.20 to the rate based on gallons billed.

#### Total Sewer rate

The cumulative total of the rate components discussed above would produce a total “full cost” rate of \$9.66 which would represent an increase of \$4.73, or adding 95.9% of the current established rate.

The Utility Rate Options (B, C, and D) incrementally include the individual rate components discussed as alternatives to a single adjustment to the suggested “Total Sewer rate.”

#### **Sewer Only Charge (Flossmoor Municipal Code 150-9-9D)**

The Village has established a “Sewer Only” charge for circumstances where sewer collection and transmission services are being provided, but there is no water meter or other means to measure consumption (in this case, sewer use). “Sewer Only” service is only a small component of the overall Sewer customer base, and is viewed as an “exception” to the typical utility customer receiving both water and sewer services. “Sewer Only” service is most commonly provided to residential

customers. The municipal utility records indicate that there are approximately a dozen “Sewer Only” accounts at this time.

The “Sewer Only” fee has been set at a flat amount of \$81 per quarter which equates to \$27 per month. This fee was last adjusted in April 2024 based on inflation. My recommendation is to keep the flat rate at \$81.00 for the current year. We will re-evaluate this fee every few years.

### **Sanitary Sewer Rehabilitation (Flossmoor Municipal Code 150-9-9E)**

The Village has adopted what is also referred to as a “Sewer Surcharge” to assist in the rehabilitation of the sanitary sewer system and to assist in achieving compliance with MWRD maintenance requirements.

Established as a flat \$27 quarterly charge per utility customer, this fee is the cornerstone revenue for a separate Enterprise Fund. The key expenditures in this Fund have traditionally been associated with large scale sanitary sewer rehabilitation projects. Currently, the fund expenses are associated with sewer system maintenance and supplementing similar activities within the main Water and Sewer Fund. The largest single category of expense within the Sanitary Sewer Rehabilitation Fund is for debt service on IEPA loans that have been utilized to fund various sewer rehabilitation projects over several years.

Analysis shows that, at this time, the established rate is covering the anticipated/budgeted costs including the aforementioned IEPA debt service, currently with one loan left to pay. However, the Village may wish to incrementally increase this surcharge over time to add to its capacity to support the sewer system maintenance and related debt service as these costs increase. The Village is actively seeking an additional IEPA loan for a portion of the water supply improvements.

If this fee were increased by \$1 proposed, it would build additional financial resources earmarked for maintenance of the sanitary sewer system. While this is a relatively small amount, it is an incremental step in the right direction to accumulate funds for use in the future for sanitary sewer maintenance. It would be recommended to continue to incrementally increase this fixed fee on an annual basis even where the IEPA debt service has not increased.

### **Storm Sewer rate (Flossmoor Municipal Code – 150-9-9F)**

The Storm Sewer Fund has been established as an Enterprise Fund, and thus is intended to be self-supporting through the revenues generated by the Storm Sewer rate which is computed based on water consumption.

“Purists” will argue that storm water fees should be based on detailed analysis and calculations for each property including the overall square footage of the site with further delineation of the amount of pervious and impervious (structures and cement/asphalt surfaces) areas within the property. Typically, a credit against the primary fee would be calculated for the amount of on-site detention/retention basins. This involves gathering, compiling, computing, and processing a lot of data regarding the characteristics of each individual property in the community. Additionally, this data must be updated each time there is a change to a property. Gathering and maintaining this data is labor intensive and can be costly, especially if outside engineering or other consultants are required.

An increasing number of local governments, like Flossmoor, have chosen to establish Storm Sewer (storm water) water consumption-based rates in lieu of the costlier and labor-intensive methods to determine (and charge) a Storm Sewer fee applicable to each individual property in the community. The Storm Sewer rate is intended to generate the funds necessary to support the operation and maintenance of the community's storm water management infrastructure (including storm sewers, drainage ditches, retention and detention ponds, etc.) as well as the monitoring, measuring, and reporting required under the Federal Environmental Protection Agency (EPA) National Pollutant Discharge Elimination System (NPDES) regulations. This fund is also used to financially support the Villages' smaller projects in the Residential Drainage Improvement Program.

#### Cost of Operations

The proposed FY 2027 budget for Storm Sewer reflects operating costs of \$720,000, or roughly \$905,000 (rounded) with expected depreciation included. If these costs were divided by anticipated water purchases referenced earlier, it would produce a rate of \$2.75 per thousand gallons.

#### Water Loss impact on Sewer rates

As referenced under the water rate discussion, analysis assumes that 24% of the water purchased did not get rebilled. Recalculating the "cost recovery" using the projected billed gallons instead of the purchased gallons, adds \$0.89 to the rate.

#### Uncollectible accounts

As has been noted, the Village experiences a relatively low level of uncollectible utility billing. However, rates should also consider recovery of the impact of "bad debts." Based on the total of the other rate components, this equates to an additional \$0.04 rate.

#### Reinvestment in sewer system infrastructure

The Storm Sewer assets are not clearly identified in the fiscal year 2025 financial statements. Historically, storm sewer infrastructure has been considered a "general government" asset of the Village, and accordingly has been commingled with other non-proprietary assets in the financial reporting. As with the water and sewer systems, the storm sewer infrastructure includes costs that were incurred over a number of years and represent the historic costs. Depreciation is recorded to reflect the reduced value and usefulness of these assets over time. It has not been uncommon to view covering/recovering the depreciation in the rates as setting aside funds for replacements. However, as current costs will be undoubtedly higher than the original costs, recovering only depreciation is not enough for the fund to continue to operate self-sufficiently.

Based on experience, with the typical aging infrastructure of a storm sewer system, money should be programmed on an annual basis for capital reinvestments into the system infrastructure including, for example, replacement or lining of mains, dredging ponds, regrading and contouring ditches, etc. Such activities are further supported by the newer requirements that have been imposed by the MWRD referenced earlier related to the elimination of I/I in the sanitary sewers equates to increased demands on the storm sewer system. The storm water (I/I) being displaced from the sanitary sewer (where it doesn't belong) needs to be accommodated elsewhere – primarily by the storm sewer system. A reasonable rule of thumb is to look to reinvest 5% or more of the asset value (before depreciation) on an annual basis. In this analysis, an estimated \$200,000 annual reinvestment has been included. It can be argued that roughly \$91,000 of this will be captured in the projected billing rate from accounting depreciation, the remaining \$109,000 would add \$0.09 to the rate based on gallons billed.

#### Total Storm Sewer rate

The cumulative total of the rate components discussed above would produce a total “full cost” rate of \$3.77 which would represent an increase of \$1.30, or adding 52% of the current established rate.

The Utility Rate Options (B, C, and D) incrementally include the individual rate components discussed as alternatives to a single adjustment to the suggested “Total Storm Sewer rate.”

#### **Strategic Initiative (s) Addressed**

1. Finances & Services: Develop greater revenue to support delivery of top-notch core services through a balanced budget.

## EXHIBIT A

### Volumetric Rates:

#### Rate Components

	Current Rate	Rate Using Water Purchased	Rates Calculated using Water Sold			
			Water Loss Impact	Operating Cost Recovery	Bad Debts	Capital Reinvest
Per 1000 gallons						
Water	\$14.36	\$14.49	\$1.64	\$3.08	\$0.22	\$2.21
Sewer	4.93	4.80		1.56	0.10	3.20
Storm	2.47	2.75		0.89	0.04	0.09

#### Option A - Cost of water - Homewood Increase

Per 1000 gallons	Current Rate	Proposed Rate	Dollar Change	Percent Change
Water	\$14.36	\$14.49	\$0.13	0.9%
Sewer	4.93	4.80	-0.13	-2.6%
Storm	2.47	2.75	0.28	11.3%

#### Option B - Cost of water and operations only

Per 1000 gallons	Current Rate	Proposed Rate	Dollar Change	Percent Change	Half proposed Increase		
					Dollar Change	Proposed Rate	Percent Change
Water	\$14.36	\$19.21	\$4.85	33.8%	\$2.43	\$16.79	16.9%
Sewer	4.93	6.36	1.43	29.0%	\$0.72	\$5.65	14.5%
Storm	2.47	3.64	1.17	47.4%	\$0.59	\$3.06	23.7%

#### Option C - Cost of water, operations, plus bad debts

Per 1000 gallons	Current Rate	Proposed Rate	Dollar Change	Percent Change	Half proposed Increase		
					Dollar Change	Proposed Rate	Percent Change
Water	\$14.36	\$19.43	\$5.07	35.3%	\$2.54	\$16.90	17.7%
Sewer	4.93	6.46	1.53	31.0%	\$0.77	\$5.70	15.5%
Storm	2.47	3.68	1.21	49.0%	\$0.61	\$3.08	24.5%

#### Option D - Total Cost - Cost of water, operations, bad debts, and capital reinvestment

Per 1000 gallons	Current Rate	Proposed Rate	Dollar Change	Percent Change	Half proposed Increase		
					Dollar Change	Proposed Rate	Percent Change
Water	\$14.36	\$21.64	\$7.28	50.7%	\$3.64	\$18.00	25.3%
Sewer	4.93	9.66	4.73	95.9%	\$2.37	\$7.30	48.0%
Storm	2.47	3.77	1.30	52.6%	\$0.65	\$3.12	26.3%

#### Fixed Rate Fees

	Current Rate	Proposed Rate	Dollar Change	Percent Change
Sanitary Sewer Rehab	\$27.00	\$28.00	\$1.00	3.7%
Sanitary Sewer Only	81.00	81.00	0.00	0.0%
Sewer Only - Imputed	Alternate	72.00	-9.00	-11.1%

#### Global Assumptions:

Water purchased	330,000	Water sold	249,000
Uncollectible accounts/bad debts		1% of revenues	