MINUTES
Committee of the Whole
Village of Arlington Heights

Arlington Heights Village Hall
33 S. Arlington Heights Road
Arlington Heights, IL 60005
November 10, 2025
7:00 PM

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL OF MEMBERS

President Tinaglia and the following Trustees responded to roll: Wendy Dunnington, Colin Gilbert, Robin LaBedz, Bill Manganaro, Carina Santa Maria, Tom Schwingbeck, Jim Tinaglia, Greg Zyck. Trustee James Bertucci was absent.
Also present were: Randy Recklaus, Melissa Gallagher, Diana Mikula, Kelly Livingston, Mila Tsagalis, Ron Weber, Chief Nick Pecora and Maggie Mattio.
Others present: Sarah Galla from the Arlington Heights Memorial Library

IV. APPROVAL OF MINUTES

A. COW Meeting Minutes 10/6/25

Trustee LaBedz moved to Approve. Trustee Zyck Seconded the Motion.
The Motion: Passed
Ayes: Trustee Dunnington, Trustee LaBedz, Trustee Manganaro, Trustee Santa Maria, Trustee Schwingbeck, President Tinaglia, Trustee Zyck
Nays: None
Abstain: Trustee Colin Gilbert
Absent: Trustee Bertucci

B. COW Meeting Minutes 10/15/25

The October 15, 2025 Committee-of-the-Whole Meeting Minutes were tabled to the November 12, 2025 Committee-of-the-Whole Meeting pending a correction.

V. NEW BUSINESS

A. Arlington Heights Memorial Library Budget Review

Ms. Sara Galla, Treasurer of the Arlington Heights Memorial Library, said that the 2026 budget was guided by its strategic plan to expand library services beyond its walls, increase the use of library resources and strengthen its role in the community. She highlighted key initiatives for 2026 that aligned with the strategic plan. Capital improvement projects included important building and equipment maintenance, upgrades to the fire alarm panel and computer network, installation of security cameras, and a brand refresh to celebrate the Library's 100th anniversary. The brand refresh would be incorporated into the design of the new bookmobile as part of its rollout. As it pertained to services and collections, the Library was considering an assessment of the first-floor layout, continuation of the Youth Services Apprenticeship Program with District 214, and exploring additional programming at the Makerplace and Library. Lastly, community partnerships remained vital to the Library to maximize efficiency and increase community impact.

With regard to the budget, Ms. Galla said the Library utilized two funds to account for its revenues and expenditures. The General Fund accounts for the Library's operations and the Capital Projects Fund accounts for long-range capital improvement projects. In 2026, the total budgeted general fund expenditures were $280,814 above its budgeted revenues. Ms. Galla proposed a 4.55% increase in the property tax levy over the 2024 levy to address the ongoing Cook County property tax shortfalls. She mentioned that the Library had not received their budgeted and allotted tax revenues for the past four years and predicted a $300,000 shortfall again this year. In an effort to reduce expenditures and prioritize fiscal responsibility, the Library reduced 7.85 full-time equivalent positions and implemented cost-saving measures. She encouraged residents to take advantage of the Library's many resources, acknowledged the many volunteers, and thanked Friends of the Library and the Library Foundation for their generous donations.

Trustee LaBedz asked when the bookmobile would be delivered. Ms. Galla expected the rollout to occur in April.

Trustee Schwingbeck asked for clarification on the Cook County Tax revenue shortfalls. It was explained that the Library should have received 55% of their tax revenues from the first installment of the Cook County tax bill, which has been paid by now. However, they have only received 52%. The shortfall occurs as a result of residents contesting or not paying for their taxes.

Trustee LaBedz moved, seconded by Trustee Zyck, that the Committee-of-the-Whole recommend to the Board of Trustees that the Board acknowledge with thanks the proposed budget for the Arlington Heights Memorial Library.
The Motion: Passed
Ayes: Trustee Dunnington, Trustee Gilbert, Trustee LaBedz, Trustee Manganaro, Trustee Santa Maria, Trustee Schwingbeck, President Tinaglia, Trustee Zyck
Nays: None
Absent: Trustee Bertucci

B. Village Budget Overview for 2026 - Randy Recklaus & Melissa Gallagher

Mr. Recklaus said the 2026 Budget presented was a good faith effort by staff to balance the Board's values while taking into consideration the operational realities and legal obligations. He provided an overview of 2025 and highlighted that the 5th ambulance has been fully implemented, there has been major progress with the redevelopment of Arlington Park, significant interest in the redevelopment of the South Corridor with the Gateway Project and International Plaza, the completion of all major stormwater projects from the 2017 plan resulting in significantly reduced neighborhood flooding, and the

Village has seen a significant turnover of its leadership team with a new mayor, new trustees, and new department directors.

The proposed 2026 budget was a balanced budget and maintained strong fiscal discipline with an emphasis on long-term stability. The Board's 2026-2027 strategic priorities are now a working business plan. In addition, the Village must sustain its robust Capital Improvement Program and address the long-term public safety staffing needs.

Ms. Gallagher mentioned that the Village's two largest operating funds were the General Fund and the Water & Sewer Fund. She reported that the Village was in good economic standing and held an Aa1 credit rating from Moody's. However, when looking at the global economy, reports from the Federal Reserve suggest an inflation rate of 3% and a mixed economic outlook. These factors were taken into consideration when the budget planning process began in mid-summer. She mentioned that this year's budget planning process was a complex one, faced with growing pressures, uncertainty with state and federal funding, inflation, and increased operational costs.

In prior years, the Village was able to achieve a 0% increase in the tax levy. However, due to pension contribution obligations, increased operational costs in 2026 and large one-time capital expenses such as fire apparatus, stormwater projects, and water meter replacements, the Village could not propose a 0% increase in the tax levy this year. Ms. Gallagher proposed a 2.29% increase in the 2025 property tax levy, down from the earlier projection of 3.63% and lower than the current inflation rate of 3%. The property tax increase based on a home value of $450,000 would be an annual increase of $39. Ms. Gallagher said that the Village was in the middle of what it charges residents for services such as garbage, water, utility taxes and property taxes in comparison to neighboring communities.

While staff did not recommend elimination of the proposed property tax levy increase, they presented options for what a 0% increase would require. Elimination of the increase would require permanent cuts to staffing or services; a one-time reserve drawdown; elimination of planned capital purchases; or an equivalent increase of a different tax revenue. Staff warned that eliminating the proposed increase would create long-term instability and reduce the ability to absorb state and federal funding shocks.

Ms. Gallagher said that the General Fund supported over 40% of Village operations with 73% of revenues being generated from sales tax, income tax, and property tax. In regard to sales tax, the slight projected increase was attributed to the inclusion of use tax. Income tax is projected to have a slight increase while telecommunications tax continues to decrease.

Personnel expenditures account for 81% of the fund. With regard to personnel changes, Mr. Recklaus said that the Village would increase personnel by 7.5 FTE employees. The full implementation of the 5th ambulance would require six new firefighters/paramedics but would reduce overtime expenditures. Building and Life Safety staffing will increase by .5 FTE to convert a part-time administrative assistant position to full-time and support code enforcement and front-desk coverage during peak times. Lastly, Planning and Community Development required a new permit technician to process permits and allow planners to work on bigger projects. They will also have additional consulting costs related to larger projects. Despite the personnel increase in 2026, the Village had 32 FTE fewer than in 2002 and lower per capita than peer communities.

Mr. Recklaus mentioned major capital investments planned for 2026, including $11M for street resurfacing, rehabilitation and patching; $4.4M for watermain replacements; and $3.9M toward the lead service line replacement mandate. Expenditures in the Water & Sewer Fund included $4.47M to fund the yearly replacement of 1% of the Village's watermains, $1.3M for water tank repainting, $1.2M for sanitary life station maintenance and replacement, and $500,000 for sewer rehabilitation and replacement program.

The Capital Projects Fund will continue to invest in its street program, public safety equipment replacement, sidewalk and curb replacement, traffic signal at Kensington and Waterman intersection, and downtown ADA compliance.

The Municipal Parking Fund has continued to experience revenue challenges and additional funds will be needed to maintain it stable and sustainable. Expenditures for parking structure maintenance and repairs in 2026 were estimated to be over $1M with additional maintenance needed in the future years. Parking revenues have not returned to pre-COVID levels. Mr. Recklaus said that a new state law referred to as "People Over Parking" removed the Village's authority to require parking in new residential development located within a half-mile of a metro station. Previously, downtown residential projects were required to include a minimum number of parking stalls per unit. Eliminating these requirements would likely increase demand on existing public parking garages. The Village has two train stations with significant redevelopment potential nearby and the new law would create long-term pressure on parking availability.

C. Questions on the Budget Overview

Trustee Dunnington asked if in the future large equipment purchases could be staggered to avoid the same predicament in five to ten years. Mr. Recklaus explained that the Village's large equipment purchases would eventually smooth itself out as the lifespan and replacement of the equipment varies. Trustee Dunnington noted that the Village budgets for 100% full staffing even though vacancies and turnover were constant. She asked if adopting a vacancy factor or salary savings line item would create a more realistic budget and reduce the property tax levy. She believed residents would prefer a lower upfront tax levy rather than a tax abatement the following year. Mr. Recklaus said the Village's decision to budget at full employment was a conservative approach and has historically worked well for the Village. However, he said her suggestion could be explored.

Trustee Santa Maria asked if revenues came in below projections, what options would the Village have to balance the fiscal year without increasing taxpayer burden. Short-term options included the review of any surplus monies transferred to the Capital Improvement Fund and/or pension liability, deferring or pausing expenditures, having a temporary hiring freeze, and one-time use of reserve monies. The Village could also permanently eliminate a planned capital project.

Trustee Zyck stated that the reason for the proposed increase to the property tax levy was primarily due to the Police and Fire Pension Funds and the final year of the three-year smoothing period for the losses in 2022. He asked why an increase in the property tax levy would be required if 2025 was the last year of paying for the losses and inquired about using reserve monies to avoid an increase in the levy. It was explained that while 2025 was the final year of the smoothing period, there was no guarantee of investment returns, which was a large factor in funding changes. Staff did not recommend using reserve monies to cover operational costs or pension fund liabilities as those were recurring expenditures. Using reserves to cover permanent expenditure obligations would create a deficit in the long run.

D. Review of Department Budgets
To view proposed budget click here:

- Board of Trustees/Integrated Services
- Human Resources
- Finance
- Health & Human Services
- Building & Life Safety
- Police

Board of Trustees
Mr. Recklaus said the Board of Trustees' budget had an increase of less than one percent or $1,600 for training, memberships, and clothing items for the Trustees'. Ms. Mikula added that staff was in the final stages of completing the business plan incorporating the Board's strategic priorities and would present it at the beginning of December.

Integrated Services
Ms. Mikula highlighted a few key areas of focus for 2026, including the oversight of the Arlington Park Redevelopment project, onboarding of a new Community Events Specialist, review and enhancement of special events, revisions to the Village's website, and exploring updates to the Liquor Code and new liquor license classifications to remain competitive with our surrounding communities.

Budgetary changes included a small increase related to contributions to the Community Connections group programming and other community-wide resources.

IT
Ms. Mikula reported that the IT Department did not have a manager at this time and onboarding would be a key area of focus for 2026. In addition, IT would be migrating server infrastructure, upgrading modems on Fire Department vehicles, enhancements to ERP, and migrating key applications to the cloud.

As it related to the budget, she said there was a decrease of 15.8% from the prior year due to various adjustments to software licensing.

Human Resources
Ms. Livingston reflected on the past year and shared that the HR Department has made significant progress in strengthening operations and supporting employee well-being. In 2026, they will continue to build on these successes by focusing on enhancing employee experience throughout every stage of the employee's journey, boosting engagement and strengthening cross-department connections, and expanding access to ongoing learning opportunities and well-being support programs. The department will also focus on minimizing vacancy periods by evaluating recruitment strategies and operational efficiencies.

There was an 8.9% increase in the proposed 2026 budget related to an increase in health insurance premiums.

Finance
Ms. Gallagher stated that the Finance Department would continue to focus on long-range strategic planning to support the Village's priorities, maintain fiscal responsibility, and ensure transparency in how Village resources are managed. Key areas of focus in 2026

included aligning resources to support future housing affordability initiatives, monitoring of the Village's overall financial position through forecasting and analysis of both revenues and expenditures, monitoring of water usage and financial performance to plan for future infrastructure needs and a possible rate adjustment, analyzing of growth trends to ensure the village continues to provide high quality services, and an in-depth review of various fees to ensure cost recovery remains equitable.

The 2026 Finance budget reflects a savings of $23,500 achieved by elimination of the certified-mail requirement for water shutoff notices and a decrease in overtime pay due to efficiency workflow gained through the ERP process.

Health & Human Services

Ms. Tsagalis said that collaboration with community partners would be a key area of focus in 2026 to address social and health-related issues. In addition, they will work on improving communication strategies to create awareness of programs and services, presented the Health & Human Services Department 2026 key areas of focus. The Department will continue to collaborate with partners and community members to address social and health-related issues, improve communication to create awareness of programs and services, and begin the planning process for the Senior Center renovation project.

She reported that the 2026 was consistent with the 2024 and 2025 budgets. The Senior Center budget had an increase for special senior programming which will be supported by community donations.

Building and Life Safety

Mr. Weber mentioned that in 2026 his Department would begin using an AI program through ICC to address simple questions and capture more time. He also introduced the Universal Mobile Work Enablement initiative that would allow staff to work from anywhere within the department other than their designated work station. This will allow for coverage when another staff member is out sick or on vacation.

In terms of the budget, he proposed a .5 FTE to convert a part-time administrative position into full-time to support daily workload demands and code enforcement management.

Trustee Zyck asked why the department's salary budget decreased by 7.2%, but the health insurance expenditures increased 11.6%. It was explained that the increase in health insurance expenditures correlated with the plan chosen by staff.

Police Department

Chief Pecora mentioned that in 2026 the Police Department will conduct a staffing analysis, continue their efforts to provide wellness and resiliency programs, expand the Community Emergency Response Team, collaborate with the Health & Human Services Department to identify opportunities for mental health and social service programs, and evaluate the Village's Emergency Operations Center.

He noted that the Police Department had the largest budget compared to other Village Departments, and was happy to report that only one line item increased by 1% related to a renewal of the Axon contract which covers several unfunded State mandates such as body-worn camera, dash cam, and digital evidence management. In an effort to help offset the increase, $100,000 will be transferred from the Criminal Investigations Fund to the General Fund. In addition, staff has been diligent in obtaining grant funding for the unfunded mandate and has successfully recovered $23,000.

President Tinaglia was grateful for the grant monies secured by staff for the Police and Public Works over the past few years.

Trustee Schwingbeck asked for an explanation of the administrative adjudication of local ordinance violations referenced in the 2025 accomplishments. Chief Pecora said the decision of the Supreme Court case of Camacho versus City of Joliet broadened the scope of violations subject to administrative adjudication hearings. Therefore, officers could issue speeding citations to be prosecuted at a Village administrative adjudication hearing rather than the Cook County Courthouse, resulting in 100% of any fines issued coming back to the Village instead of Cook County.

VI. OTHER BUSINESS

VII. PUBLIC COMMENT

Anyone wishing to speak on a subject not on the Agenda may speak at this time. Please limit your comments to three minutes.

VIII. ADJOURNMENT

Trustee Schwingbeck moved to Adjourn at 9:33PM. Trustee LaBedz Seconded the Motion.
The Motion: Passed
Ayes: Trustee Dunnington, Trustee Gilbert, Trustee LaBedz, Trustee Manganaro, Trustee Santa Maria, Trustee Schwingbeck, President Tinaglia, Trustee Zyck
Nays: None
Absent: Trustee Bertucci

Persons with disabilities requiring auxiliary aids or services, such as an American Sign Language interpreter or written materials in accessible formats, should contact the Health & Human Services Department, at 33 S. Arlington Heights Road, Arlington Heights, IL 60005, healthmail@vah.com or 847/368-5760.