

MINUTES OF THE COMMITTEE OF THE WHOLE
MEETING FOR THE
VILLAGE OF STEGER, WILL & COOK
COUNTIES, ILLINOIS

The Board of Trustees convened in Committee of the Whole Meeting at 6:09 P.M. on this 18th day of May 2026 in the Municipal Building of the Village of Steger, Illinois. Mayor Joyce led all in attendance in the Pledge of Allegiance to the flag.

The roll was called. The following Trustees were present; Hanus, Kaminski, Stewart, Thurmond, Trotier and Perchinski. Mayor Joyce was present.

Also present: Village Administrator Joseph Wiszowaty, Assistant Superintendent of Public Works Roy Stone, Fire Chief Mike Long, Police Chief Greg Smith, EMA Chief Jason Stevenson and Village Attorney Vlado Branjes.

DISCUSSION ITEMS

1. Village Newsletter – Steger Sentinel – Mayor Joyce

Mayor Joyce introduced plans to publish a Village Newsletter with ad space being sold to offset the cost of producing and mailing the newsletter. Trustee Trotier will be taking the lead on this project. The first issue is hoped to be ready for the last week of June. It will be tried at 6 month intervals to start.

2. Village Administrator – Joseph Wiszowaty

Tonight we have up for discussion a request for a Class 8 property tax incentive. The attorney representing the requester gave a brief discription of the property, how it is used and how the tax relief benefits the business. The property is located at 3102-08 Louis Sherman Drive.

The next item is a request for Special Use Permit to operate a Day Care Center at 118 E. 34th St which is currently zoned as residential. The property formerly operated as a Child Care Center and then a hair dresser. The request has been recommended favorably to the board by the Planning and Zoning Board of Appeals. Trustee Thurmond questioned fencing for the children, parking and pick-up /drop-off plans. It was explained that there is a fenced in area, parking is adequate, and recommendations have been made for a stop sign in the alley behind the facility. The Planning and Zonign board has asked for Police to observe and recommend any further needs for safety. All other requirements are set and must be approved by the State of Illinois.

Summary of the Village of Steger Water Rate Study (May 2026)

The Water Rate Study concludes that the Village of Steger's current water utility system is operating under a severe structural financial deficit caused by years of deferred

maintenance, inadequate long-term planning, underfunded infrastructure, and insufficient rate adjustments. Existing revenues of approximately \$1.2 million annually are substantially below projected annual operating costs, which begin at roughly \$2.18 million in 2026 and rise to nearly \$2.7 million by 2031. This imbalance has forced repeated transfers from the Village's General Fund to sustain Water Department operations and has significantly depleted the Water Fund balance over recent years. The study identifies approximately \$16.2 million in critical capital infrastructure needs through 2031, including: Lead service line replacements, Well house rehabilitation, Iron removal system installation, SCADA modernization, Water main replacement, Equipment and vehicle replacement.

To address these deficiencies, the report recommends a break-even financial model centered on an 84% volumetric water rate increase (from \$0.0563 to \$0.1039 per cubic foot), implementation of a monthly Capital Improvement/Debt Service Fee, and continued use of Illinois EPA low-interest financing programs with partial loan forgiveness. This approach is intended to stabilize the Water Fund, eliminate operational deficits, finance essential infrastructure, and reduce reliance on interfund borrowing. The proposed rate plan also includes: Monthly residential billing conversion, Senior Citizen utility credits for qualifying low-income seniors, Revised reconnect fees, Future consideration of a dedicated Water Meter Replacement Fund.

While customer bills will increase, the study finds that even under proposed rates, Steger's utility costs remain generally in line with surrounding communities.

Recommendations:

Immediate Actions

1. Adopt the proposed break-even rate structure in full rather than phasing in increases because a phased approach would prolong deficits and increase long-term financial instability.
2. Implement monthly billing for residential customers which improves cash flow stability and simplifies customer budgeting.
3. Establish the Capital Improvement/Debt Service Fee which provides dedicated infrastructure funding without over-reliance on volumetric charges alone.
4. Approve the Senior Citizen Credit Program which protects vulnerable seniors while maintaining necessary utility revenues.
5. Revise reconnect and utility fee ordinances which ensure cost recovery and equitable fee structures for multi-unit properties.

Mid-Term Recommendations

1. Develop a formal long-term Capital Improvement Program (CIP) beyond 2031 to prioritize system replacement cycles and preventive maintenance.
2. Establish a dedicated Water Meter Replacement Fund. Adding a modest monthly fee could prevent future large-scale borrowing.
3. Conduct annual water loss and non-revenue water studies. Significant water main failures suggest major unbilled water losses that could materially impact financial projections.

4. Perform full cash flow and reserve balance forecasting. Necessary for future bond ratings, rate evaluations, and fiscal sustainability.

Strategic Governance Recommendations

1. Institutionalize periodic utility rate reviews to avoid future deferred increases and sudden large rate shocks.
2. Expand grant and forgivable loan pursuit to maximize external funding sources to reduce resident burden.
3. Improve public communication and transparency to clearly explain why rate increases are necessary and how funds will be used.

Final Assessment

The proposed rate restructuring is financially necessary, operationally justified, and strategically prudent. While politically difficult, immediate corrective action is essential to preserve the Village's water infrastructure, ensure regulatory compliance, and restore long-term financial sustainability.

Failure to act decisively would likely result in: Continued operational deficits, Increased infrastructure failures, Higher emergency repair costs, Greater future borrowing needs, Potential service degradation.

The report provides a realistic path forward, balancing fiscal responsibility, infrastructure modernization, and resident affordability while positioning the Village of Steger for long-term utility stability.

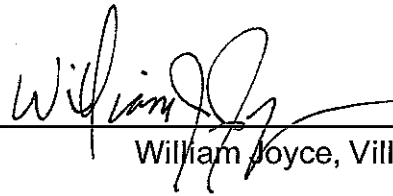
Finally tonight, on the boards suggestion, we have met with our representatives from Republic Waste to discuss our contract which expires the end of this year. Republic has provided exceptional service to the Village of Steger over the last several years. Their increases have been modest, but we are sure there is room for improvement. The question is, do we go out for Request for Proposal for this? This is a decision for the board to make. We have sample requests from other communities from which to model our request. Trustee Perchinski agreed with putting out the RFP and asked if we are considering giving the billing process back to the Garbage Company. VA Wiszowaty agreed that it would be nice to take the load of billing off from the Village, but then you invite garbage not being picked up because the home owner has not paid. Mayor Joyce: I believe if we do not handle the billing, there will be those who will not pay. I think we should get proposals both ways so that we can weigh what works best for the citizens. Everyone on the board agreed with moving forward to prepare a Request for Proposal for garbage collection for the Village of Steger.

Being no further business:

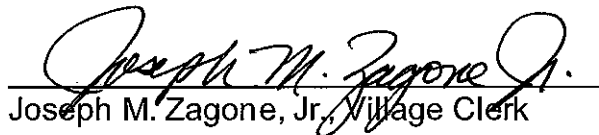
Trustee Perchinski made a motion to adjourn the meeting.

Trustee Thurmond seconded the motion to adjourn. Voice vote; all ayes. Motion carried.

Meeting adjourned at 6:39 pm.

A handwritten signature in black ink, appearing to read "William Joyce", written over a horizontal line.

William Joyce, Village President

A handwritten signature in black ink, appearing to read "Joseph M. Zagone, Jr.", written over a horizontal line.

Joseph M. Zagone, Jr., Village Clerk