



The Village of Gurnee

Multi-Year Capital Improvement Plan

Fiscal Years 2016 – 2020

Presented: February 2, 2015

Elected Officials & Staff

Gurnee Village Board

Kristina M. Kovarik – Mayor

Andy Harris – Village Clerk

Jeanne Balmes – Trustee

Greg Garner – Trustee

Thomas Hood – Trustee

Stephen Park – Trustee

Cheryl Ross – Trustee

Don Wilson – Trustee

Executive Staff

Patrick Muetz – Village Administrator

Kevin Woodside – Police Chief

Fred Friedl – Fire Chief

Tom Rigwood – Public Works Director

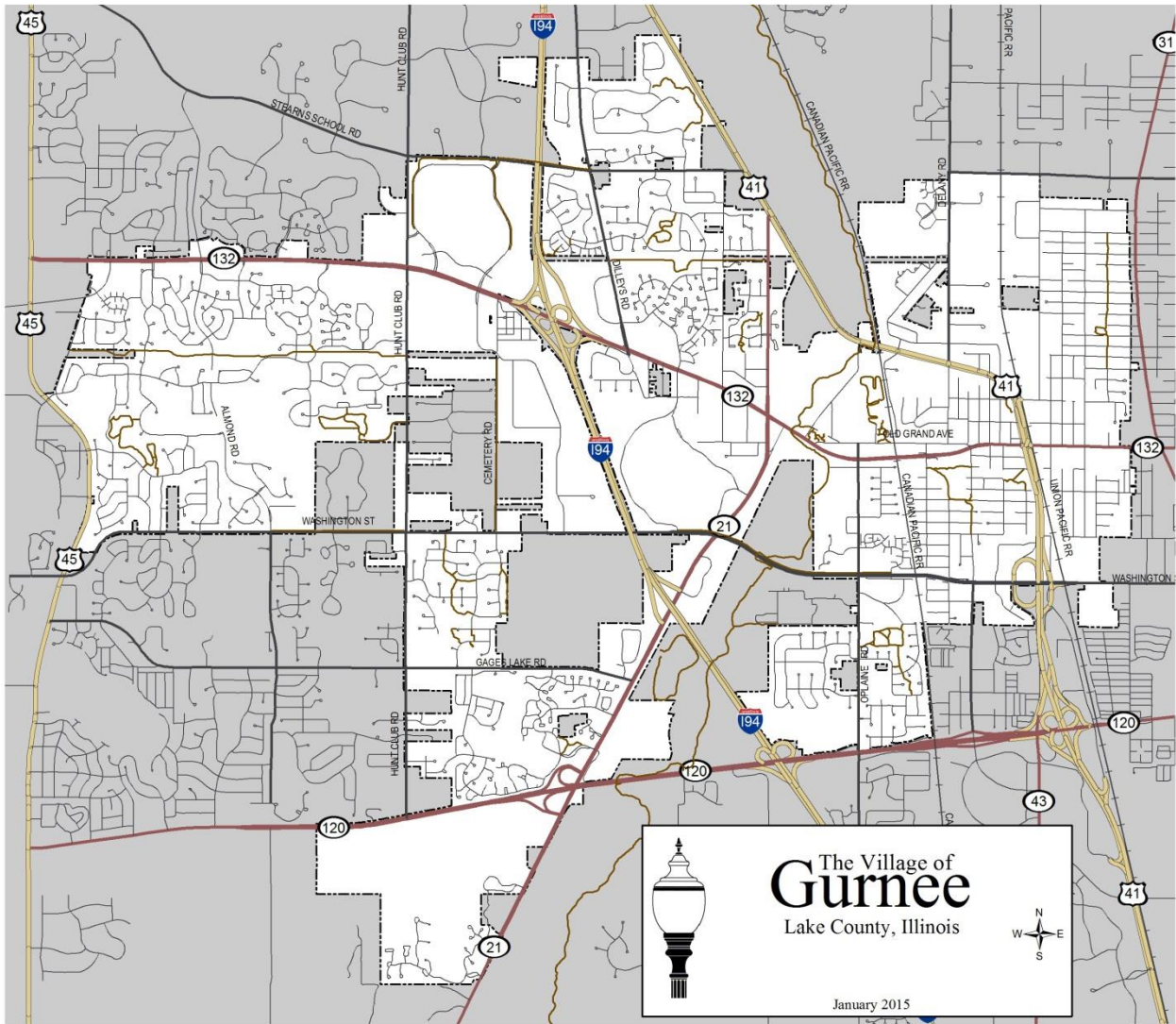
David Ziegler – Director of Community Development

Scott Drabicki – Village Engineer

Ellen Dean – Economic Development Director

Brian Gosnell – Finance Director

Village Map



- Incorporated: 1928
- Population: 31,295 (2010 Census)
- Land Area: 13.4 sq. miles



Honorable Mayor and Village Board:

Staff is pleased to submit the Multi-Year Capital Improvement Plan (CIP) for the fiscal years 2016 – 2020. The CIP represents the Village's commitment to maintaining infrastructure and capital items needed to carry out the Village's mission of Engage, Preserve, and Advance.

The purpose of preparing a CIP is to assist decision makers in identifying resources needed to maintain infrastructure, services and service levels, and potential future funding challenges and policy considerations.

The Village recognized the need for additional funding and in 2014 the Village Board increased the Village's Home Rule Sales tax by 0.5%. The additional revenue is restricted to spending on infrastructure and is the funding mechanism for the [Transportation System](#) plan included in this document.

It is important to note the CIP is a long-term planning document that is intended to be a fluid plan that will be constantly changing and updated based on the availability of funding and other unforeseen considerations. Individual projects or purchases will be vetted during the preparation of the Annual Budget and formally approved by the Village Board.

The CIP encompasses the Village's main systems of infrastructure; [Transportation](#), [Water and Sewer](#) and [Stormwater Management](#), as well as capital items such as [Vehicles and Equipment](#) and [Buildings and Building Improvements](#). Items included in the CIP meet the Village's criteria of a capital asset as described in the Village's Fixed Asset Policy ([Appendix A](#)).

For the upcoming fiscal year, the plan represents those items being proposed in the FY2016 Budget. Beyond FY2016, items that are currently known are included in the appropriate year, remaining funding is allocated based on the general intent and needs. Anticipated replacement costs are shown in today's dollars, meaning there is no adjustment for inflation built into the plan.

The CIP was developed over several months with input from staff in all departments, and we wish to recognize the effort of all those involved in the process.

Sincerely,

Scott Drabicki
Village Engineer

Brian Gosnell
Finance Director

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Executive Summary

Funding Strategy

The Village relies heavily on elastic, or economically sensitive, revenue sources such as sales tax. Due to the sensitivity of these revenues, the Village funds capital on a pay-as-you-go basis rather than incurring debt whenever possible. This provides the Village greater flexibility to direct resources to maintaining vital services rather than debt payments in the event of an unforeseen economic recession.

In 2014 the Village Board instituted an additional 0.5% Home Rule Sales Tax. This additional revenue was dedicated for infrastructure and capital spending, and is the basis for funding the [Transportation System plan](#). In addition to the Home Rule Sales Tax, the Village transfers excess General Fund reserves to the Capital Improvement Fund (304) annually for general government capital projects in subsequent years. This funding strategy has allowed the Village to avoid levying a property tax for capital improvements.

Water & Sewer related infrastructure and capital funding has historically relied on revenues from new development in the form of connection and user fees. As new development opportunities lessened it became apparent Water & Sewer rates were not sufficient to sustain a capital replacement program. In 2011, the Village conducted a water rate study and as a result of the findings, instituted a base fee and incremental increase in the rate. The incremental increase expires in Fiscal Year 2016. More information regarding the study and historical rates can be found in the [Water & Sewer System](#) section.

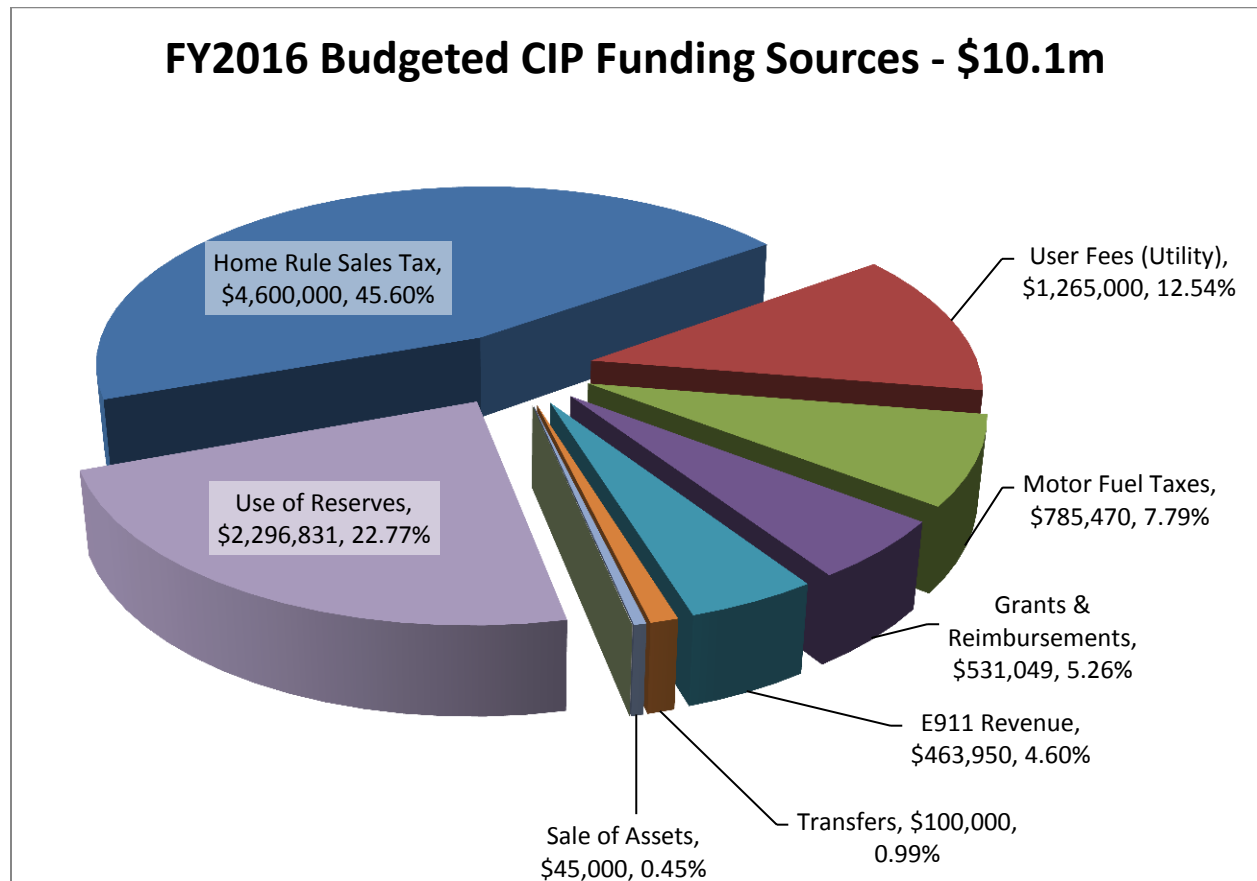
The Village has traditionally utilized its debt capacity for major capital items that cannot be funded from existing revenue streams. Facilities such as the Public Works Facility or Police Station are examples of items that have been funded through the issuance of debt. In addition to facilities, the Village has also utilized debt to fund redevelopment within its commercial districts that can be tied to future sales tax revenue generation such as the Gurnee Mills (Macy's) redevelopment approved in 2011.

Overall the Village's funding strategy for capital provides maximum operating flexibility, minimal burden to residents, and a low debt per capita measure.

Fiscal Year 2016 Proposed Plan Financial Summary

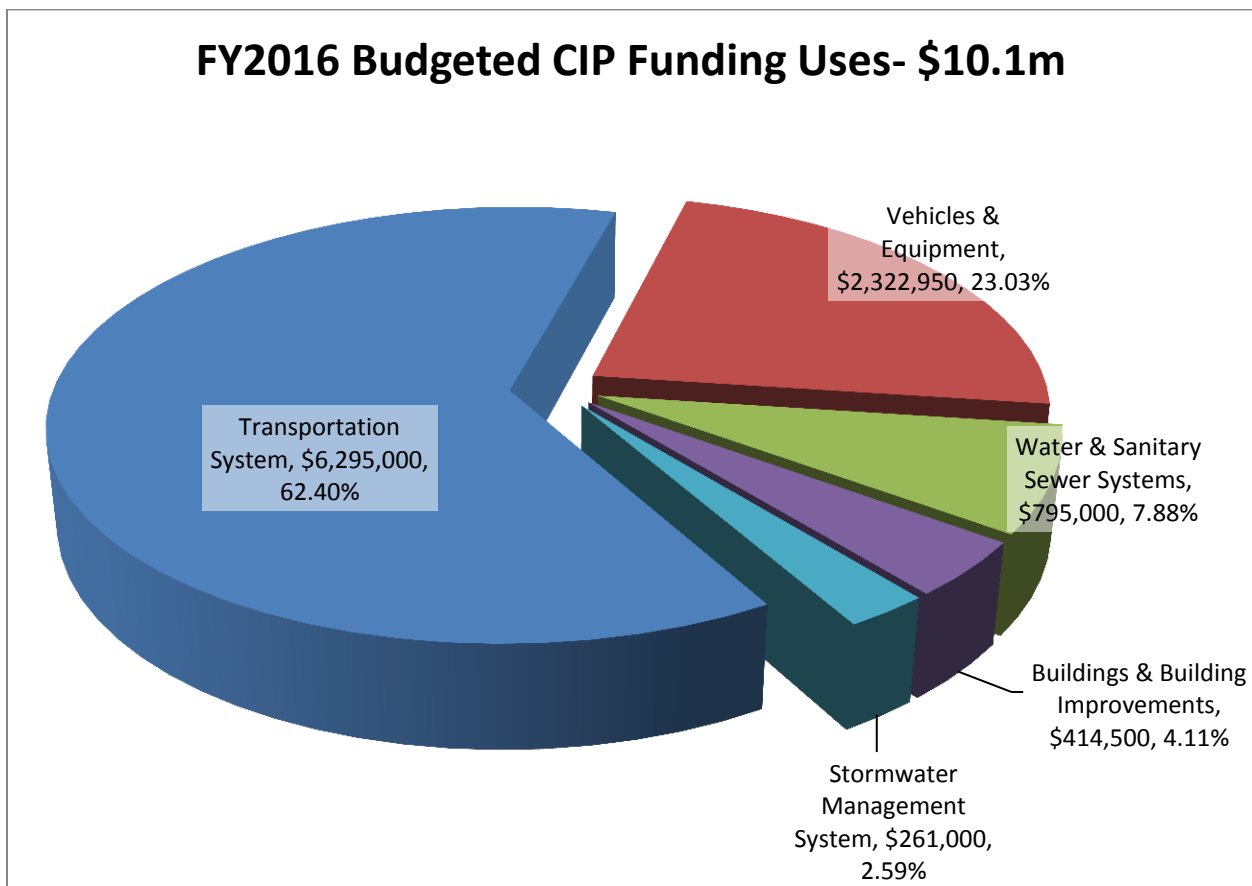
The Fiscal Year 2016 proposed CIP totals \$10.1 million. The primary funding sources for the FY2016 proposed plan is Home Rule Sales Tax, accounting for \$4.6 million or 45.6%. User Fees fund water and sewer related expenditures and total \$1.3m or 12.54%. Motor Fuel Taxes account for \$785,470 or 7.79%. Planned use of reserves, primarily in the Capital Improvement Fund and Motor Fuel Tax Fund, total \$2.3 million or 22.77%. Grants & Reimbursements account for \$531,049 or 5.26% and includes reimbursements from the Warren Waukegan Fire Protection District. E911 Revenue accounts for 4.6% and represents only the capital portion of the 911 Fund expenditures.

	FY2015 Budget	FY2015 Estimate	FY2016 Budget	FY2017 Projected	FY2018 Projected	FY2019 Projected	FY2020 Projected	Total
Revenues								
Home Rule Sales Tax	\$0	\$280,000	\$4,600,000	\$4,669,000	\$4,739,035	\$4,810,121	\$4,882,272	\$23,700,428
User Fees (Utility)	\$420,000	\$427,000	\$1,265,000	\$1,208,000	\$598,000	\$466,000	\$338,000	\$3,875,000
Motor Fuel Taxes	\$921,769	\$794,376	\$785,470	\$774,063	\$762,827	\$751,760	\$740,858	\$3,814,978
Grants & Reimbursements	\$261,000	\$500,222	\$531,049	\$750,000	\$200,000	\$200,000	\$200,000	\$1,881,049
E911 Revenue	\$236,725	\$158,750	\$463,950	\$225,000	\$285,000	\$0	\$875,000	\$1,848,950
Transfers	\$600,000	\$1,600,000	\$100,000	\$600,000	\$600,000	\$600,000	\$600,000	\$2,500,000
Sale of Assets	\$0	\$0	\$45,000	\$25,000	\$25,000	\$25,000	\$25,000	\$145,000
Interest Income	\$3,225	\$1,200	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	\$5,750
Debt Proceeds (IEPA Loan)	\$0	\$0	\$0	\$0	\$5,000,000	\$0	\$0	\$5,000,000
Use of Reserves	\$3,649,506	\$1,484,542	\$2,296,831	\$1,221,787	\$556,988	\$1,026,970	\$884,219	\$5,986,795
Total Revenues	\$6,092,225	\$5,246,090	\$10,088,450	\$9,474,000	\$12,768,000	\$7,881,000	\$8,546,500	\$48,757,950



The largest expenditure category is Transportation System spending which totals \$6.3 million or 62.40%. Vehicles and Equipment accounts for \$2.3 million or 23.03%, Water and Sewer totals \$795,000 or 7.88%, Buildings and Improvements totals \$414,500 or 4.11%, and Stormwater Management totals \$261,000 or 2.59%.

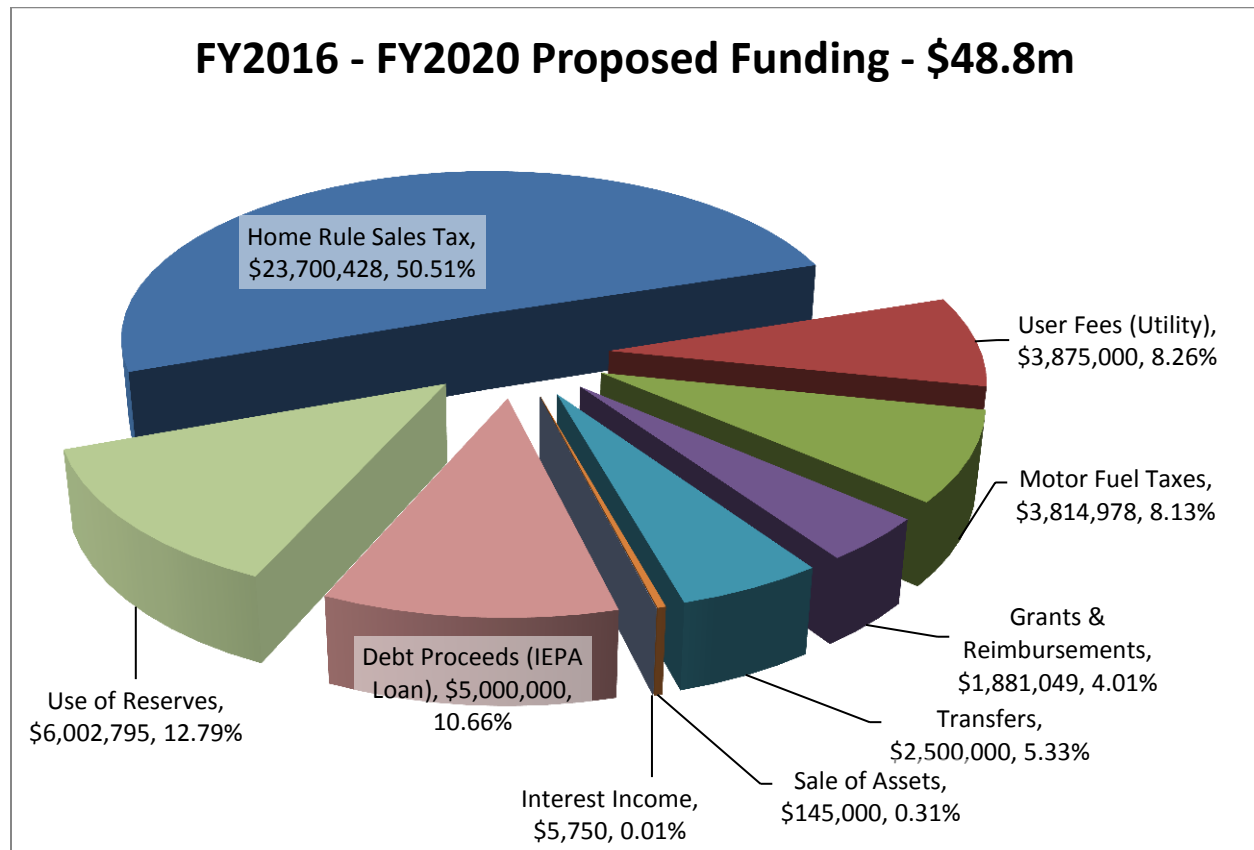
	FY2015 Budget	FY2015 Estimate	FY2016 Budget	FY2017 Projected	FY2018 Projected	FY2019 Projected	FY2020 Projected	Total
Expenditures								
Transportation System	\$3,520,000	\$2,865,421	\$6,295,000	\$5,075,000	\$5,075,000	\$5,335,000	\$5,475,000	\$27,255,000
Vehicles & Equipment	\$2,088,225	\$1,893,002	\$2,322,950	\$3,647,000	\$2,089,500	\$2,027,500	\$2,463,000	\$12,549,950
Water & Sanitary Sewer Systems	\$45,000	\$90,000	\$795,000	\$245,000	\$5,220,000	\$145,000	\$145,000	\$6,550,000
Buildings & Building Improvements	\$308,000	\$265,667	\$414,500	\$356,000	\$282,500	\$272,500	\$362,500	\$1,688,000
Stormwater Management System	\$131,000	\$132,000	\$261,000	\$151,000	\$101,000	\$101,000	\$101,000	\$715,000
Total Expenditures	\$6,092,225	\$5,246,090	\$10,088,450	\$9,474,000	\$12,768,000	\$7,881,000	\$8,546,500	\$48,757,950



Fiscal Years 2016 – 2020 Plan Financial Summary

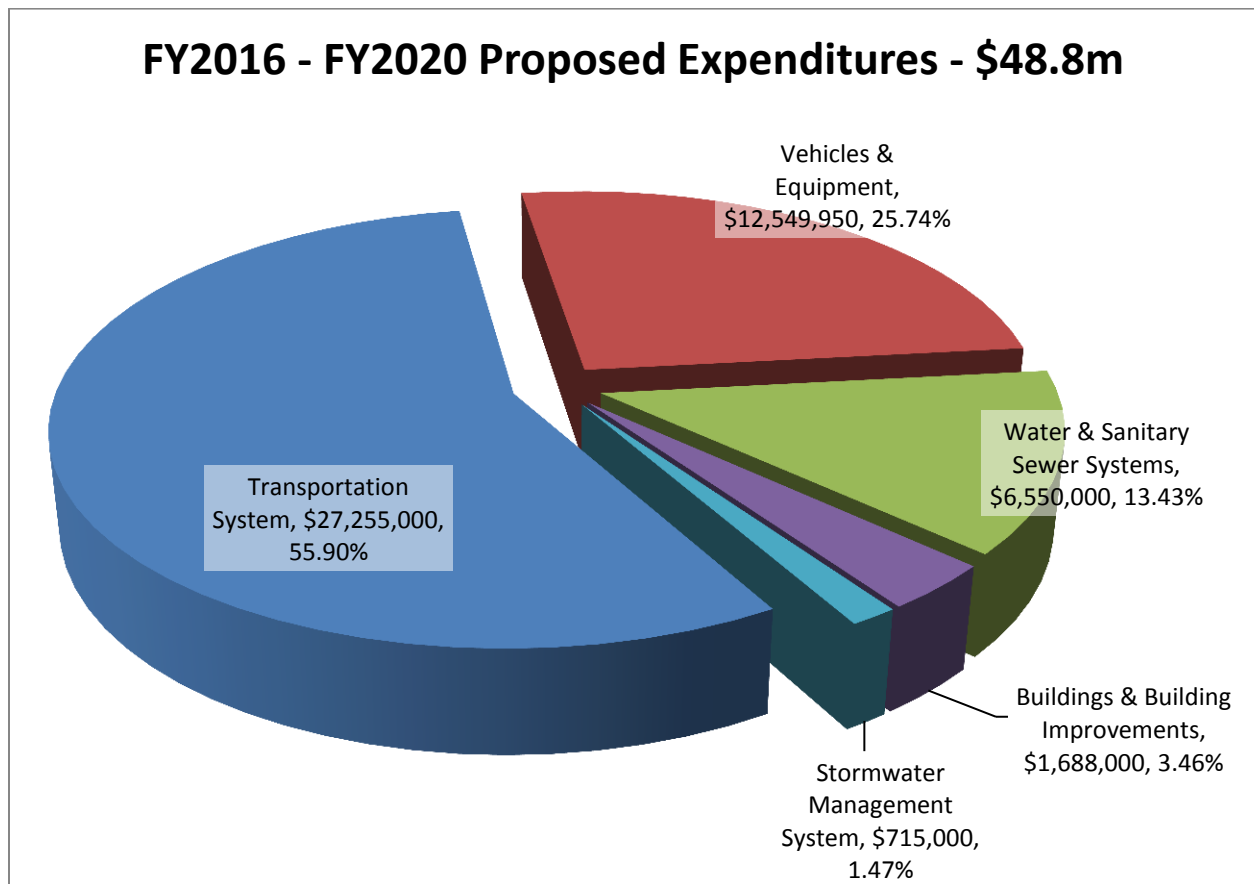
The largest source of funding over the plan period is Home Rule Sales Tax at \$23.70 million or 50.51%. Planned use of reserves accounts for \$6.00 million or 12.79% over the plan period, largely in the Capital Improvement Fund. User fees and Motor Fuel Taxes total \$3.88 million or 8.26% and \$3.81 million or 8.13% respectively. Transfers from the General Fund and Impact Fee Fund total \$2.50 million or 5.33%. The construction of the Knowles Rd. water tower is anticipated to be funded by a low interest loan from the Illinois Environmental Protection Agency as the cost exceeds funds available in the water and sewer fund.

	FY2015 Budget	FY2015 Estimate	FY2016 Budget	FY2017 Projected	FY2018 Projected	FY2019 Projected	FY2020 Projected	Total
Revenues								
Home Rule Sales Tax	\$0	\$280,000	\$4,600,000	\$4,669,000	\$4,739,035	\$4,810,121	\$4,882,272	\$23,700,428
User Fees (Utility)	\$420,000	\$427,000	\$1,265,000	\$1,208,000	\$598,000	\$466,000	\$338,000	\$3,875,000
Motor Fuel Taxes	\$921,769	\$794,376	\$785,470	\$774,063	\$762,827	\$751,760	\$740,858	\$3,814,978
Grants & Reimbursements	\$261,000	\$500,222	\$531,049	\$750,000	\$200,000	\$200,000	\$200,000	\$1,881,049
E911 Revenue	\$236,725	\$158,750	\$463,950	\$225,000	\$285,000	\$0	\$875,000	\$1,848,950
Transfers	\$600,000	\$1,600,000	\$100,000	\$600,000	\$600,000	\$600,000	\$600,000	\$2,500,000
Sale of Assets	\$0	\$0	\$45,000	\$25,000	\$25,000	\$25,000	\$25,000	\$145,000
Interest Income	\$3,225	\$1,200	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150	\$5,750
Debt Proceeds (IEPA Loan)	\$0	\$0	\$0	\$0	\$5,000,000	\$0	\$0	\$5,000,000
Use of Reserves	\$3,649,506	\$1,484,542	\$2,296,831	\$1,221,787	\$556,988	\$1,026,970	\$884,219	\$5,986,795
Total Revenues	\$6,092,225	\$5,246,090	\$10,088,450	\$9,474,000	\$12,768,000	\$7,881,000	\$8,546,500	\$48,757,950

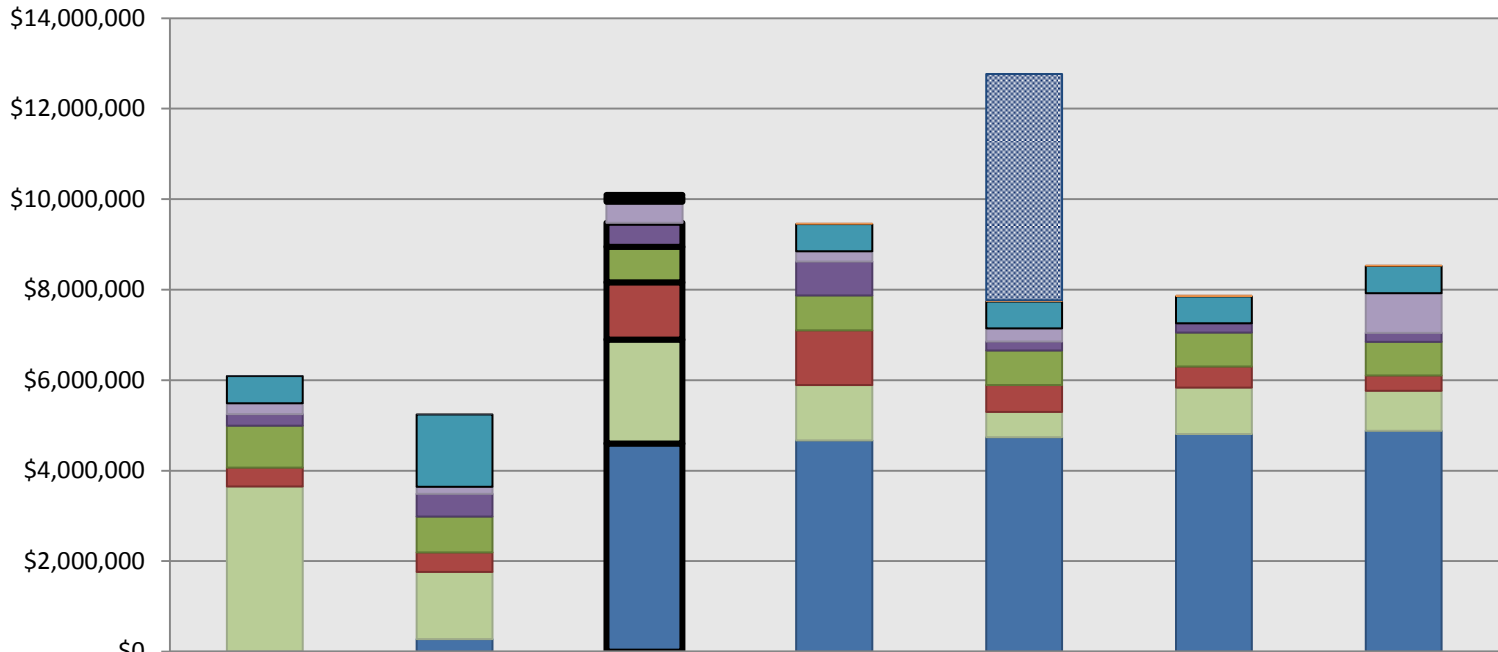


Expenditures over the 5-year plan period total \$48.8 million. Transportation System spending totals \$27.3 million or 55.90%. Vehicles & Equipment totals \$12.5 million or 25.74%. Water and Sewer system spending totals \$6.6 million or 13.43%, largely due to the construction of the Knowles Rd. water tower in FY2018. Buildings and Improvements totals \$1.69 million or 3.46% and Stormwater Management spending accounts for \$715,000 or 1.47%.

	FY2015 Budget	FY2015 Estimate	FY2016 Budget	FY2017 Projected	FY2018 Projected	FY2019 Projected	FY2020 Projected	Total
Expenditures								
Transportation System	\$3,520,000	\$2,865,421	\$6,295,000	\$5,075,000	\$5,075,000	\$5,335,000	\$5,475,000	\$27,255,000
Vehicles & Equipment	\$2,088,225	\$1,893,002	\$2,322,950	\$3,647,000	\$2,089,500	\$2,027,500	\$2,463,000	\$12,549,950
Water & Sanitary Sewer Systems	\$45,000	\$90,000	\$795,000	\$245,000	\$5,220,000	\$145,000	\$145,000	\$6,550,000
Buildings & Building Improvements	\$308,000	\$265,667	\$414,500	\$356,000	\$282,500	\$272,500	\$362,500	\$1,688,000
Stormwater Management System	\$131,000	\$132,000	\$261,000	\$151,000	\$101,000	\$101,000	\$101,000	\$715,000
Total Expenditures	\$6,092,225	\$5,246,090	\$10,088,450	\$9,474,000	\$12,768,000	\$7,881,000	\$8,546,500	\$48,757,950

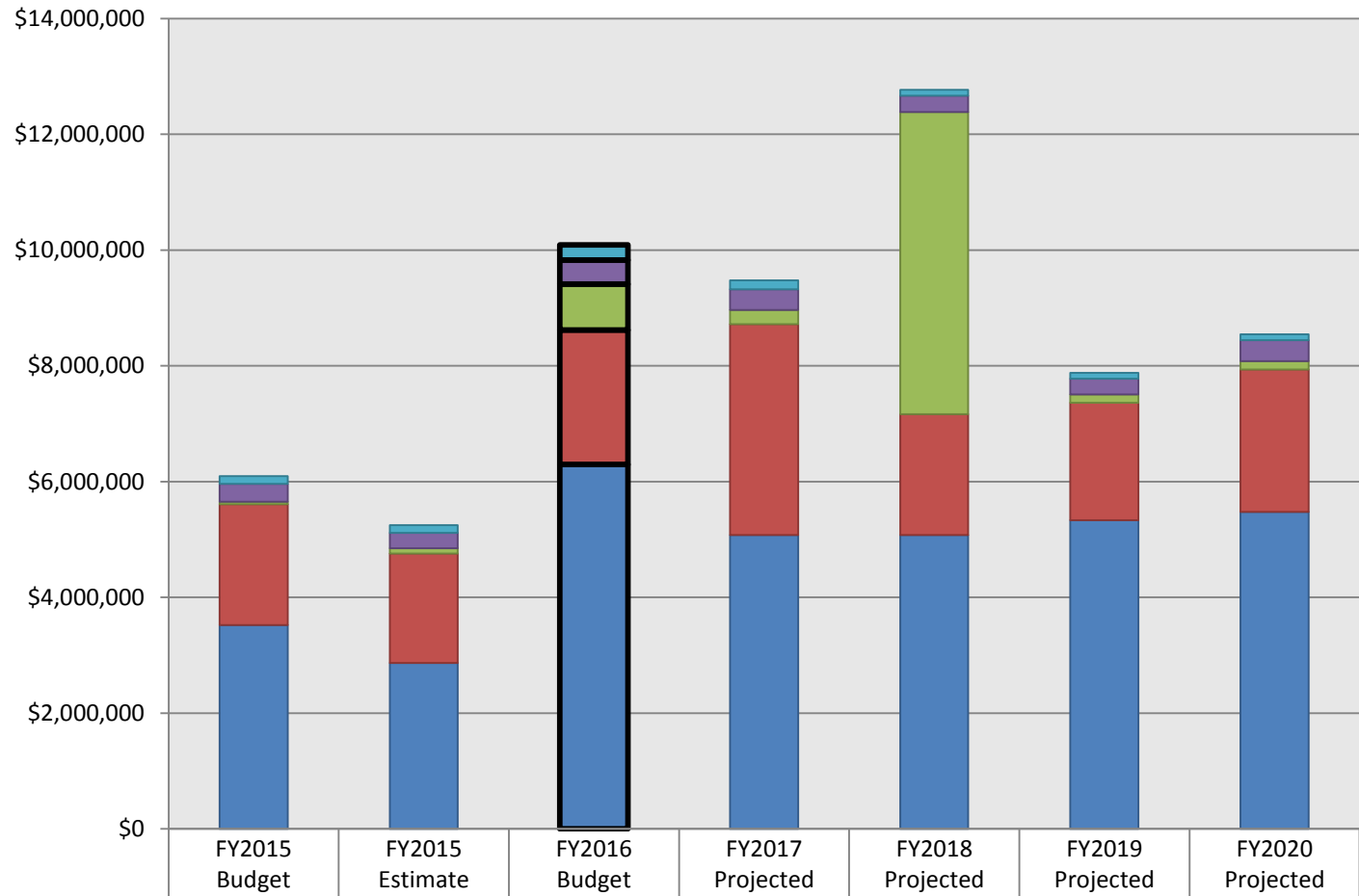


Funding Sources



	FY2015 Budget	FY2015 Estimate	FY2016 Budget	FY2017 Projected	FY2018 Projected	FY2019 Projected	FY2020 Projected
Debt Proceeds (IEPA Loan)	\$0	\$0	\$0	\$0	\$5,000,000	\$0	\$0
Interest Income	\$3,225	\$1,200	\$1,150	\$1,150	\$1,150	\$1,150	\$1,150
Sale of Assets	\$0	\$0	\$45,000	\$25,000	\$25,000	\$25,000	\$25,000
Transfers	\$600,000	\$1,600,000	\$100,000	\$600,000	\$600,000	\$600,000	\$600,000
E911 Revenue	\$236,725	\$158,750	\$463,950	\$225,000	\$285,000	\$0	\$875,000
Grants & Reimbursements	\$261,000	\$500,222	\$531,049	\$750,000	\$200,000	\$200,000	\$200,000
Motor Fuel Taxes	\$921,769	\$794,376	\$785,470	\$774,063	\$762,827	\$751,760	\$740,858
User Fees (Utility)	\$420,000	\$427,000	\$1,265,000	\$1,208,000	\$598,000	\$466,000	\$338,000
Use of Reserves	\$3,649,506	\$1,484,542	\$2,296,831	\$1,221,787	\$556,988	\$1,026,970	\$884,219
Home Rule Sales Tax	\$0	\$280,000	\$4,600,000	\$4,669,000	\$4,739,035	\$4,810,121	\$4,882,272

Funding Uses



Stormwater Management System	\$131,000	\$132,000	\$261,000	\$151,000	\$101,000	\$101,000	\$101,000
Buildings & Building Improvements	\$308,000	\$265,667	\$414,500	\$356,000	\$282,500	\$272,500	\$362,500
Water & Sanitary Sewer Systems	\$45,000	\$90,000	\$795,000	\$245,000	\$5,220,000	\$145,000	\$145,000
Vehicles & Equipment	\$2,088,225	\$1,893,002	\$2,322,950	\$3,647,000	\$2,089,500	\$2,027,500	\$2,463,000
Transportation System	\$3,520,000	\$2,865,421	\$6,295,000	\$5,075,000	\$5,075,000	\$5,335,000	\$5,475,000

Capital Fund Financial Forecasts

Part of long-term planning for capital and infrastructure is understanding resources and funding streams utilized for capital and the impact of the plan on reserve levels. This section is intended to provide an overview of the planned capital spending and the impact on funding sources and reserve levels in each capital fund. Each capital fund is presented with the FY2015 Budget and Estimate, and anticipated revenues and expenditures projected through FY2020 or April 30, 2020. Individual projects within each fund are described in more detail in the appropriate system section.

The Village accounts for capital and infrastructure spending in 2 main capital funds; the [Capital Improvement Fund \(304\)](#) and the [Water & Sewer Capital Fund \(523\)](#). In addition, the [Motor Fuel Tax \(205\)](#) special revenue fund is utilized for capital spending. Motor fuel taxes are restricted for use, and the Village has historically utilized the funds for infrastructure. The Village also maintains a 911 Fund (203), which has historically been utilized to fund capital purchases related to the operation of the Village's 911 center. These funds are restricted and spending is determined by an independent board. The 911 Fund forecast is not included in the CIP as spending priorities are determined by a separate ETSB Board..Projected Capital Purchases are included in the Vehicles & Equipment category.

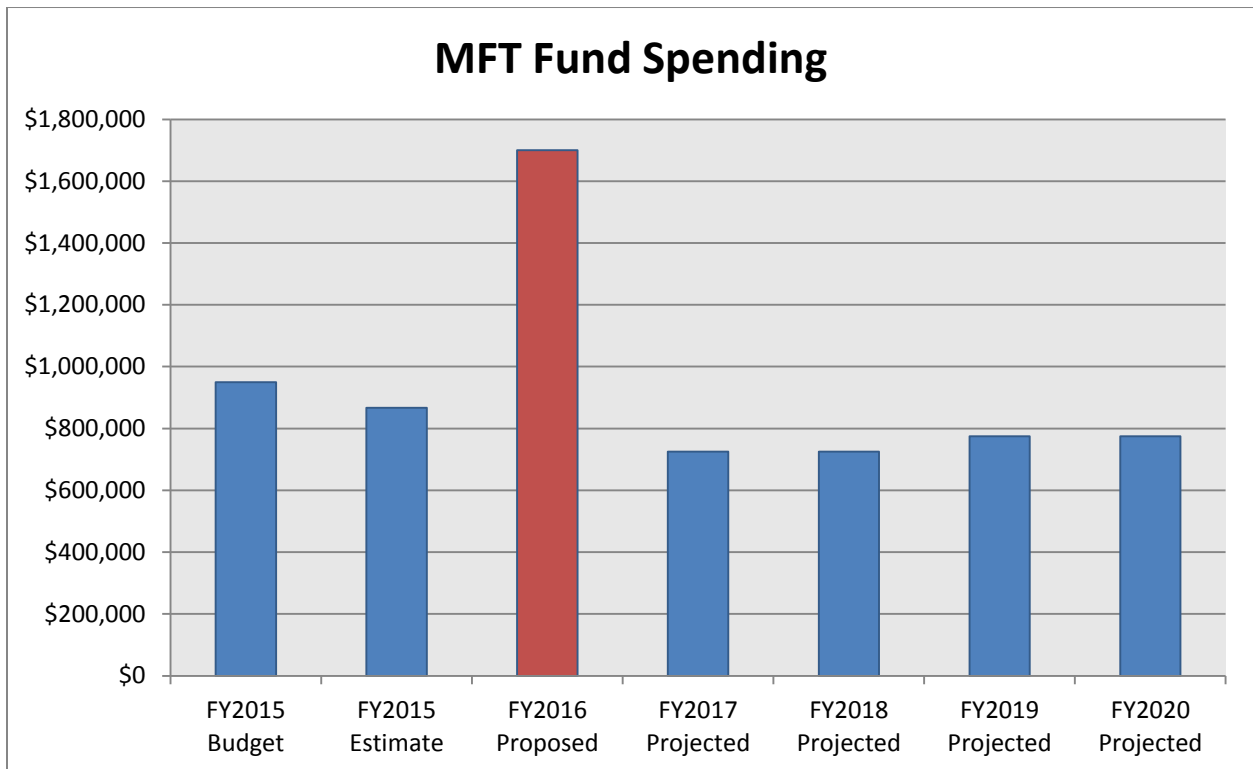
Motor Fuel Tax Fund – 205

Illinois imposes a tax on the privilege of operating motor vehicles and watercraft on public highways and waterways. The tax is based on the consumption of fuel and totals 19 cents per gallon on non-diesel fuel and 21.5 cents on diesel. The State collects the tax and currently distributes 54.4% to local taxing districts based on a statutory formula that includes population. In addition to the motor fuel tax, the Village also receives disbursements for other state and federal capital programs. Collectively these revenues make up the Motor Fuel Tax fund and are restricted for use on the transportation system. The tax is expected to decrease over time as vehicles become more fuel efficient and mass transit options become more prevalent. The forecast assumes a 1.5% annual decline until FY2020, which coincides with the effective date of federally imposed fuel efficiency standards.

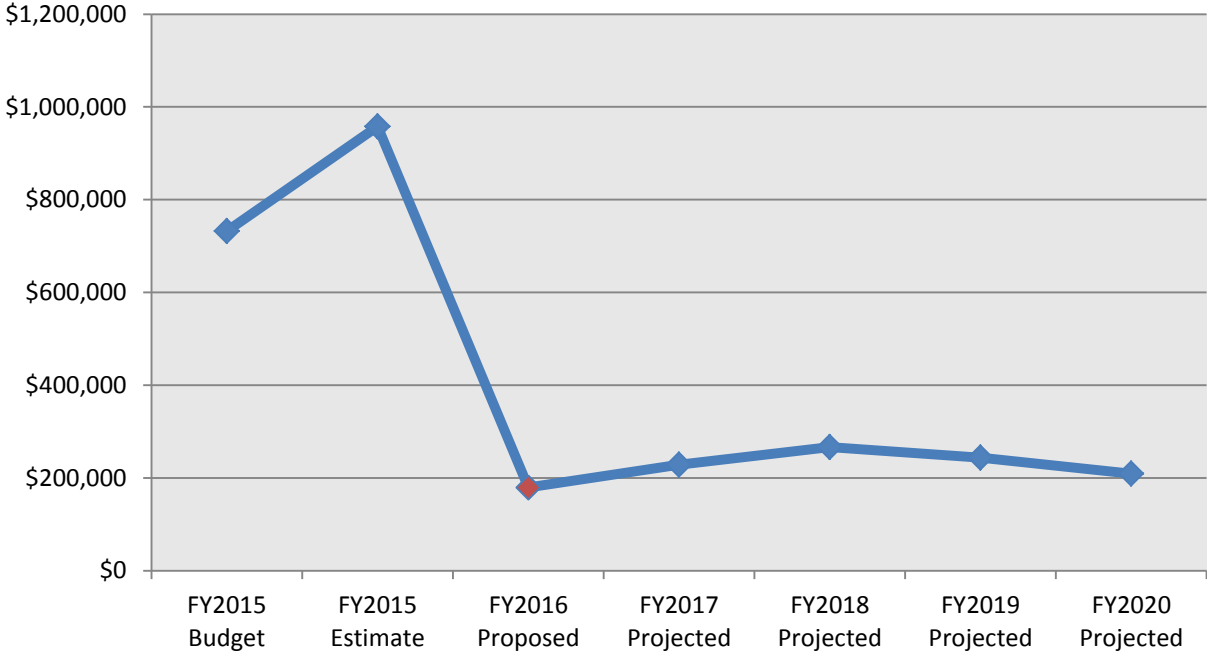
Items of note in the Motor Fuel Tax Fund over the plan period include;

- \$4.7 million in Transportation System spending over the plan period (FY2016 – FY2020).
- The Village received funds from the IL Jobs Now program and a state capital bill of approximately \$270,000 in FY2015.
- Additional funds from the IL Jobs Now program of approximately \$135,000 expire in FY2016.
- The High Growth Cities program allots additional Motor Fuel Tax to communities experiencing greater than average population growth based on the last Census, it is assumed the Village will continue to receive this additional allotment through 2020.
 - After the 2020 Census staff expects that the Village will no longer be eligible for this allotment.
- A one-time planned draw-down of fund balance is anticipated in FY2016 of approximately \$780,000.

Motor Fuel Tax Fund - 205	FY2015 Budget	FY2015 Estimate	FY2016 Proposed	FY2017 Projected	FY2018 Projected	FY2019 Projected	FY2020 Projected
Recurring Revenues							
Motor Fuel Tax	\$895,830	\$768,603	\$760,470	\$749,063	\$737,827	\$726,760	\$715,858
High Growth Cities	\$25,939	\$25,773	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Interest Income	\$125	\$200	\$150	\$150	\$150	\$150	\$150
Total Recurring Revenues	\$921,894	\$794,576	\$785,620	\$774,213	\$762,977	\$751,910	\$741,008
Non-Recurring Revenues							
Grants	\$0	\$270,722	\$135,360	\$0	\$0	\$0	\$0
Total Non-Recurring Revenues	\$0	\$270,722	\$135,360	\$0	\$0	\$0	\$0
Total Revenues	\$921,894	\$1,065,298	\$920,980	\$774,213	\$762,977	\$751,910	\$741,008
Transportation System							
Road Resurface/Reconstruct	\$895,000	\$812,435	\$1,625,000	\$650,000	\$650,000	\$700,000	\$700,000
Crack Sealing	\$55,000	\$54,981	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Total Transportation System	\$950,000	\$867,416	\$1,700,000	\$725,000	\$725,000	\$775,000	\$775,000
Total Expenditures	\$950,000	\$867,416	\$1,700,000	\$725,000	\$725,000	\$775,000	\$775,000
Net Change in Fund Balance	-\$28,106	\$197,882	-\$779,020	\$49,213	\$37,977	-\$23,090	-\$33,992
Beginning Fund Balance - 5/1	\$760,325	\$760,325	\$958,207	\$179,187	\$228,399	\$266,376	\$243,286
Ending Fund Balance - 4/30	\$732,219	\$958,207	\$179,187	\$228,399	\$266,376	\$243,286	\$209,294



Ending Fund Balance - 4/30



General Capital Improvement Fund - 304

The Capital Improvement Fund accounts for general government capital asset purchases. Capital purchases in this fund include transportation and stormwater management system maintenance and replacement, vehicles and equipment, and buildings and improvements.

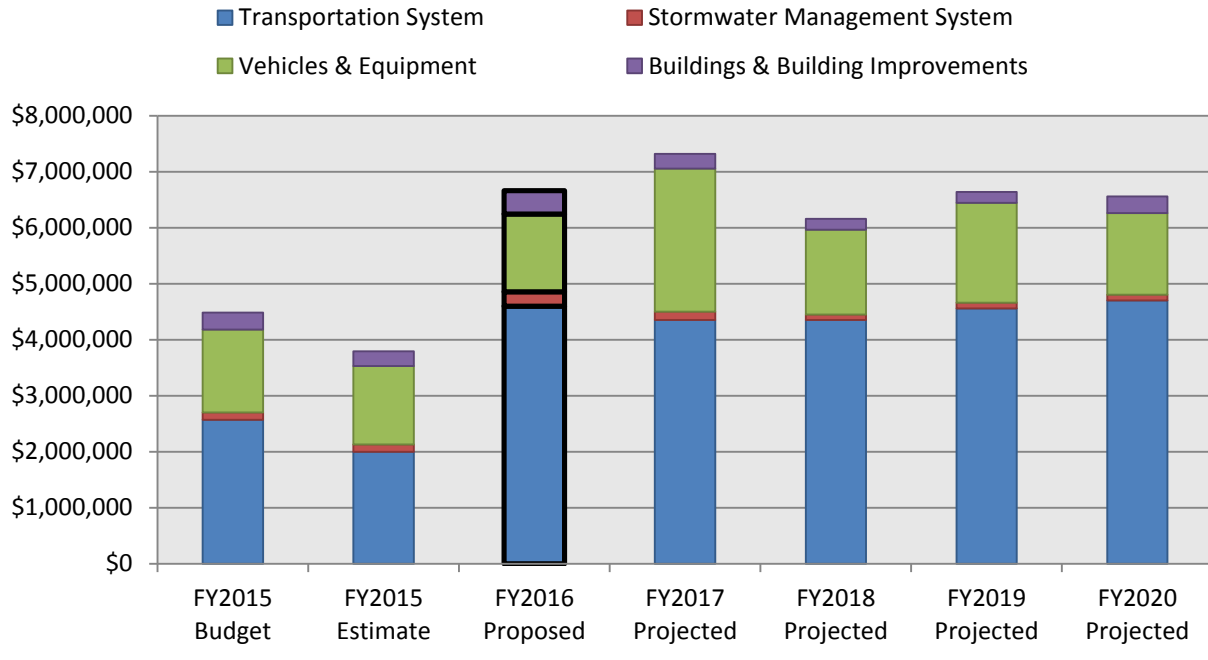
The fund is anticipated to run out of resources in FY2019. This is prior to surplus transfers from the General Fund that are anticipated to be reduced over time. The Village will constantly monitor the fund to ensure adequate resources and make adjustments annually in conjunction with the Annual Budget process. In addition, staff continually seeks efficiency in service delivery methods and alternatives to reduce the financial requirements of maintaining vehicles and equipment.

Items of note in the Capital Improvement Fund over the plan period include;

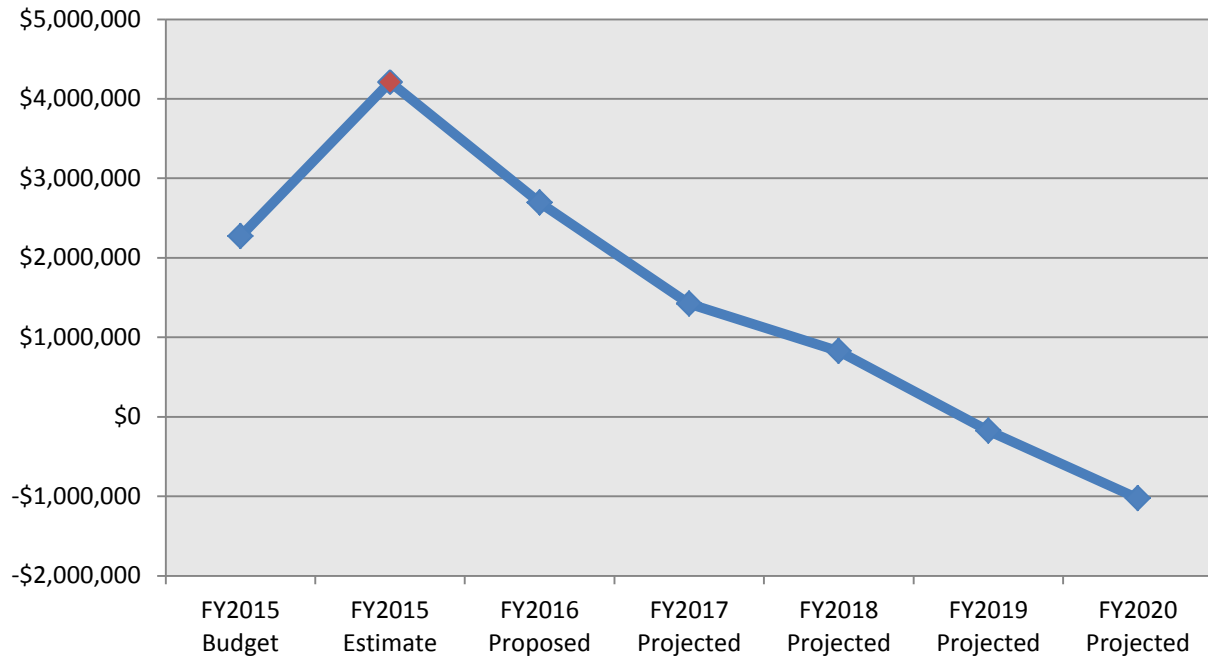
- \$33.3 million in general government capital spending over the plan period (FY2016 – FY2020).
- The Village increased the Home Rule Sales Tax from 0.5% to 1% and dedicated the increase to infrastructure and capital spending.
- The Home Rule Sales Tax is anticipated to increase by 1.5% annually.
- The Village expects to receive a donation from the Warren Waukegan Fire Protection District in Fiscal Year 2016 and another in 2017.
- It is estimated the General Fund will transfer \$500,000 of operating surplus to the fund annually.
- It is anticipated the Impact Fee Fund will transfer \$100,000 annually to the fund.

	FY2015 Budget	FY2015 Estimate	FY2016 Proposed	FY2017 Projected	FY2018 Projected	FY2019 Projected	FY2020 Projected
Recurring Revenues							
Home Rule Sales Tax 1/2%	\$0	\$280,000	\$4,600,000	\$4,669,000	\$4,739,035	\$4,810,121	\$4,882,272
Sale of Assets	\$0	\$0	\$45,000	\$25,000	\$25,000	\$25,000	\$25,000
Interest Income	\$3,100	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Total Recurring Revenues	\$3,100	\$281,000	\$4,646,000	\$4,695,000	\$4,765,035	\$4,836,121	\$4,908,272
Non-Recurring Revenues							
Grants	\$261,000	\$229,500	\$172,000	\$200,000	\$200,000	\$200,000	\$200,000
General Fund Surplus	\$600,000	\$1,600,000	\$0	\$500,000	\$500,000	\$500,000	\$500,000
Impact Fee Transfer	\$0	\$0	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
WWFPD Donation	\$0	\$0	\$223,689	\$550,000	\$0	\$0	\$0
Total Non-Recurring Revenues	\$861,000	\$1,829,500	\$495,689	\$1,350,000	\$800,000	\$800,000	\$800,000
Total Revenues	\$864,100	\$2,110,500	\$5,141,689	\$6,045,000	\$5,565,035	\$5,636,121	\$5,708,272
Expenditures							
Transportation System	\$2,570,000	\$1,998,005	\$4,595,000	\$4,350,000	\$4,350,000	\$4,560,000	\$4,700,000
Stormwater Management System	\$131,000	\$132,000	\$261,000	\$151,000	\$101,000	\$101,000	\$101,000
Vehicles & Equipment	\$1,476,500	\$1,397,252	\$1,389,000	\$2,554,000	\$1,511,500	\$1,781,500	\$1,460,000
Buildings & Building Improvements	\$308,000	\$265,667	\$414,500	\$261,000	\$197,500	\$197,500	\$297,500
Total Expenditures	\$4,485,500	\$3,792,924	\$6,659,500	\$7,316,000	\$6,160,000	\$6,640,000	\$6,558,500
Net Change in Fund Balance	-\$3,621,400	-\$1,682,424	-\$1,517,811	-\$1,271,000	-\$594,965	-\$1,003,879	-\$850,228
Beginning Fund Balance - 5/1	\$5,893,894	\$5,893,894	\$4,211,470	\$2,693,659	\$1,422,659	\$827,694	-\$176,185
Ending Fund Balance - 4/30	\$2,272,494	\$4,211,470	\$2,693,659	\$1,422,659	\$827,694	-\$176,185	-\$1,026,413

Capital Spending - General Government



Ending Fund Balance - 4/30



Water & Sewer Capital Fund – 523

Capital purchases for the Water & Sewer Systems are funded through a combination of user fees. Users of the systems are charged a variable and a fixed rate based on meter size and usage.

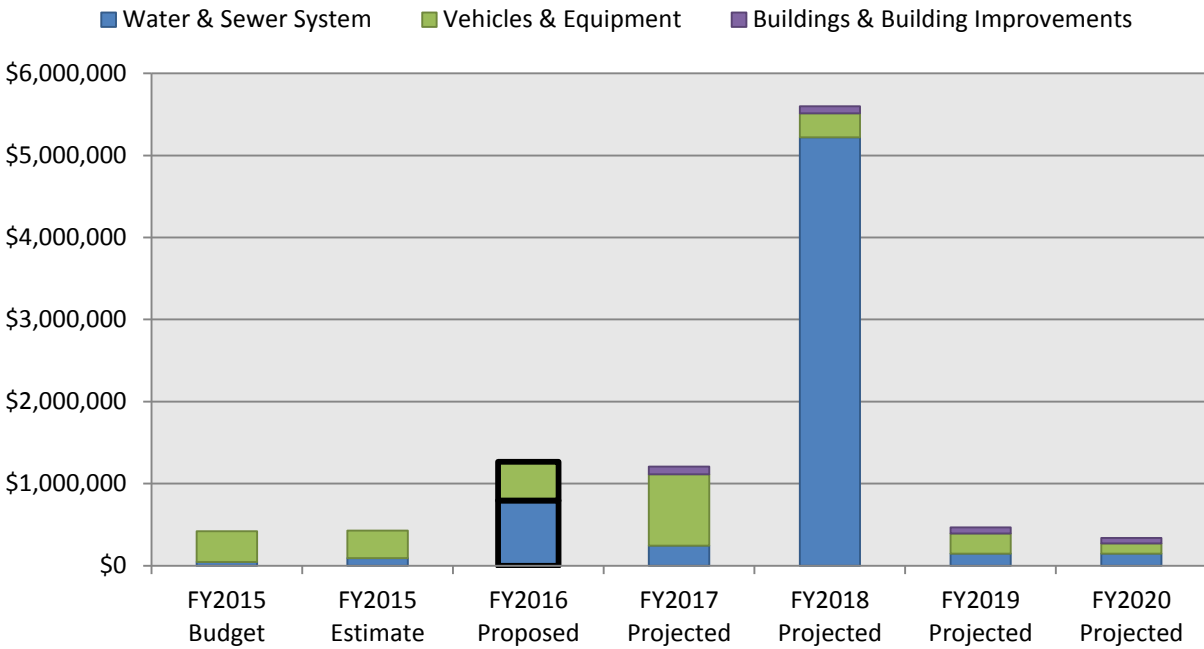
The Village established a Water & Sewer Capital Fund to segregate capital expenditures from operations. As a proprietary fund, Generally Accepted Accounting Principles requires the Water & Sewer Capital Fund be reported in combination with the Water & Sewer Operating Fund as one enterprise on a full accrual basis of accounting. Due to this fact, operating revenues and expenditures are included to show the impact of capital on the overall Water & Sewer Fund.

Items of note in the Water & Sewer Capital Fund over the plan period include;

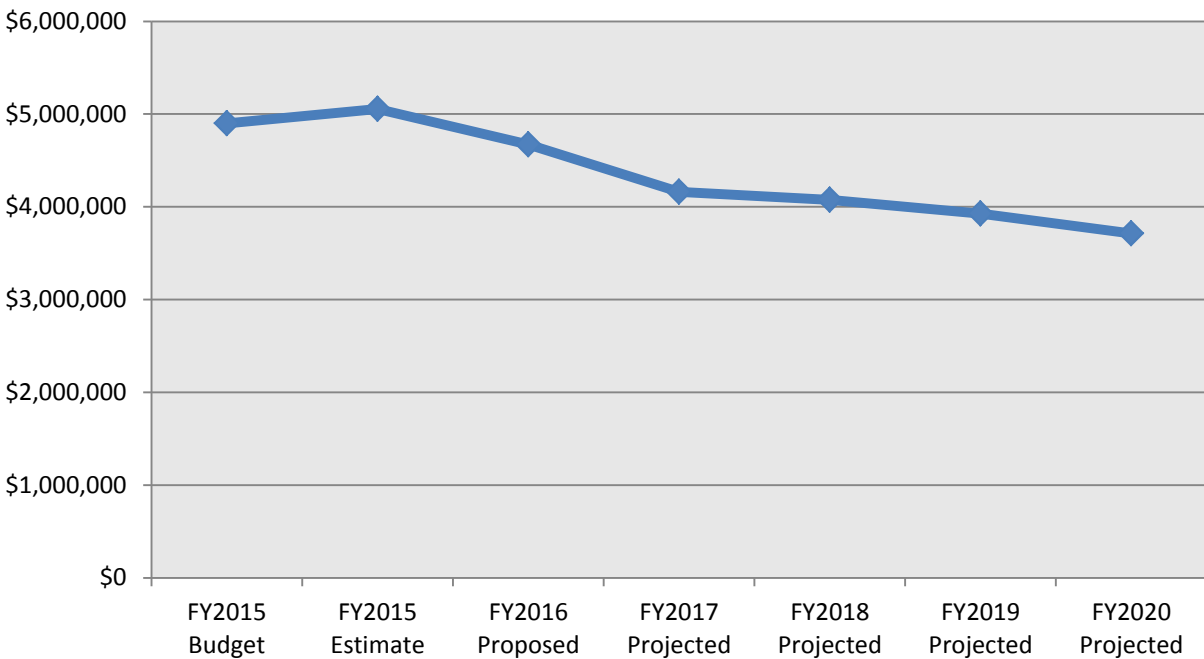
- \$8.9 million in Water & Sewer related capital spending over the plan period (FY2016 – FY2020).
- Pembroke Water Tower is placed on a maintenance contract in FY2016 reducing the need for future major maintenance.
- Proposed Knowles Rd. Water Tower constructed in FY2018, financed by a low interest loan from the Illinois Environmental Protection Agency in the amount of \$5m.
- Operating revenues are assumed to remain flat as the Village's incremental rate increases expire and customers use less water.
- Rate increases from the Village's water supplier are anticipated to increase 6.3% by FY2020 and are absorbed by the Village under the current rate structure to be reviewed in FY2016.
- There is no funding for infrastructure upgrades available over the plan period.

Water & Sewer Utility Fund - (521 & 523)	FY2015 Budget	FY2015 Estimate	FY2016 Proposed	FY2017 Projected	FY2018 Projected	FY2019 Projected	FY2020 Projected
Recurring Revenues							
Charges for Service	\$8,039,929	\$7,845,970	\$8,071,800	\$8,071,800	\$8,071,800	\$8,071,800	\$8,071,800
Licenses & Permits	\$178,200	\$83,678	\$50	\$0	\$1	\$2	\$3
Fines & Forfeitures	\$77,700	\$77,700	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000
Interest Income	\$3,100	\$2,000	\$2,000	\$2,040	\$2,081	\$2,122	\$2,165
Total Recurring Revenues	\$8,298,929	\$8,009,348	\$8,153,850	\$8,153,840	\$8,153,882	\$8,153,924	\$8,153,968
Non-Recurring Revenues							
Proceeds	\$15,000	\$0	\$2,000				
Low-Interest IEPA Loan - Knowles Tower					\$5,000,000		
Total Non-Recurring Revenues	\$15,000	\$0	\$2,000	\$0	\$5,000,000	\$0	\$0
Total Utility Revenues (521 & 523)	\$8,313,929	\$8,009,348	\$8,155,850	\$8,153,840	\$13,153,882	\$8,153,924	\$8,153,968
Operating Expenditures							
Salaries & Wages	\$1,051,740	\$1,012,912	\$1,062,890	\$1,089,462	\$1,116,699	\$1,144,616	\$1,173,232
Employee Benefits	\$748,966	\$696,074	\$733,551	\$751,890	\$770,687	\$789,954	\$809,703
Personnel Expense	\$13,545	\$7,608	\$13,956	\$14,305	\$14,663	\$15,029	\$15,405
Professional Services	\$25,250	\$15,192	\$24,930	\$25,553	\$26,192	\$26,847	\$27,518
Contractual	\$435,628	\$368,516	\$403,365	\$413,449	\$423,785	\$434,380	\$445,239
Insurance	\$58,190	\$60,592	\$76,280	\$78,187	\$80,142	\$82,145	\$84,199
Commodities	\$3,732,866	\$3,496,530	\$3,637,895	\$3,728,842	\$3,822,063	\$3,917,615	\$4,015,555
Utilities	\$112,650	\$92,440	\$104,335	\$106,943	\$109,617	\$112,357	\$115,166
Repairs & Maintenance	\$364,630	\$326,399	\$383,998	\$393,598	\$403,438	\$413,524	\$423,862
Minor Capital	\$22,725	\$22,069	\$28,350	\$29,059	\$29,785	\$30,530	\$31,293
Debt Service - Principal	\$160,000	\$160,000	\$162,000	\$166,050	\$170,201	\$174,456	\$178,818
Debt Service - Interest	\$6,440	\$6,440	\$3,240	\$3,321	\$3,404	\$3,489	\$3,576
Inter/Intra Fund	\$625,594	\$625,594	\$640,000	\$656,000	\$672,400	\$689,210	\$706,440
Total Operating Expenditures	\$7,358,224	\$6,890,366	\$7,274,790	\$7,456,660	\$7,643,076	\$7,834,153	\$8,030,007
Capital Expenditures							
Water & Sewer System	\$45,000	\$90,000	\$795,000	\$245,000	\$5,220,000	\$145,000	\$145,000
Vehicles & Equipment	\$375,000	\$337,000	\$470,000	\$868,000	\$293,000	\$246,000	\$128,000
Buildings & Building Improvements	\$0	\$0	\$0	\$95,000	\$85,000	\$75,000	\$65,000
Total Capital Expenditures	\$420,000	\$427,000	\$1,265,000	\$1,208,000	\$5,598,000	\$466,000	\$338,000
Total Expenditures (521 & 523)	\$7,778,224	\$7,317,366	\$8,539,790	\$8,664,660	\$13,241,076	\$8,300,153	\$8,368,007
Use of (Contribution to) Reserves	\$535,705	\$691,982	-\$383,940	-\$510,820	-\$87,194	-\$146,229	-\$214,039
(1) Unrestricted Net Assets - 4/30	\$4,899,115	\$5,055,392	\$4,671,452	\$4,160,632	\$4,073,438	\$3,927,209	\$3,713,170

Capital Spending - Water & Sewer Enterprise



Ending Unrestricted Net Assets - 4/30



Transportation System

Overview

The Village's transportation system consists of both pedestrian and vehicular facilities. The Village recognizes the need to have a network of pedestrian connections throughout the community and the Village Board adopted the Village of Gurnee Pedestrian/Bicycle Trail Master Plan in 1994 to serve as a guide for the Village's trail system. Pedestrian facilities include concrete sidewalks, paved pedestrian trails, bridges, and unpaved pedestrian trails throughout the community. Capital expenditures for pedestrian facilities could include new installations and rehabilitation of existing facilities that have deteriorated over time. The Village maintains approximately 146 miles of concrete sidewalk on local, county, and state roadways.

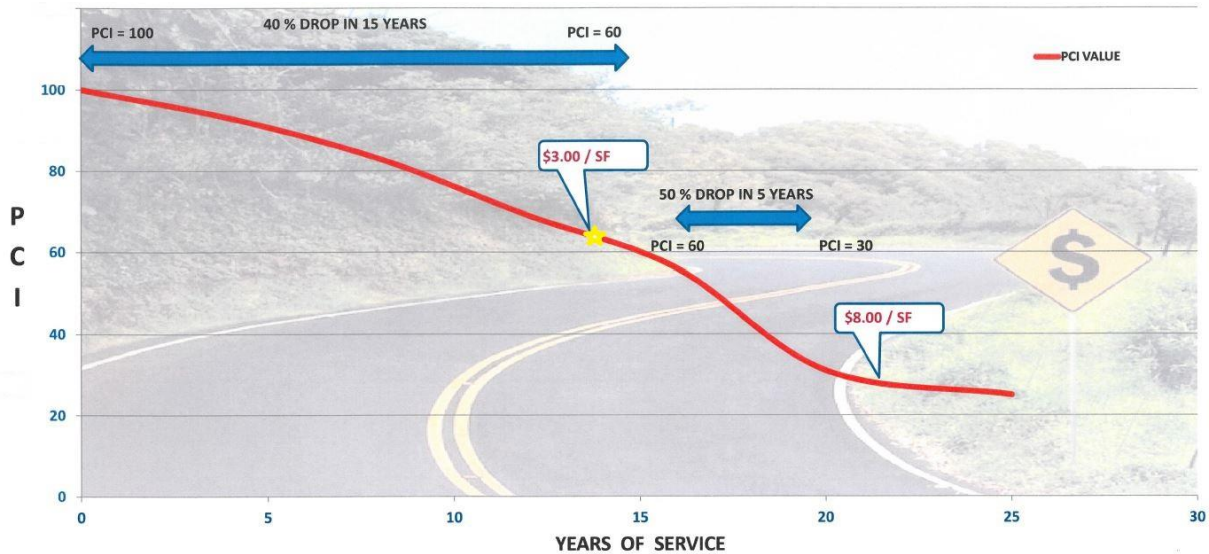
The Village's roadway network consists of paved local roadways and bridges that interconnect to Township, County, and State roadways. Capital expenditures for roadways include new installations, preventative maintenance, and rehabilitation. The Village maintains the equivalent of about 121 centerline miles of roadway pavement in the community consisting of about 25% rural cross section (with roadside ditches) and 75% urban cross section (with curb and gutter).

Assumptions & Approach

Expansion of the roadway and pedestrian network is costly and historically the Village has only pursued expansion as part of larger regional projects. The focus of capital funding for this system is expected to be maintaining the existing facilities rather than building new. Maintenance of the pedestrian path system is primarily focused on eliminating trip hazards that form when concrete slabs are displaced due to settlement or uplift.

The priorities of annual resurfacing/reconstruction program are currently based on a pavement condition index (PCI) survey conducted in 2013 that rated road surfaces on a scale of 1-100 with a ranking 100 being a perfect surface. Deterioration rates of pavements vary based on a combination of weather conditions, traffic, and existing distress therefore regular evaluation of the pavement network is required. Staff anticipates having another pavement condition survey performed in FY2018.

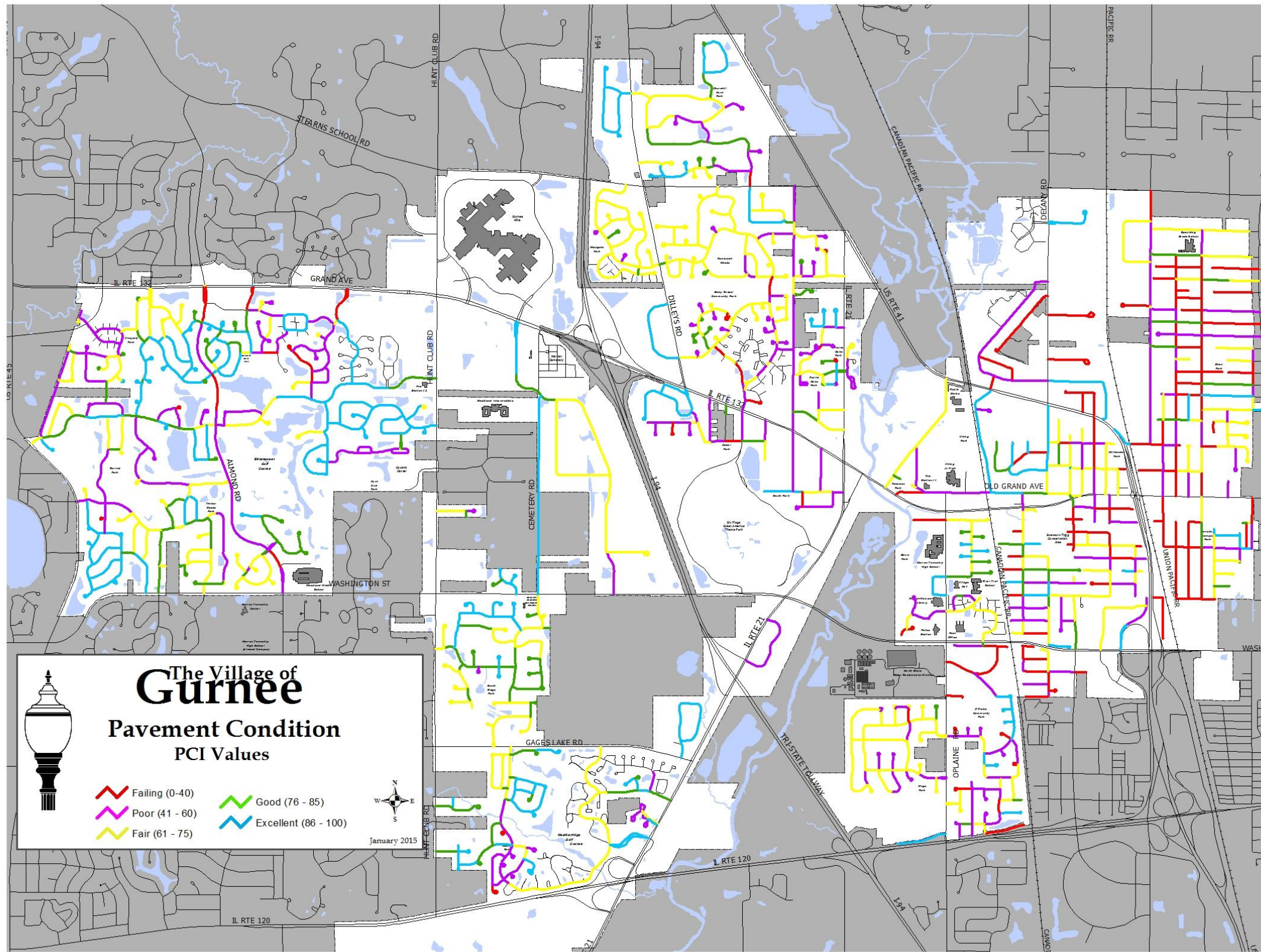
Maintaining the transportation systems in the Village of Gurnee is the largest budgetary line item in the capital plan. Staff assumes roadway pavements to last 15-20 years before the condition begins to deteriorate at an increasing rate which requires more costly reconstruction from the ground up. The pavement life curve below demonstrates a typical deterioration pattern in this region.



The recommended approach to maintaining roadway pavement is to invest in lower cost preventative maintenance to avoid structural failure of the pavement section that commonly occurs once the PCI drops below about 60. At this PCI level the amount of cracking in the surface typically results in significant water intrusion into the roadbed where frost-heave action essentially pulverizes the remaining pavement.

To maintain a high level of service and the best return on investment staff recommends rehabilitating 6 miles of roadway surface per year (121 miles / 20 years) and maintain an annual pedestrian path maintenance program to eliminate safety concerns (i.e. trip hazards) as they are identified. The following pavement condition map depicts survey work completed in 2013 and has been updated to reflect the 2014 rehabilitation program.

The annual cost of rehabilitating 6 miles of roadway surface annually is approximately \$6 million given a 20 year life cycle. The plan funds approximately 80-85% of the total requirement annually. Following the initial reconstruction of some roadways, and a continued preventative maintenance program, the annual requirement will be reduced as the life cycle is extended and expensive reconstruction is no longer necessary.



Transportation System Spending Projections

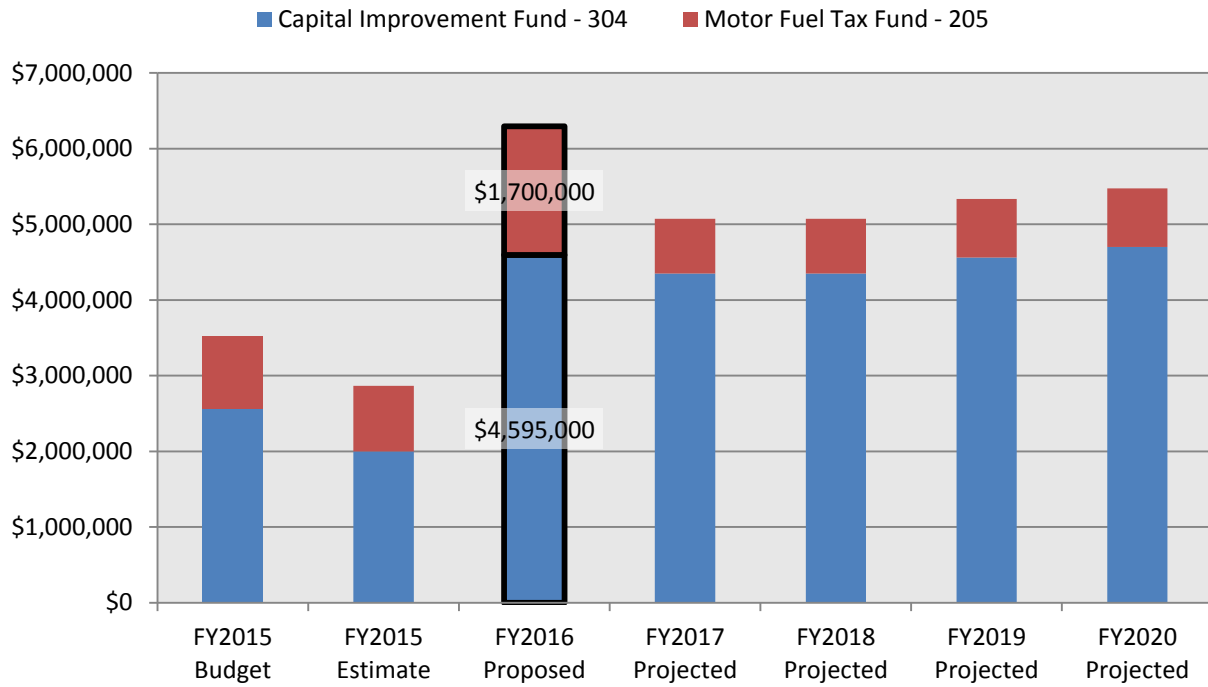
Transportation System spending over the plan period (FY2016 – FY2020) totals \$27.25 million. Anticipated spending includes the following;

- FY2016 (2014 Construction Season) Resurface/Reconstruct Program Carryover - \$325,000
- FY2016 (2015 Construction Season) Resurface Reconstruct Program - \$5,740,000
- FY2016 (2016 Construction Season) Resurface/Reconstruct Program Engineering - \$65,000
- Crack Sealing Program - \$75,000 annually
- Sidewalk Repair Program - \$50,000 annually

The following graphic depicts anticipated spending on Transportation System assets throughout the plan period.

		FY2015 Budget	FY2015 Estimate	FY2016 Proposed	FY2017 Projected	FY2018 Projected	FY2019 Projected	FY2020 Projected
Motor Fuel Tax Fund - 205								
Crack Sealing	205-0000-432.50-13	\$55,000	\$54,981	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
2014 Road Program	205-0000-432.50-12	\$895,000	\$812,435					
2014 Carryover - Final Inspections	205-0000-432.50-12			\$325,000				
Pines/Pembrook	205-0000-432.50-12			\$500,000				
East Side	205-0000-432.50-12			\$800,000				
Road Rehabilitation	205-0000-432.50-12				\$650,000	\$650,000	\$700,000	\$700,000
Total Motor Fuel Tax Fund - 205		\$950,000	\$867,416	\$1,700,000	\$725,000	\$725,000	\$775,000	\$775,000
Capital Improvement Fund - 304								
Resurface/Reconstruct								
Engineering Consultant	304-0000-514.30-07	\$365,000	\$240,000	\$470,000	\$300,000	\$300,000	\$300,000	\$300,000
Road Rehabilitation	304-0000-514.50-12	\$2,155,000	\$1,708,005			\$4,000,000	\$4,200,000	\$4,350,000
Material Testing	304-0000-514.30-07			\$35,000				
Ravinia Woods	304-0000-514.50-12			\$550,000				
Stonebrook Crossings/Concord Oaks	304-0000-514.50-12			\$670,000				
Country Trails	304-0000-514.50-12			\$375,000				
Belle Plaine Reconstruct - North	304-0000-514.50-12			\$750,000				
Magnolia Reconstruct - North	304-0000-514.50-12			\$950,000				
Greenleaf Reconstruct	304-0000-514.50-12			\$475,000				
Belle Plaine Reconstruct - Mid	304-0000-514.50-12				\$635,000			
Magnolia Reconstruct - South	304-0000-514.50-12				\$705,000			
Stonebrook Crossings/Concord Oaks	304-0000-514.50-12				\$800,000			
Ravinia Woods	304-0000-514.50-12				\$257,000			
Brookhaven	304-0000-514.50-12				\$273,000			
Woodcrest	304-0000-514.50-12				\$350,000			
Country Trails	304-0000-514.50-12				\$385,000			
Magnolia/Blackstone	304-0000-514.50-12				\$595,000			
Total Road Resurface/Reconstruct		\$2,520,000	\$1,948,005	\$4,275,000	\$4,300,000	\$4,300,000	\$4,500,000	\$4,650,000
HMA Patching	304-0000-514.50-12			\$230,000				
IDOT 41/UPPR	304-0000-514.75-50			\$40,000			\$10,000	
Sidewalk Repair	304-0000-514.50-14	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Total Capital Improvement Fund - 304		\$2,570,000	\$1,998,005	\$4,595,000	\$4,350,000	\$4,350,000	\$4,560,000	\$4,700,000
Total Transportation System - All Funds		\$3,520,000	\$2,865,421	\$6,295,000	\$5,075,000	\$5,075,000	\$5,335,000	\$5,475,000

Transportation System Spending FY2016 - FY2020 - \$27.25m



Multi-Year Plan Details

FY2016 – 2015 Construction Season Projects

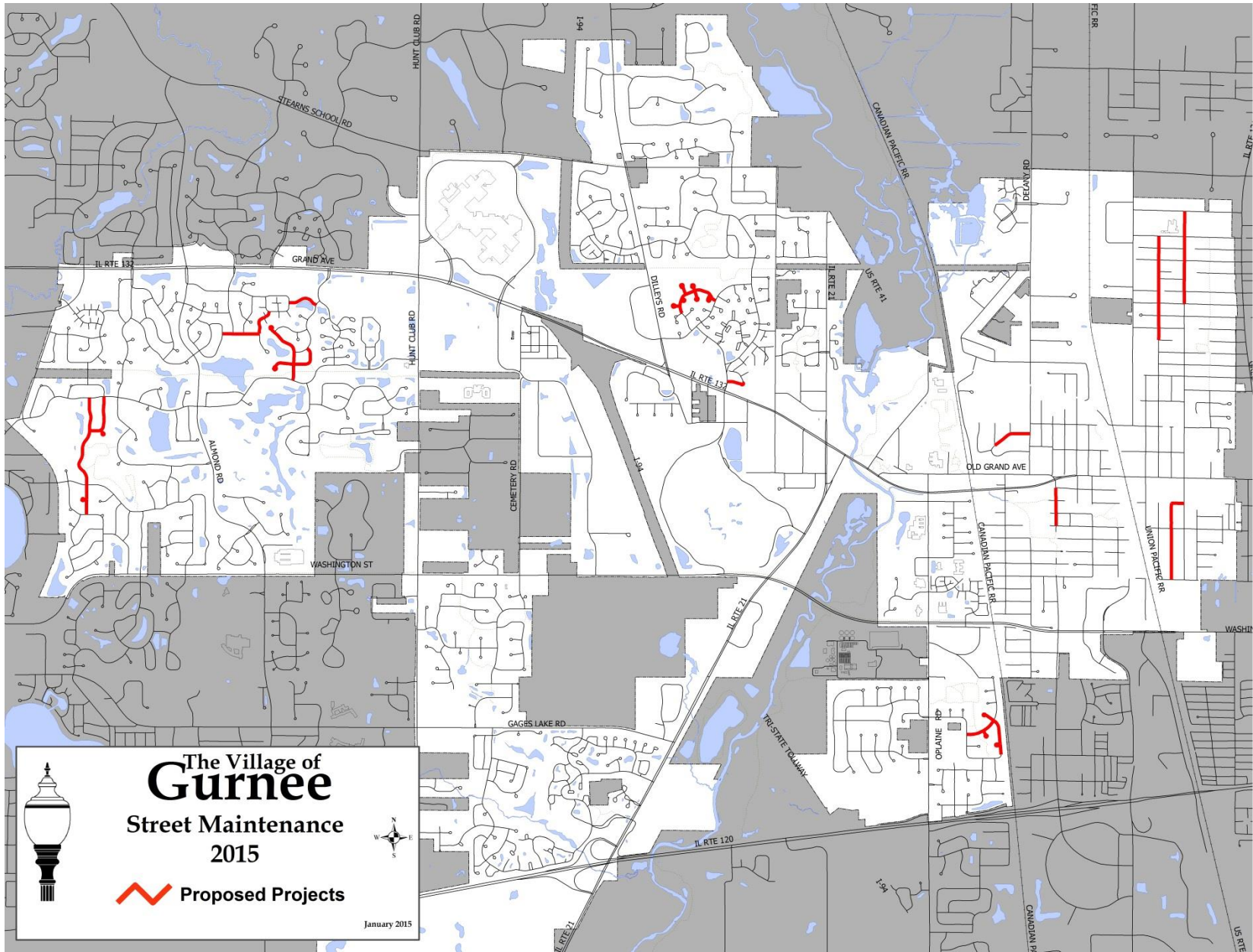
FY2016 - 2015 CONSTRUCTION SEASON
STREET RESURFACING PROJECT # 8338

Street	From	To	Length(Ft)	PCI	Section Type	width e-e	Roadway Area	Rehab. Costs
RAVINIA DR	DADA DR	SIERRA PL	3000	61	Urban	28	86850	\$364,770
VISTA DR	RAVINIA DR	DADA DR	1150	72	Urban	28	32400	\$136,080
CANYON CT	VISTA DR	E. C-D-S	300	74	Urban	28	6300	\$26,460
RIPPLING RIDGE	RAVINIA DR	W. C-D-S	300	47	Urban	28	6000	\$25,200
							Sub-Total =	\$552,510
KNOTTINGHAM DR	DADA DR	N. END	1700	43	Urban	28	48600	\$194,400
BENTLEY DR	CAMDEN DR	W. END	1500	56	Urban	28	41400	\$165,600
HAMILTON DR	STRATTON DR	CAMDEN DR	750	56	Urban	28	21150	\$84,600
PENNSBURY LN	WOODBURY CIR	AUBURN LN	900	47	Urban	28	27000	\$108,000
AUBURN LN	PENNSBURY LN	STRATTON DR	750	46	Urban	25	19800	\$79,200
							Sub-Total =	\$631,800
PINETREE DR	EBONY CT	PINEWOOD EAST	1750	65	Urban	25	44100	\$185,220
SEQUIOA CT	PINETREE DR	W. END	350	64	Urban	25	9000	\$37,800
BALSAM CT	PINETREE DR	E. END	200	80	Urban	25	5400	\$22,680
JOSHUA CT	PINETREE DR	N. END	400	67	Urban	25	11250	\$47,250
MAHOGNAY CT	PINETREE DR	N. END	300	66	Urban	25	7650	\$32,130
NORFOLK CT	PINETREE DR	S. END	400	50	Urban	25	10800	\$45,360
CYPRESS CT	PINETREE DR	S. END	300	48	Urban	25	8100	\$34,020
ROCKPOINTE CT	LAWSON DR	E. END	450	32	Urban	35	19350	\$116,100
							Sub-Total =	\$520,560
FIELDSTONE DR	NEW HAVEN DR	TANGLEWOOD DR	900	53	Urban	28	25560	\$107,352
FIELDSTONE CT	TANGLEWOOD DR	WEST C-D-S	350	37	Urban	26	11700	\$70,200
KIM CT	FIELDSTONE DR	WEST C-D-S	200	38	Urban	28	8100	\$48,600
COBBLESTONE CT	TANGLEWOOD DR	C-D-S	200	56	Urban	26	8100	\$48,600
TANGLEWOOD DR	FIELDSTONE DR	SUNNYSIDE LN	900	50	Urban	28	25200	\$105,840
							Sub-Total =	\$380,592
UNIVERSITY AV	PINE GROVE AV	BELLE PLAINE AV	250	25	Rural	22	5500	\$52,250
PINE GROVE AV	UNIVERSITY AV	BLACKSTONE AV	2300	24	Rural	22	51200	\$486,400
							Sub-Total =	\$538,650
N. BROWN CIR	NORMAN AV	DELANY RD	950	28	Rural	22	21600	\$205,200
			20550	FT			Sub-Total =	\$205,200

**FY2016 - 2015 CONSTRUCTION SEASON
STREET RECONSTRUCTION PROJECT # 8334**

Street	From	To	Length(Ft)	PCI	Section Type	width e-e-	Roadway Area	Rehab. Costs
BELLE PLAINE AV	COUNTRY CLUB AV	KEITH AV	2500	27	Rural	22	65000	\$715,000
MAGNOLIA AV	FLORIDA AV	LEE AV	3100	36	Rural	22	83200	\$915,200
GREENLEAF AV	DREXEL AV	WOODLAWN AV	1500	29	Rural	22		\$475,000
			7100	FT			Sub-Total =	\$2,105,200

PROJECT SUMMARY		
TOTAL LENGTH OF IMPROVEMENT	5.25	MILES
STREET RESURFACING PROJECT ESTIMATE (#8338)	\$2,829,312	
STREET RECONSTRUCTION PROJECT ESTIMATE (#8334)	\$2,105,200	
MISC. VARIOUS LOCATION PATCHING AND STRIPING (#8338)	\$350,000	
PROJECT TOTAL EOPC	\$5,284,517	



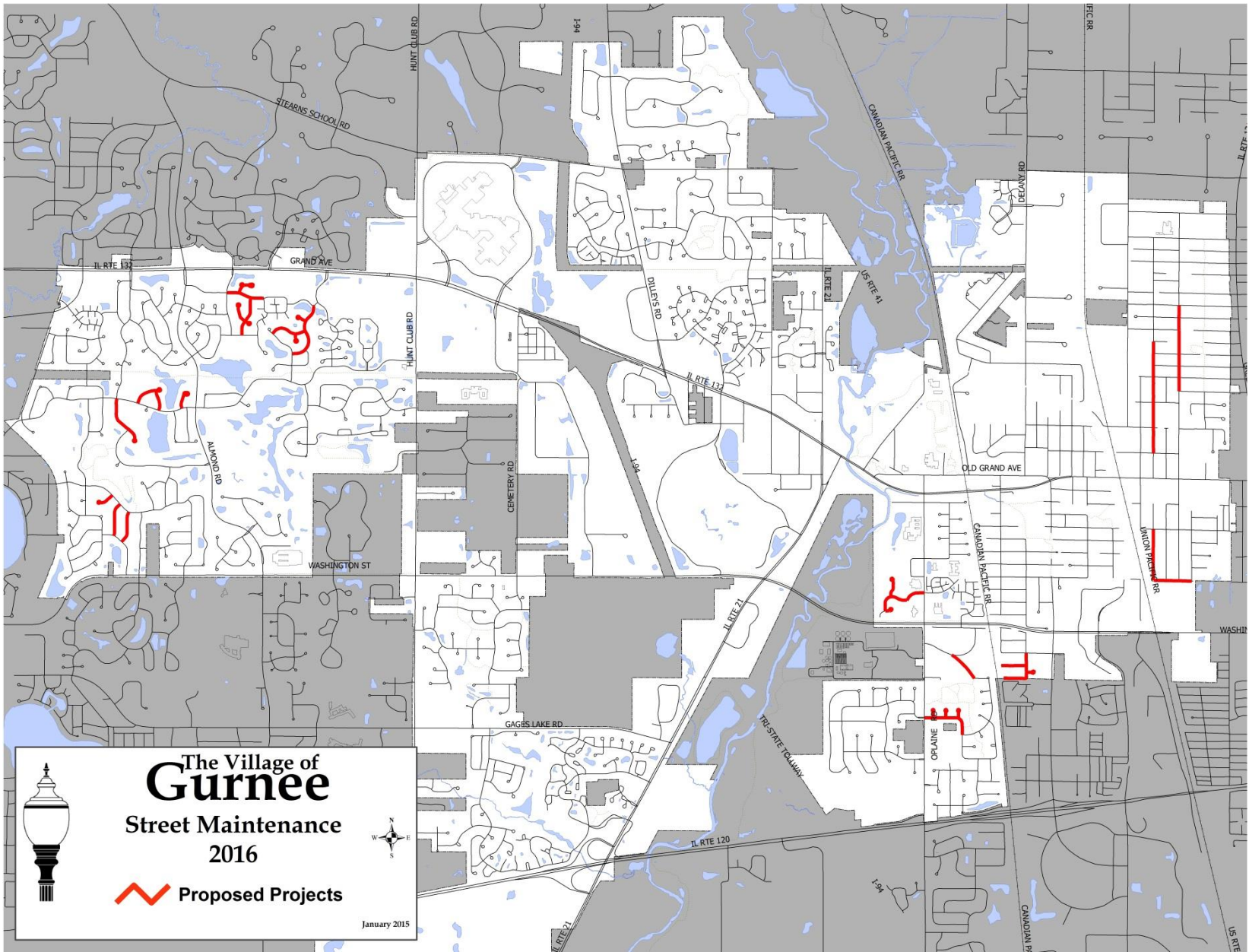
FY2017 - 2016 Construction Season Projects

FY2017 - 2016 CONSTRUCTION SEASON STREET MAINTENANCE FORECAST

Street	From	To	Length(Ft)	PCI	Section Type	width e-e-	Roadway Area	Rehab. Costs
BRADLEY DR	KNOTTINGHAM DR	CAMDEN DR	948	49	Urban	28	26544	\$111,485
CAMDEN DR	HAMILTON DR	KNOTTINGHAM DR	456	54	Urban	28	45024	\$189,101
KINGSBURY CT	BRADLEY DR	SOUTH END	292	52	Urban	28	8176	\$34,339
MORGAN CT	WEST END	CAMDEN DR	341	52	Urban	28	9548	\$40,102
							Sub-Total =	\$375,026
MILLSTONE LN	BUCHANAN DR	PENNSBURY LN	1027	45	Urban	28	28756	\$120,775
GREENFIELD CT	MILLSTONE LN	NORTH END	630	47	Urban	28	17640	\$74,088
PRESTON CT	MILLSTONE LN	SOUTH END	243	44	Urban	28	6804	\$28,577
BUCHANAN DR	ARLINGTON LN	STRATTON LN	975	47	Urban	28	27300	\$114,660
HILLSIDE CT	BUCHANAN DR	EAST END	722	63	Urban	28	20216	\$84,907
							Sub-Total =	\$423,007
TREETOP LN	CASCADE WAY	HILLVIEW DR	856	62	Urban	28	23968	\$100,666
CLIFFWOOD LN	CASCADE WAY	HILLVIEW DR	807	66	Urban	28	22596	\$94,903
SNOW CAP CT	CASCADE WAY	WEST END	522	73	Urban	28	14616	\$61,387
							Sub-Total =	\$256,956
VINEYARD DR	DADA DR	SOUTH END	1411	56	Urban	28	39508	\$165,934
WINDEMERE CIR	DADA DR -EAST	DADA - WEST	1404	58	Urban	28	39312	\$165,110
OAKMEADOW CT	DADA DR	NORTH END	630	56	Urban	28	17640	\$74,088
							Sub-Total =	\$405,132
BROOKHAVEN RD	GREENHAVEN LN	OLPAINE RD	509	46	Urban	28	14252	\$59,858
GREENHAVEN LN	BROOKHAVEN RD	SPRINGHAVEN DR	879	51	Urban	28	24612	\$103,370
MINTHAVEN CT	GREENHAVEN LN	NORTH END	525	44	Urban	28	14700	\$61,740
SPRINGHAVEN DR	GREENHAVEN LN	SOUTH END	417	24	Urban	28	11676	\$49,039
							Sub-Total =	\$274,008
MAGNOLIA AV	BLACKSTONE AV	WOODLAWN AV	1300	Fail	Rural	22	28600	\$314,600
BLACKSTONE AV	MAGNOLIA AV	HAWTHORNE AV	1100	Fail	Rural	24	31200	\$280,800
							Sub-Total =	\$595,400
RUSSELL AV	WEST END	DELANY RD	633	23	Rural	22	13926	\$97,482
DELANY RD	RUSSELL AV	OGLESBY AV	659	35	Rural	22	14498	\$144,980
WOODCREST CT	DELANY RD	EAST END	285	37	Urban	28	7980	\$33,516
CHARLES AV	DELANY RD	WEST END	656	41	Rural	22	14432	\$72,160
							Sub-Total =	\$348,138

BIRCH DR	ELM RD	RUSSELL AV	837	55	Rural	22	18414	\$110,484
COUNTRY TRL	OLPAINE RD	SUNNYSIDE AV	915	44	Urban	28	25620	\$115,290
BRIARWOOD CT	COUNTRY TRL	NORTH END	223	26	Urban	28	6244	\$37,464
FARMGATE CT	COUNTRY TRL	NORTH END	230	51	Urban	25	5750	\$34,500
WHITE OAK CT	COUNTRY TRL	NORTH END	240	47	Urban	25	6000	\$36,000
SUNNYSIDE AV	TANGLEWOOD DR	COUNTRY TRL	440	62	Urban	28	12320	\$51,744
							Sub-Total =	\$385,482
BELLE PLAINE AV	KEITH AV	CRESCENT AV	2200	Fail	Rural	22	57400	\$631,400
MAGNOLIA AV	LEE AV	GRANDVIEW AV	2600	Fail	Rural	22	64200	\$706,200
			25912				Sub-Total =	\$1,337,600

PROJECT SUMMARY		
TOTAL LENGTH OF IMPROVEMENT	4.91	MILES
STREET RESURFACING PROJECT ESTIMATE	\$1,845,604	
STREET RECONSTRUCTION PROJECT ESTIMATE	\$2,281,138	
MISC. VARIOUS LOCATION PATCHING AND STRIPING	\$350,000	
PROJECT TOTAL EOPC	\$4,476,742	



FY2018 – FY2020 Projects

Following are projected estimates for road resurface/reconstruct programs in FY2018 – FY2020. Individual streets are not presented as road conditions may change prior to the program year due to severe weather or other major impacts to the driving surface that may require a change in the prioritization of work. Figures are presented for estimates of work currently identified to be completed. In addition, the Village intends to update the road condition survey following the FY2017 program, and results may alter the prioritization of work.

PROJECT SUMMARY		
TOTAL LENGTH OF IMPROVEMENT	5.32	MILES
STREET RESURFACING PROJECT ESTIMATE	\$4,341,199	
MISC. VARIOUS LOCATION PATCHING AND STRIPING	\$250,000	
PROJECT TOTAL EOPC	\$4,591,199	

FY2019 - 2018 CONSTRUCTION SEASON PROJECT SUMMARY		
TOTAL LENGTH OF IMPROVEMENT	6.61	MILES
STREET RESURFACING PROJECT ESTIMATE	\$4,642,950	
MISC. VARIOUS LOCATION PATCHING AND STRIPING	\$250,000	
PROJECT TOTAL EOPC	\$4,892,950	

FY2020 - 2019 CONSTRUCTION SEASON PROJECT SUMMARY		
TOTAL LENGTH OF IMPROVEMENT	7.01	MILES
STREET RESURFACING PROJECT ESTIMATE	\$4,831,784	
MISC. VARIOUS LOCATION PATCHING AND STRIPING	\$200,000	
PROJECT TOTAL EOPC	\$5,031,784	

Stormwater Management System

Overview

The Village of Gurnee is responsible for many aspects of Stormwater Management including stormwater conveyance and storage, water quality, and regulating development to minimize the risk of flooding.

The Village maintains an extensive conveyance and storage systems throughout the community to handle stormwater runoff. Runoff enters roadside ditches or storm sewer pipes and is conveyed to neighborhood detention basins. Each detention basin has a specific outlet control structure which regulates the outflow to minimize the potential for flooding downstream. After stormwater is released from the neighborhood detention basins the majority of the Village drains to the Des Plaines River.

The Village is responsible for maintaining over 134 miles of storm sewer pipe and 23 detention basins. The remaining 270 detention basins are maintained by their respective property owners or associations. Village staff regularly inspects these facilities to ensure that they will operate properly when needed. As the Village of Gurnee matures, resources will be needed to maintain the existing facilities and make improvements to enhance the operation of the stormwater management system to minimize flooding.

The local water quality aspect of Stormwater Management began with the 1999 amendment to the 1972 Clean Water Act. The Village of Gurnee is now required to monitor and minimize pollution in stormwater runoff from sources such as illegal dumping and from paved areas like roadways and parking lots. In 2009, the Village of Gurnee adopted a Stormwater Management Program Plan (SMPP) with the intent of minimizing pollution found in stormwater runoff. The SMPP includes new programs to raise awareness through public education and commit resources to inspect, detect, and eliminate pollution in the stormwater management system.

Minimizing the flooding risk for new development in the Village is achieved by regulating construction in accordance with the Watershed Development Ordinance first adopted in 1992 and amended most recently in 2013. The Village also has a program to purchase property and remove flood prone structures near the Des Plaines River and its tributaries. The Village works with the Lake County Stormwater Management Commission to apply for state and federal grant money to purchase flood properties from willing sellers. Leveraging local funds with government grants has proven to be an effective method to reduce the number of structures in the special flood hazard area.

Assumptions & Approach

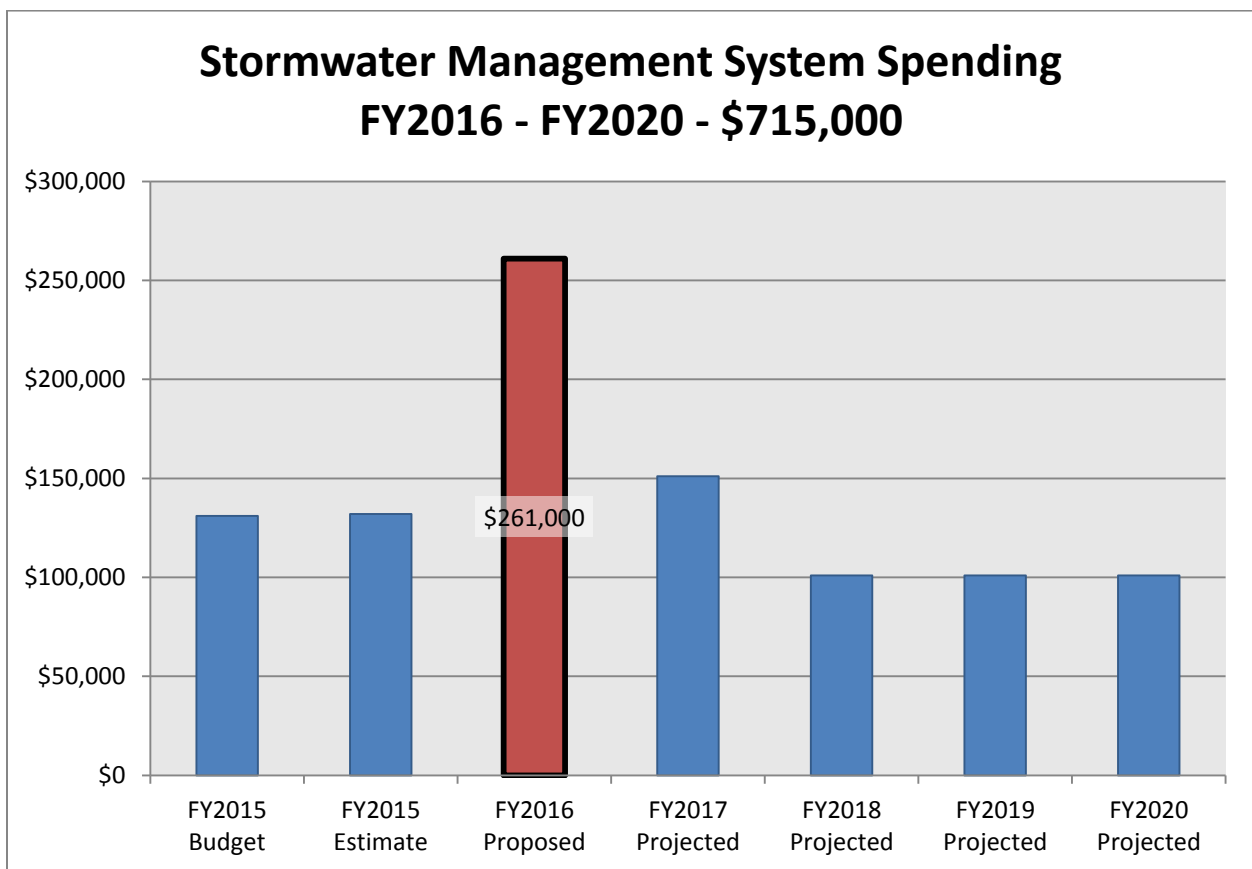
As the Village and science of stormwater management has matured enhancements to existing Village-owned detention basins to optimize their effectiveness was the focus of capital spending. In recent years the need for structural improvements has declined and the focus has now turned to long-term maintenance of piping and detention basins.

The recommended approach is to continue to inspect and maintain or repair stormwater facilities as needed and continue to leverage local funds with governmental grants programs to acquire and demolish flood prone structures.

Stormwater Management System Spending Projections

There is no dedicated source of funding for the Stormwater Management System. In recent years funding for these programs has been provided through General Fund and Impact Fee transfers as part of the annual budget process.

		FY2015 Budget	FY2015 Estimate	FY2016 Proposed	FY2017 Projected	FY2018 Projected	FY2019 Projected	FY2020 Projected
Capital Improvement Fund - 304								
Floodplain Acquisition	304-0000-514.75-01	\$100,000	\$87,000	\$210,000	\$100,000	\$50,000	\$50,000	\$50,000
Appraisal Fees	304-0000-514.75-19	\$1,000		\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Drainage Improvements	304-0000-514.76-94	\$30,000	\$45,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Total Capital Improvement Fund - 304		\$131,000	\$132,000	\$261,000	\$151,000	\$101,000	\$101,000	\$101,000
Total Stormwater Management System		\$131,000	\$132,000	\$261,000	\$151,000	\$101,000	\$101,000	\$101,000



Multi-Year Plan Details

FY2016 PROJECT SUMMARY		
RESIDENTIAL STRUCTURE DEMOLITION – KILBOURNE 2013 GRANT	\$210,000	
MISCELLANEOUS DRAINAGE IMPROVEMENTS	\$50,000	
TOTAL EOPC	\$260,000	
FY2017 PROJECT SUMMARY		
RESIDENTIAL STRUCTURE DEMOLITION – KILBOURNE 2013 GRANT	\$100,000	
MISCELLANEOUS DRAINAGE IMPROVEMENTS	\$50,000	
TOTAL EOPC	\$150,000	

Water & Sewer System

Overview

The Village of Gurnee's original water system was put into operation in 1960. At that time it was connected to the Waukegan system at Sunset Avenue and Northwestern Avenue. Water was supplied through the Waukegan system and a deep well located at Fire Station #1 on Old Grand Avenue. The system consisted of one deep well, a 200,000-gallon elevated tank, and a distribution system consisting of 13.9 miles of water main. With the early growth of the Village came the expansion of the Village's water system.

From 1960 to 1990, the Village's water distribution system increased from 13.9 miles to 73.7 miles. This represents a five-fold increase during the thirty-year time frame. From 1990 to present, the system has more than doubled in length from 73.7 miles to 182 miles. The Village's water source was changed in 1992 and is now provided by the Central Lake County Joint Action Water Agency (CLCJAWA), which pipes Lake Michigan water to the Village from the Lake Bluff shoreline pumping station.

As portions of the water system approach 60 years of age significant portions of the original water system are deteriorating resulting in a lower level of service to the community in the form of water shutdowns to repair pipe breaks and perform maintenance of pumps, tanks, valves, and hydrants. Capital investment for the future is expected to be focused on maintaining and rehabilitating the existing system rather than expanding the pipe network.

One near future item to note is the removal of the 200,000 gallon Old Grand Avenue water tank. This facility has reached the end of its useful life and further investment has diminishing returns. The plan at this time is to remove this existing tank and to move forward with the installation a new 2,000,000 gallon water tower on the far west side of town which will be known as the Knowles Road Tower. The new tower will be located in the highest water pressure zone and should serve to improve water pressures and overall capacity throughout the community. Funding for the new tower is anticipated to be a low interest loan from the Illinois Environmental Protection Agency. Debt service is included starting in Fiscal Year 2018.

The Village of Gurnee's sanitary sewer system was originally constructed in the mid-1960's in conjunction with the water system. The system totaled 88,680 lineal feet (16.8 miles). Today, the sanitary sewer system is a combination of gravity lines, force mains, and lift stations. There are 81 miles of sanitary sewer (gravity) and 2.8 miles of sanitary sewer force main. Currently, there are eight sanitary sewer lift stations in operation. The lift stations along with the force mains are able to service parts of the community that would otherwise be unable to obtain sanitary service by gravity due to the topography of the land and depth of the sanitary sewer system.

All municipal wastewater is conveyed through Village-owned and maintained sanitary sewer mains. The wastewater is then routed to either the Lake County Public Works (LCPW) transmission main on the west side of Interstate 94 or to the North Shore Water Reclamation District (NSWRD) transmission main on the east side of the Interstate 94.

Through 2011 the Village was funding sewer extension projects in the northeast portion of the community to provide new service options for residents in that area that were previously served by individual septic systems. Some gaps remain but the demand from the neighborhood does not support further investment in sewer extensions at this time.

As portions of the sewer system approach 60 years of age the recent focus of capital expenditures has been evaluating and maintaining the existing system. The sewer system is one area where technology has really made a difference and the use of robotic and trenchless technologies allows the Village to perform many repairs to sewer lines without excavation or significant inconvenience to the community.

Assumptions & Approach

As the water system ages the need to begin investing capital funds in replacement of aging facilities will become the focus of capital improvement plan. Replacement of deteriorating water main pipe, hydrants, valves, and tank maintenance are expected to be the focus of future investment to maintain a high level of service to the community.

As the sewer system ages the need to begin investing capital funds in maintenance of deteriorating facilities will become the focus of capital improvement plan. Sewer pipe, pumps, and manhole structures are expected to be the focus of future investment to maintain a high level of service to the community.

Funding

During period of high development and population growth, the Village utilized one-time revenues and connection fees to fund infrastructure maintenance on the Water & Sewer Systems. During this time the Village did not increase rates to keep up with the cost to purchase water or maintain the new assets being installed in the future. As a result, after new development slowed dramatically and the Village became “built-out”, one-time revenues declined and the Water & Sewer System had to rely on user fees to maintain infrastructure. The Village performed a rate study in 2011, and found the Village rate was by far the lowest in the area for Lake Michigan water customers. The rate study recommended instituting fixed fees to cover overhead costs and incremental rate increases over time to lessen the impact to users. While the new rate structure was able to shore up a struggling Water & Sewer Fund, funding for capital and infrastructure is still inadequate to maintain the system. The incremental rate increases put in place as a result of the rate study expire in FY2016. Additionally, the water supply rate is expected to increase until FY2020 by roughly 2% annually on average.

Water & Sewer System Spending Projections

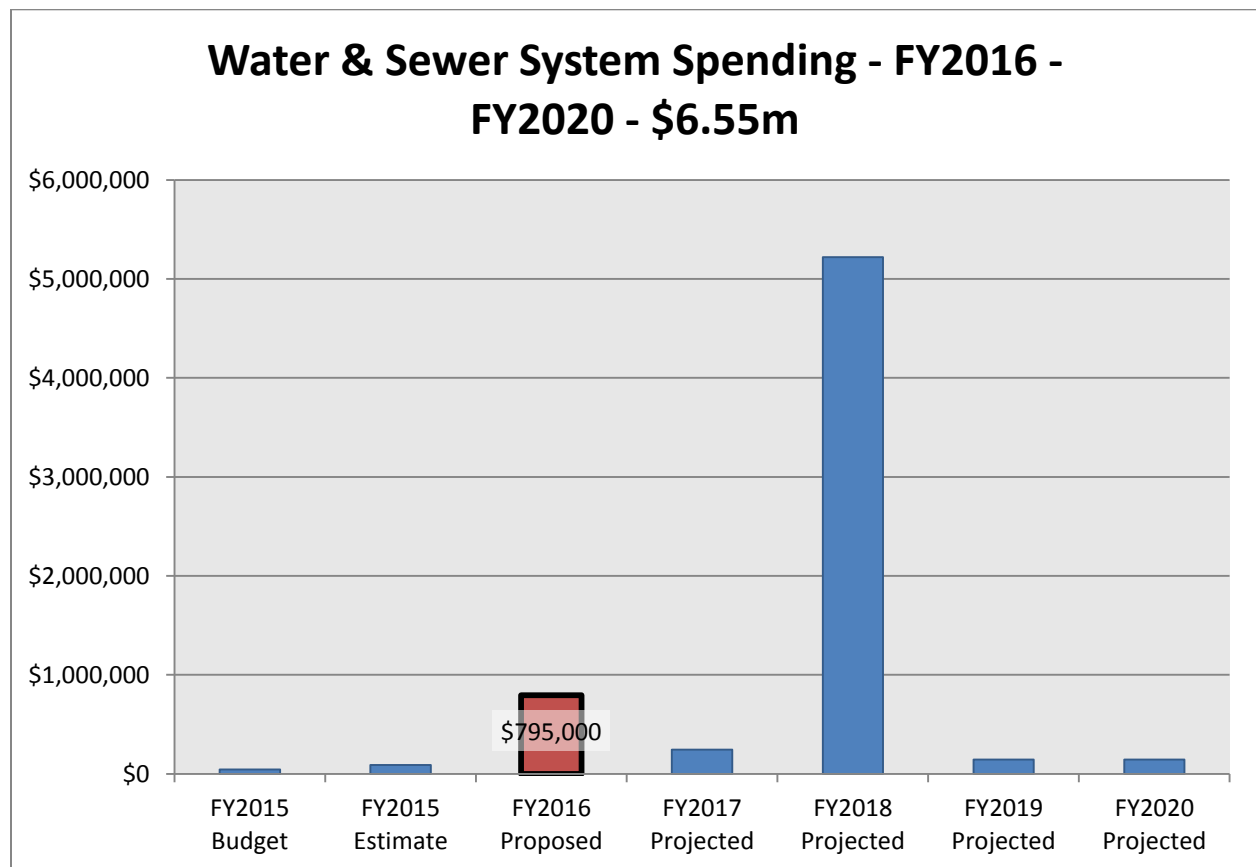
Fiscal Year 2016 has a significant expenditure proposed in the Utility Improvement line item. This item reflects anticipated costs to relocate water main along IL Route 132 in the vicinity of US Highway 41. This work is required by the Illinois Department of Transportation as a result of road widening associated with a new railroad bridge over IL Route 132. Future fiscal years have been populated with modest figures to reflect the need to balance improvement costs with revenues.

In FY2013 the Village began a multi-year sanitary sewer cleaning and televising program in an effort to create a baseline for the condition of the sanitary sewer network. Using robotic technology the inside of

sanitary sewer pipe is televised allowing staff to proactively identify problems and areas of concern. This program is expected to continue until all sanitary sewer pipes in the community have been inspected.

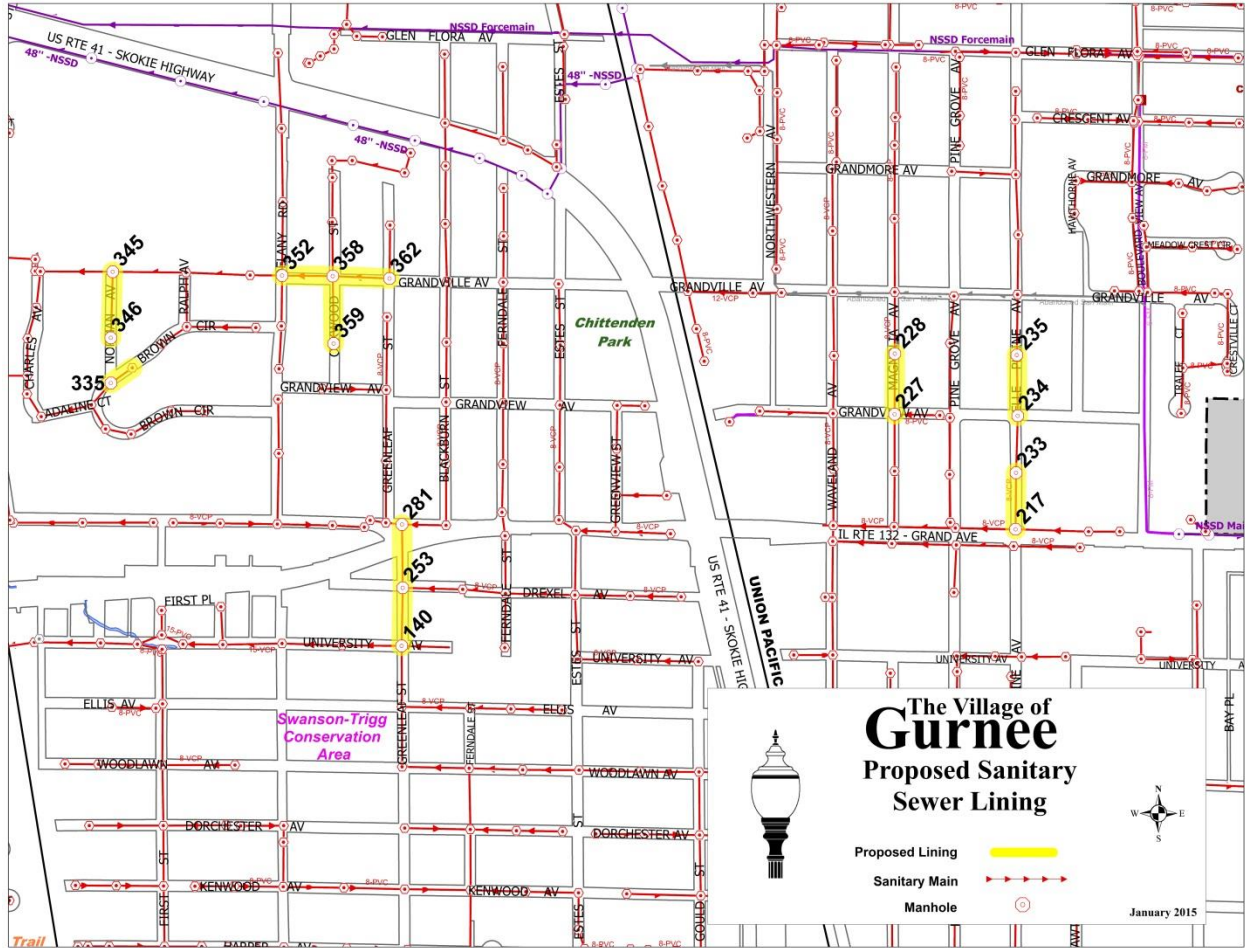
As a result of these inspection efforts Fiscal Year 2016 and future years are programmed with funding for a Sanitary Sewer Repairs line item. This line item will be used to repair deteriorating sections of sanitary sewer pipe.

		FY2015 Budget	FY2015 Estimate	FY2016 Proposed	FY2017 Projected	FY2018 Projected	FY2019 Projected	FY2020 Projected
Water & Sewer Capital Fund - 523								
Engineering Consultant	523-7555-461.75-52	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Utility Improvements	523-7555-461.75-51	\$25,000	\$75,000	\$200,000	\$25,000	\$50,000	\$50,000	\$50,000
Rte. 132/41 Cost Sharing	523-7555-461.75-51			\$425,000				
Ejector Pump Install (50/50 Program)	523-7555-461.75-60	\$5,000		\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Sanitary Sewer Repairs	523-7555-461.75-64			\$150,000	\$100,000	\$75,000	\$75,000	\$75,000
Elevated Tanks	523-7555-461.75-**				\$100,000	\$5,075,000		
Total Water & Sewer Capital Fund - 523		\$45,000	\$90,000	\$795,000	\$245,000	\$5,220,000	\$145,000	\$145,000
Total Water & Sewer System		\$45,000	\$90,000	\$795,000	\$245,000	\$5,220,000	\$145,000	\$145,000



Multi-Year Plan Details

Sanitary Televising Program



Vehicles & Equipment

Overview

Items included in this section fall under the Machinery and Equipment category of fixed assets as defined in the Village’s Fixed Assets Policy. These items include vehicles, heavy equipment, and technology system equipment.

The Village of Gurnee recognizes the importance of maintaining, replacing, and purchasing equipment and vehicles to guarantee public safety and the efficient delivery of services. Vehicles include squad cars, fire apparatus, ambulances, and snowplows among others.

Assumptions & Approach

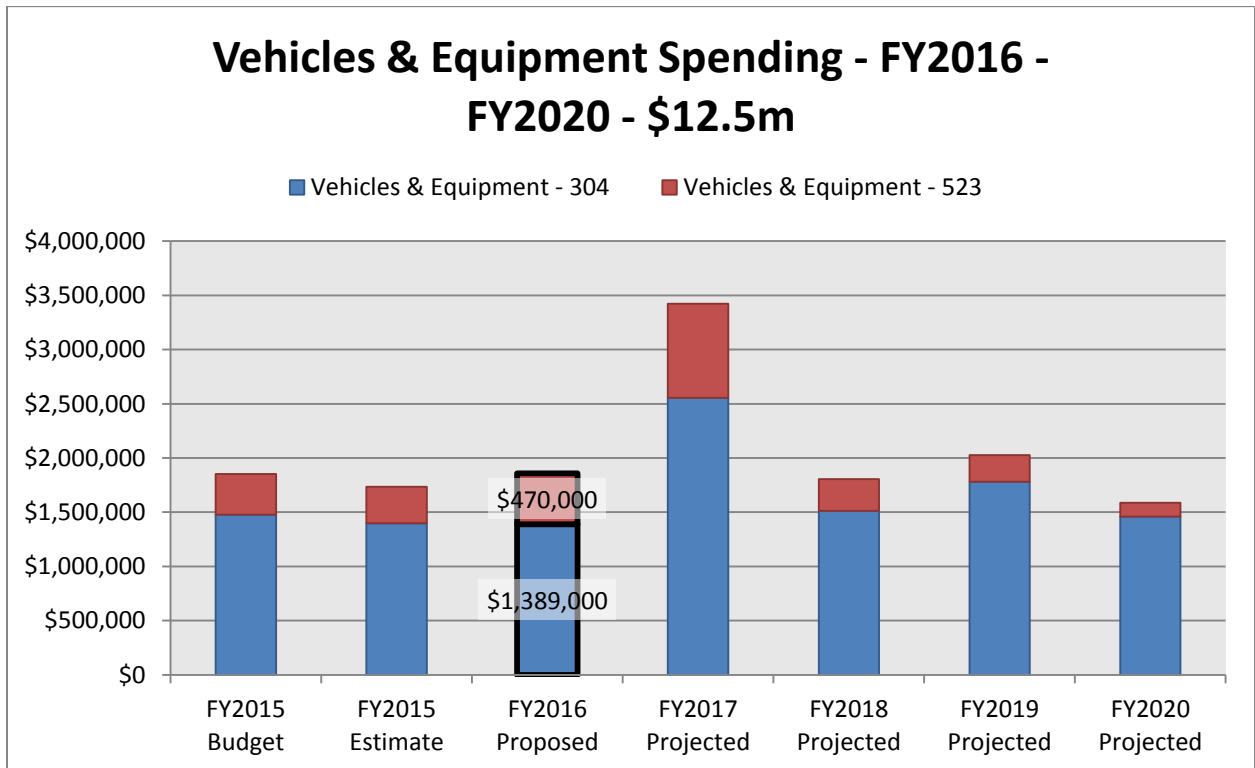
Depending on how the vehicles or equipment are used various factors are considered when determining a replacement cycle. These factors include mileage or hours, maintenance costs and future demands. Due to the wide variety of factors influencing the range of assets included in this category, staff reviews needs annually in detail with every department and the Fleet Management Administrator. The following chart depicts a replacement cycle based on current factors for the plan period.

Vehicle & Equipment Spending Projections

		FY2015 Budget	FY2015 Estimate	FY2016 Proposed	FY2017 Projected	FY2018 Projected	FY2019 Projected	FY2020 Projected
911 Center Equipment - 203								
Communications Equipment	203-0000-423.70-17	\$95,000	\$20,000	\$200,000	\$225,000	\$285,000	\$0	\$875,000
Telecom Equipment	203-0000-423.70-03	\$1,000	\$250	\$226,000				
Computer Hardware	203-0000-423.70-06	\$45,725	\$42,440	\$30,450				
Computer Software	203-0000-423.70-07	\$5,000	\$3,500	\$5,000				
Mobile Data Equipment	203-0000-423.70-27	\$90,000	\$92,560	\$2,500				
Total 911 Center Equipment		\$236,725	\$158,750	\$463,950	\$225,000	\$285,000	\$0	\$875,000
Vehicles & Equipment - 304								
IT Equipment								
Inter/Intra Network Project	304-0000-514.75-26	\$59,000	\$59,000	\$90,000				
Financial Software	304-0000-514.75-**				\$150,000			
Document Management System	304-0000-514.75-**				\$27,500	\$27,500		
SAN/Storage Backup Solution	304-0000-514.75-**				\$35,000	\$35,000		
Metropolitan Area Network	304-0000-514.75-**				\$75,000	\$45,000	\$55,000	\$40,000
Switching Equipment	304-0000-514.75-**				\$25,000	\$25,000	\$25,000	
Firewall/IDS/IPS Equipment	304-0000-514.75-**				\$17,500			
Wirelaess LAN Controller	304-0000-514.75-**						\$22,500	\$10,000
Total IT Equipment		\$59,000	\$59,000	\$90,000	\$330,000	\$132,500	\$102,500	\$50,000

		FY2015 Budget	FY2015 Estimate	FY2016 Proposed	FY2017 Projected	FY2018 Projected	FY2019 Projected	FY2020 Projected
Vehicles & Equipment - 304								
PW Equipment								
PW Equipment	304-2510-514.70-03	\$27,000	\$27,000					
Upgrade Plow Wing - 241	304-2510-514.70-03			\$50,000				
Hydro-Excavator - New	304-2510-514.70-03				\$200,000			
Mini-Backhoe - 206	304-2510-514.70-03				\$70,000			
Portable Lifts - New	304-2510-514.70-03				\$20,000			
Chipper - 291	304-2510-514.70-03					\$80,000		
Mini-Excavator - 204	304-2510-514.70-03						\$70,000	
Backhoe - 203	304-2510-514.70-03							\$60,000
Loader - 205	304-2510-514.70-03							\$100,000
Total PW Equipment		\$27,000	\$27,000	\$50,000	\$290,000	\$80,000	\$70,000	\$160,000
PW Vehicles								
Med Dump Truck - 276	304-2510-514.70-02	\$215,000	\$188,000					
Pickup - 249	304-2510-514.70-02	\$44,000	\$40,000					
Med Dump Truck - 260	304-2510-514.70-02			\$235,000				
Large Dump Truck - 274	304-2510-514.70-02			\$270,000				
Pickup - 240	304-2510-514.70-02				\$44,000			
Med Dump Truck - 297	304-2510-514.70-02				\$235,000			
Pickup - 246	304-2510-514.70-02					\$44,000		
Small Dump Truck - 298/268	304-2510-514.70-02					\$85,000		
Small Dump Truck - 245/290	304-2510-514.70-02					\$85,000		
Large Dump Truck - 296	304-2510-514.70-02					\$270,000		
Pickup - 250	304-2510-514.70-02						\$40,000	
Pickup - 278	304-2510-514.70-02						\$44,000	
Large Bucket Truck - 277	304-2510-514.70-02						\$180,000	
Large Dump Truck - 294	304-2510-514.70-02						\$270,000	
Med Dump Truck - 266	304-2510-514.70-02							\$235,000
Med Dump Truck - 272	304-2510-514.70-02							\$235,000
Total PW Vehicles		\$259,000	\$228,000	\$505,000	\$279,000	\$484,000	\$534,000	\$470,000
Police Vehicles								
PD Vehicles	304-4010-514.70-02	\$259,500	\$259,902					
Squad & Equipment - 157	304-4010-514.70-02			\$48,000				
Squad & Equipment - 150	304-4010-514.70-02			\$48,000				
Squad & Equipment - 151	304-4010-514.70-02			\$48,000				
Squad & Equipment - 175	304-4010-514.70-02			\$48,000				
Squad & Equipment - 179	304-4010-514.70-02			\$48,000				
Investigations - 160	304-4010-514.70-02			\$10,000				
Investigations - 180	304-4010-514.70-02			\$10,000				
5 Squads Annually					\$275,000	\$275,000	\$275,000	\$275,000
Total Police Vehicles		\$259,500	\$259,902	\$260,000	\$275,000	\$275,000	\$275,000	\$275,000
Fire Vehicles								
Engine - 1311	304-5010-514.70-02	\$550,000	\$545,400					
Inspector Vehicle - 1393	304-5010-514.70-02	\$22,000	\$21,000					
Ambulance - 1341	304-5010-514.70-02			\$225,000				
Utility Truck - 1351	304-5010-514.70-02			\$40,000				
Fire Inspector Pickup - 1395	304-5010-514.70-02			\$21,000				
Ladder Truck - 1331	304-5010-514.70-02				\$1,100,000			
Support Vehicle - 1390	304-5010-514.70-02				\$30,000			
Ambulance - 1343	304-5010-514.70-02					\$225,000		
Training Officer - 1394	304-5010-514.70-02					\$30,000		
Command Vehicle - 1392	304-5010-514.70-02					\$35,000		
Engine - 1322	304-5010-514.70-02						\$550,000	
Ambulance - 1344	304-5010-514.70-02							\$225,000
Chief Vehicle - 1397	304-5010-514.70-02							\$30,000
Total Fire Vehicles		\$572,000	\$566,400	\$286,000	\$1,130,000	\$290,000	\$550,000	\$255,000
Fire Equipment								
Pre-Emption System	304-5010-514.70-18	\$5,000	\$450	\$5,000				
Matching Grant	304-5010-514.70-32	\$295,000	\$256,500	\$193,000				
FD Equipment	304-5010-514.70-32				\$250,000	\$250,000	\$250,000	\$250,000
Total Fire Equipment		\$300,000	\$256,950	\$198,000	\$250,000	\$250,000	\$250,000	\$250,000
Total Vehicles & Equipment - 304		\$1,476,500	\$1,397,252	\$1,389,000	\$2,554,000	\$1,511,500	\$1,781,500	\$1,460,000

		FY2015 Budget	FY2015 Estimate	FY2016 Proposed	FY2017 Projected	FY2018 Projected	FY2019 Projected	FY2020 Projected
Vehicles & Equipment - 523								
IT Equipment								
SCADA System	523-7555-461.76-06	\$125,000	\$100,000	\$150,000	\$175,000	\$150,000	\$150,000	
Financial Software	523-7555-461.76-**				\$150,000			
Document Management System	523-7555-461.76-**				\$10,000	\$10,000		
Total IT Equipment		\$125,000	\$100,000	\$150,000	\$335,000	\$160,000	\$150,000	\$0
PW Vehicles								
Med Dump Truck - 687	523-7555-461.70-02	\$225,000	\$212,000					
Pickup - 681	523-7555-461.70-02	\$25,000	\$25,000					
Large Van - 653	523-7555-461.70-02			\$180,000				
Pickup - 683	523-7555-461.70-02				\$48,000			
Meter van - 682	523-7555-461.70-02				\$30,000			
Med Dump Truck - 669	523-7555-461.70-02				\$235,000			
Pickup - 685	523-7555-461.70-02					\$48,000		
Small Dump Truck - 675	523-7555-461.70-02					\$85,000		
Pickup - 688	523-7555-461.70-02						\$48,000	
Pickup - 679	523-7555-461.70-02						\$48,000	
Pickup - 650	523-7555-461.70-02							\$48,000
Total PW Vehicles		\$250,000	\$237,000	\$180,000	\$313,000	\$133,000	\$96,000	\$48,000
PW Equipment								
Backhoe - 607	523-7555-461.70-10			\$140,000				
Hydro Excavator - New	523-7555-461.70-10				\$200,000			
Portable Lifts - New	523-7555-461.70-10				\$20,000			
Sniper Jet - 673	523-7555-461.70-10							\$80,000
Total PW Equipment		\$0	\$0	\$140,000	\$220,000	\$0	\$0	\$80,000
Total Vehicles & Equipment - 523		\$375,000	\$337,000	\$470,000	\$868,000	\$293,000	\$246,000	\$128,000
Total Vehicles & Equipment - All Funds		\$2,088,225	\$1,893,002	\$2,322,950	\$3,647,000	\$2,089,500	\$2,027,500	\$2,463,000



Buildings & Building Improvements

Overview

Items included in this section fall under the Land & Land Improvements, and Buildings & Building Improvements categories of fixed assets as defined in the Village's Fixed Assets Policy.

The Village is responsible for numerous municipal facilities within its corporate boundaries. Village buildings and grounds must be maintained regularly to remain functional. Village facilities must also periodically be upgraded to ensure efficient operations. Expenditures in this section include projects that:

- Conduct preventative maintenance of problems before they become more expensive to repair.
- Maximize the life of the building and materials.
- Keep buildings safe, ensuring that anything affecting health and safety is maintained.
- Keep buildings looking good.
- Help hold its value.

The Village's main facilities include:

- Village Hall - 325 N. O'Plaine Road
- Fire Station #1 - 4580 Old Grand Avenue
- Fire Station #2 - 6581 Dada Drive
- Police Department - 100 N. O'Plaine Road
- Public Works Facility -1151 Kilbourne Road

The Village also maintains water and sewer pumping stations and the Mother Rudd House, a historical landmark in Gurnee which is currently occupied by the Warren Township Historical Society. The home is located at 4690 Old Grand Avenue.

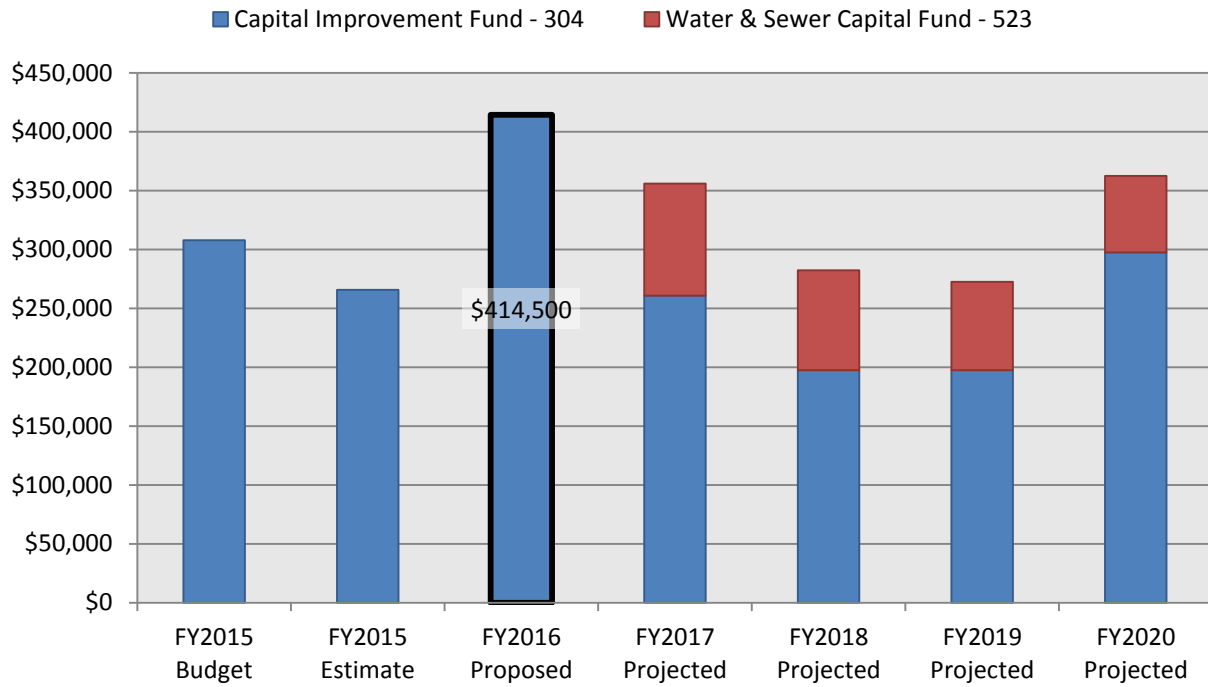
Assumptions & Approach

Improvements in functionality of existing facilities and larger preventative maintenance items are expected to be the focus of capital investment in facilities. Many preventative maintenance line items for facilities are built into the operating budgets but larger expense that can be capitalized such as mechanical systems, pavement repairs, or roofing are expected to be funded through capital.

Buildings & Improvements Spending Projections

		FY2015 Budget	FY2015 Estimate	FY2016 Proposed	FY2017 Projected	FY2018 Projected	FY2019 Projected	FY2020 Projected
Capital Improvement Fund - 304								
Police Facility								
Facility Improvements	304-4010-514.70-20	\$205,000	\$204,598		\$50,000	\$50,000	\$50,000	\$50,000
Video Distribution/Wall	304-4010-514.70-20			\$75,000	\$55,000			
Cisco Phone System	304-4010-514.70-20			\$67,000	\$8,500			
Access Control Upgrade	304-4010-514.70-20			\$46,000				
Lighting, Landscape, Concrete	304-4010-514.70-20			\$40,000				
IP Video	304-4010-514.70-20			\$30,000				
Total Police Facility		\$205,000	\$204,598	\$258,000	\$113,500	\$50,000	\$50,000	\$50,000
Village Hall								
HVAC	304-0000-514.76-**							\$100,000
Total Village Hall		\$0	\$0	\$0	\$0	\$0	\$0	\$100,000
Fire Facilities								
Station #2 - HVAC, Masonry, Gutters	304-5010-514.70-35			\$40,000				
Facility Improvements	304-5010-514.70-35				\$40,000	\$40,000	\$40,000	\$40,000
Total Fire Facilities		\$0	\$0	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
PW Facilities								
Hoist Control Relocation	304-2510-514.70-35			\$38,000				
Facility Improvements	304-2510-514.70-35				\$50,000	\$50,000	\$50,000	\$50,000
Total PW Facilities		\$0	\$0	\$38,000	\$50,000	\$50,000	\$50,000	\$50,000
Other Buildings & Improvements								
Village Park	304-0000-514.75-51	\$50,000	\$50,000	\$75,000	\$50,000	\$50,000	\$50,000	\$50,000
Property Taxes	304-0000-514.32-51	\$3,000	\$922	\$3,500	\$2,500	\$2,500	\$2,500	\$2,500
Land Acquisition	304-0000-514.75-21	\$50,000	\$10,147		\$5,000	\$5,000	\$5,000	\$5,000
Total Other Buildings & Improvements		\$103,000	\$61,069	\$78,500	\$57,500	\$57,500	\$57,500	\$57,500
Total Buildings & Improvements - 304		\$308,000	\$265,667	\$414,500	\$261,000	\$197,500	\$197,500	\$297,500
Water & Sewer Capital Fund - 523								
PW Facilities								
PW Utility System Security	523-7555-461.75-**				\$22,500	\$17,500	\$12,500	\$7,500
PW Remote Surveillance	523-7555-461.75-**				\$10,000	\$10,000	\$7,500	\$7,500
PW Utility Access Control	523-7555-461.75-**				\$12,500	\$7,500	\$5,000	
Facility Improvements	523-7555-461.75-**				\$50,000	\$50,000	\$50,000	\$50,000
Total PW Facilities		\$0	\$0	\$0	\$95,000	\$85,000	\$75,000	\$65,000
Total Buildings & Improvements - 523		\$0	\$0	\$0	\$95,000	\$85,000	\$75,000	\$65,000
Total Buildings & Improvements - All Funds		\$308,000	\$265,667	\$414,500	\$356,000	\$282,500	\$272,500	\$362,500

Buildings & Improvements Spending - FY2016 - FY2020 - \$1.69m



Appendix A – Fixed Asset Policy



The Village of
Gurnee

Fixed Asset Policy

Kristina M. Kovarik, Mayor

Andy Harris, Clerk

Jeanne Balmes
Greg Garner
Michael Jacobs

David Ohanian
Cheryl Ross
Hank Schwarz

Trustees

James Hayner
Village Administrator

Tina Smigielski
Finance Director

Adopted by the Village Board
June 4, 2007

STATEMENT OF PURPOSE

The purpose of this policy is to establish procedures governing the Fixed Asset Systems of the Village of Gurnee. The policy is meant to ensure compliance with various accounting and financial reporting standards including generally accepted accounting principles (GAAP), Governmental Accounting, Auditing and Financial Reporting (GAAFR), Governmental Accounting Standards Board (GASB), and applicable State and Federal capital asset regulatory and reporting requirements related to property. An accurate inventory provides for the valuation of assets for financial statements and insurance purposes. It also enhances the ability to safeguard fixed assets.

SCOPE

This policy provides for the inventory and capitalization of all Village owned or leased assets with a value equal to or in excess of those listed on schedule-page 3 & 4 and having a useful life of more than one year. Those assets that meet the schedule –page 3 & 4, will be recorded and depreciated, if applicable, by the Director of Finance in the Fixed Asset System.

GENERAL POLICY

Responsibility for control of assets will rest with the department wherein the asset is located. When acquiring, transferring, or disposing of a Village owned asset, review the asset categories to determine if the asset is to be included in the Finance Department's Fixed Asset System and prepare the correct documentation to be returned to the Finance Department for the recording of the asset.

INVENTORY, VALUING, CAPITALIZING, AND DEPRECIATION

Inventoried Asset

All assets or groups of assets (such as furniture or tools) with a value greater than \$1,000 and a useful life in excess of one year may be considered an inventoried asset. Each department is responsible for maintaining a listing of inventoried assets. Upon the acquisition or disposal of an asset in this category, the department acquiring or disposing of such asset may update their listing of inventoried assets. Some samples of inventoried assets are: computer software, tools, weed trimmers, computers, weapons and radios.

Fixed Assets

Valuing Fixed Assets

Fixed assets should be valued at cost or historical costs, plus those costs necessary to place the asset in its location (i.e. freight, installation charges.) In the absence of historical costs information, a realistic estimate will be used. Donated assets will be recorded at the estimated current fair market value.

Capitalizing

When to Capitalize Assets:

Assets are capitalized at the time of acquisition. To be considered a capital asset for financial reporting purposes an item must be at or above the capitalization threshold (see schedule-page 3 & 4) and have a useful life of at least one year.

Assets not Capitalized:

Capital assets below the capitalization threshold (see schedule-page 3 & 4) on a unit basis but warranting “control” shall be inventoried at the department level and an appropriate list will be maintained.

Capital Assets should be capitalized if they meet the following criteria:

- Tangible
- Useful life of more than one year (benefit more than a single fiscal period)
- Cost exceeds designated threshold (see schedule-page 3 & 4)

Fixed assets include land & land improvements, building & building improvements, vehicles, machinery and equipment, and infrastructure. This type of asset should be charged to a Capital account in the Fund that paid for the asset.

Fixed Asset Categories:

Land & Land Improvements - Includes all land purchased or otherwise acquired by the Village. All costs incurred in preparing the land for its intended use should be included in the cost of the land. Land is not a depreciable asset.

Building and Building Improvements - Buildings are valued at the purchase price or cost of construction. The cost should include all charges applicable to the building, including broker’s or architect’s fees. Additions and improvements to buildings, as well as the cost of permanently attached fixtures, should be added to the building account if the cost enhances the buildings functionality or extends the asset’s useful life.

Machinery and Equipment - The machinery and equipment account should consist of property that does not lose its identity when removed from its location and is not changed materially or expended in use. These assets are recorded at cost, including freight, installation and other charges incurred to place the asset in use. Assets included in this category are heavy equipment, traffic equipment, generators, office equipment, phone system, vehicles, and kitchen equipment

Infrastructure – Infrastructure assets are long-lived capital assets that are stationary in nature and normally can be preserved for a significant greater number of years than most capital assets. Included in this category are roads, bridges, drainage systems, water and sewer systems. These assets are recorded at historical cost and include the costs necessary to place the asset in its location or condition. Additions and improvements will only be capitalized if the cost either enhances the asset’s functionality or extends the asset’s useful life.

Construction in Progress - This category is used for a building or other capital project that are incomplete at the end of a fiscal year. When the project is completed, the cumulative costs are transferred to an appropriate capital asset category.

RETIREMENT OF ASSETS

Assets are typically retired for three reasons: obsolescence, sale or trade, and theft or loss. In general, the Village's practice is to use an asset until it no longer is useful or serviceable. However, assets may be sold or traded-in when it is the best interest to do so. Property may not be traded-in or disposed of without prior approval of the department head and the Village Administrator.

*Capital assets that are retired before the end of their useful life must be sold by competitive sale, negotiated sale or auction. Any other method of retirement of a capital asset shall be approved by the Village Board prior to disposal. The sale of non-capital assets valued at less than **designated threshold (see schedule-page 3 & 4), may be approved by the Village Administrator.***

MODIFICATIONS OF ASSETS

Modifications to an asset that prolong a fixed asset's economic life or expand its usefulness should also be recorded. Normal repairs that maintain the asset in present condition should be recorded as an expenditure/expense and not capitalized.

PHYSICAL INVENTORY OF ASSETS

A physical inventory, done by an outside appraisal company or the Village's property insurance carrier, of capital assets will be conducted every 7 years. The Village's accounting records will then be adjusted to reflect the current fixed asset inventory list. At the end of every fiscal year, the Finance Department will forward to each department head, a list of his/her department's inventoried and fixed assets listed in Fixed Asset System. It is the responsibility of the departments head to account for all the items on the transaction listing and prepare the necessary reports that have not previously been sent to the Finance Department at the time of acquisition or disposal.

VI. DEPRECIATION

Depreciation is used to reflect the economic loss in the value of an asset. Generally Accepted Accounting Principles (GAAP) requires that the method used to allocate the cost of a capital asset over its estimated useful life be as equitable as possible to the periods during which services are obtained from the use of the asset.

In most cases, the straight line method of depreciation will be used for all assets

VII. CAPITAL ASSET CATEGORIES AND USEFUL LIVES

Asset Type	Years	Capitalization Threshold
Land	N/A	\$1
Land Improvements (Exhaustible)		
Parking Lots	20	\$25,000
Fences	20	\$25,000
Pedestrian Bridges	20	\$25,000
Bike Paths	20	\$25,000
Landscaping	30	\$25,000
Buildings	50	\$50,000
Building Improvements		
HVAC	20	\$50,000
Re-Roofing	20	\$50,000
Electrical & Plumbing	30	\$50,000
Carpet Replacement	10	\$50,000
Vehicles		
Police Squads	3	\$25,000
General Vehicles	8	\$25,000
Small Trucks	11	\$25,000
Large Trucks	15	\$25,000
Ambulances	15	\$25,000
Ladder Truck	25	\$25,000
Fire Engines, pumpers	15	\$25,000
Machinery & Equipment		
Fire equipment (ladders, hoses)	10	\$25,000
Police Communications	10	\$25,000
Equipment		
Heavy equipment (public works)	30	\$25,000
Computers	5	\$25,000
Furniture & Fixtures		
Office Furniture	20	\$25,000
Phone System	10	\$25,000
Kitchen Equipment	10	\$25,000
Infrastructure		
Roads/Streets	50	\$250,000
Water & Sewer Systems		
Lift Stations	40	\$250,000
Wells	40	\$250,000
Pumping Stations	40	\$250,000
Water towers	40	\$250,000
Water/Sewer Mains	40	\$250,000
Stormwater Drainage	40	\$250,000