

VILLAGE OF



MULTI-YEAR CAPITAL PLAN

FISCAL YEARS 2021 – 2025

Presented on December 16, 2019

Kristina M. Kovarik – Mayor
Patrick Muetz - Administrator
Andy Harris - Clerk

Jeanne Balmes – Trustee
Greg Garner – Trustee
Thomas Hood – Trustee
Cheryl Ross - Trustee
Karen Thorstenson – Trustee
Quin O'Brien – Trustee

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Elected Officials & Staff

Elected Officials

Kristina M. Kovarik – Mayor

Andy Harris – Village Clerk

Jeanne Balmes – Trustee

Greg Garner – Trustee

Thomas Hood – Trustee

Karen Thorstenson – Trustee

Cheryl Ross – Trustee

Quin O’Brien – Trustee

Executive Staff

Patrick Muetz – Village Administrator

Brian Smith – Police Chief

John Kavanagh – Fire Chief

Tom Rigwood – Public Works Director

Heather Galan – Assistant Public Works Director/Village Engineer

David Ziegler – Director of Community Development/Assistant Village Administrator

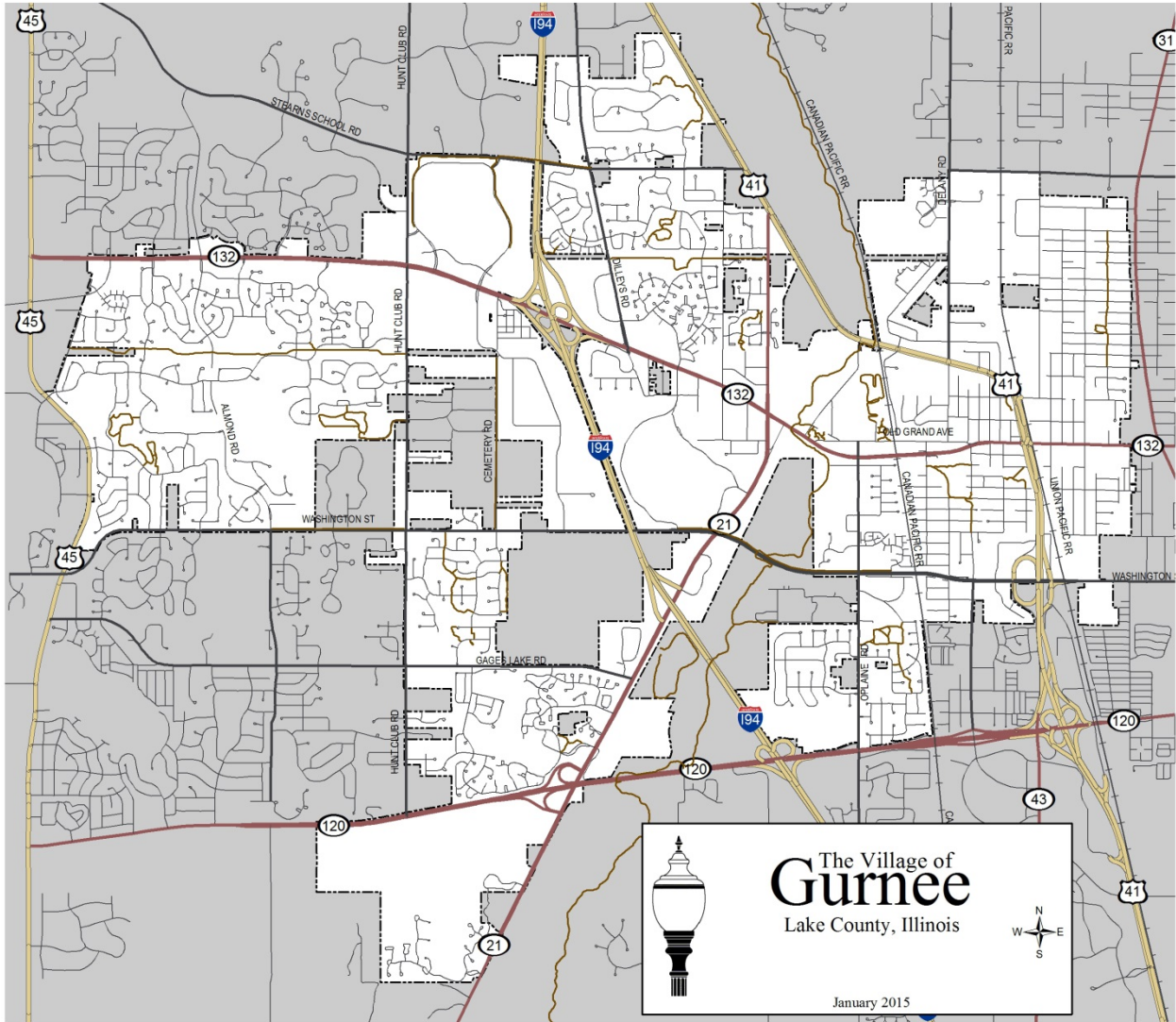
Ellen Dean – Economic Development Director

Brian Gosnell – Finance Director

Christine Palmieri – Human Resources Director

Chris Velkover – Information Systems 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 2021 – 2025. 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 capital and is the primary 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 FY2021 Budget. Beyond FY2021, 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,

Heather Galan
Assistant Public Works Director/Village Engineer

Brian Gosnell
Finance Director

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SECTION I – EXECUTIVE SUMMARY

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Section I: 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 drop in resources. Following is a description of the various funding sources for General Government Capital (Non-Water & Sewer) and Water & Sewer related capital.

General Government Capital (Non-Water & Sewer)

Home Rule Sales Tax

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 primary basis for funding the [Transportation System Plan](#).

Motor Fuel Tax

Motor Fuel Tax (MFT) funds are restricted funds distributed by the State of Illinois. MFT Funds can only be used on transportation related projects and require oversight by the Illinois Department of transportation (IDOT). Due to the extensive paperwork and IDOT oversight involved in MFT reporting, the Village utilizes MFT funds every other year for Transportation System related projects.

Expiring Debt Service & General Fund Surplus

The Village transfers excess General Fund reserves to the Capital Improvement Fund (131) annually for general government capital projects in subsequent years. A portion of expiring debt service is being utilized for capital and amounts to \$675 thousand annually, transferred from the General Fund through a budgeted amount or year-end surplus. This funding strategy has allowed the Village to avoid levying a property tax for capital improvements.

Impact Fees

During periods of growth the Village accumulated impact fees from various development projects to offset future impacts of the development on infrastructure systems. The Village has allowed these funds to accumulate in a separate fund for future use. An annual transfer from the Impact Fee Fund to the Capital Improvement Fund helps offset the costs of Storm Water Management and sidewalk related projects.

Capital Grants

The Village pursues capital grants whenever possible, and has been successful in receiving grants. The Fire Department has received numerous grants over the past several years for equipment, and the Public Works Department has used grants to outfit Village facilities with LED lighting. The Village will continue to pursue grants for projects as they are available.

Water & Sewer Capital

Water & Sewer Rates

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 became more scarce, 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 annual increase in the rate. The incremental increase expired on October 1, 2015. Effective May 1, 2016, the Village renewed its multi-year rate plan to include incremental annual increases on May 1 through FY2021. These incremental increases are expected to provide sufficient annual funding by FY2021 as noted in the original water rate study.

Water & Sewer Fund Reserves

As the Village slowly brings its rates to a competitive level that will accommodate an adequate capital program to maintain the system, Water & Sewer Fund reserves will be utilized to offset capital-funding deficits in the interim. The Village plans draw-downs in FY2021 and FY2022 at which time the rate the Village pays for water drops and provides additional funding for capital.

Low Interest IEPA Loan

The Village is nearly complete constructing a two million gallon above ground water storage tower on the west side of the community to provide sufficient pressure and increased storage capacity. The project was funded through a \$5 million low interest IEPA loan. The total cost of the project is over \$6 million, with the Village using Water & Sewer Fund reserves to offset approximately \$1 million of the total cost. This expenditure is expected to conclude in FY2020 with debt service to begin in FY2021.

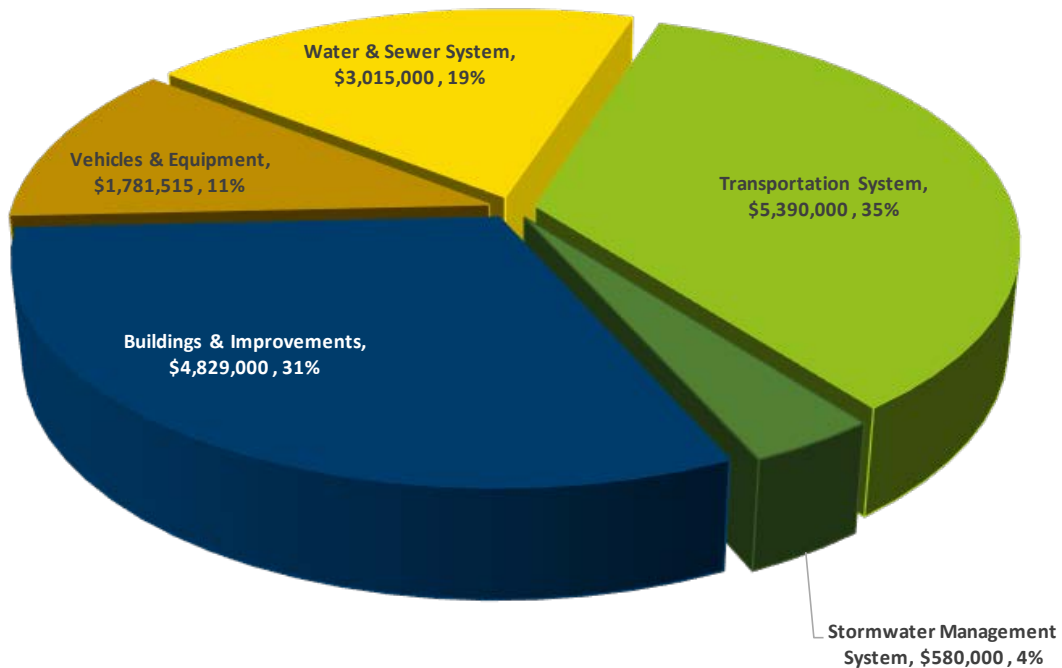
Plan Summary

FY2021 Plan Summary

The proposed FY2021 Capital Plan totals \$15.6 million. The largest category in the FY2021 proposed capital plan is the Transportation System which totals \$5.4 million or 35%. The largest items in the category include the street resurfacing/reconstruction program and enhancements to the Stearns School Rd. overpass which is a joint project with Lake County Department of Transportation. Buildings & Building Improvements is the second largest category totaling \$4.8 million or 31%, largely due to the construction of a 3rd Fire Station which spans two fiscal years at \$4 million each year. The Water & Sewer System is the third largest category at \$3 million or 19%, and includes the final payments for the Knowles Rd. Water Tower.

| Capital Funding by System | FY2020 Estimate | FY2021 Proposed | FY2022 Projected | FY2023 Projected | FY2024 Projected | FY2025 Projected | 5-Year Total |
|--------------------------------|---------------------|---------------------|---------------------|--------------------|---------------------|--------------------|---------------------|
| Funding by Fund | \$12,780,341 | \$15,595,515 | \$13,847,000 | \$9,543,000 | \$10,687,000 | \$8,725,000 | \$58,397,515 |
| % Change vs. Prior Year | 0.00% | 22.03% | -11.21% | -31.08% | 11.99% | -18.36% | |
| Transportation System | \$4,708,920 | \$5,390,000 | \$5,200,000 | \$3,550,000 | \$5,200,000 | \$3,550,000 | \$22,890,000 |
| Stormwater Management System | \$275,000 | \$580,000 | \$300,000 | \$300,000 | \$300,000 | \$300,000 | \$1,780,000 |
| Buildings & Improvements | \$894,150 | \$4,829,000 | \$4,305,000 | \$325,000 | \$325,000 | \$325,000 | \$10,109,000 |
| Vehicles & Equipment | \$1,654,528 | \$1,781,515 | \$1,792,000 | \$2,118,000 | \$1,792,000 | \$1,480,000 | \$8,963,515 |
| Water & Sewer System | \$5,247,743 | \$3,015,000 | \$2,250,000 | \$3,250,000 | \$3,070,000 | \$3,070,000 | \$14,655,000 |

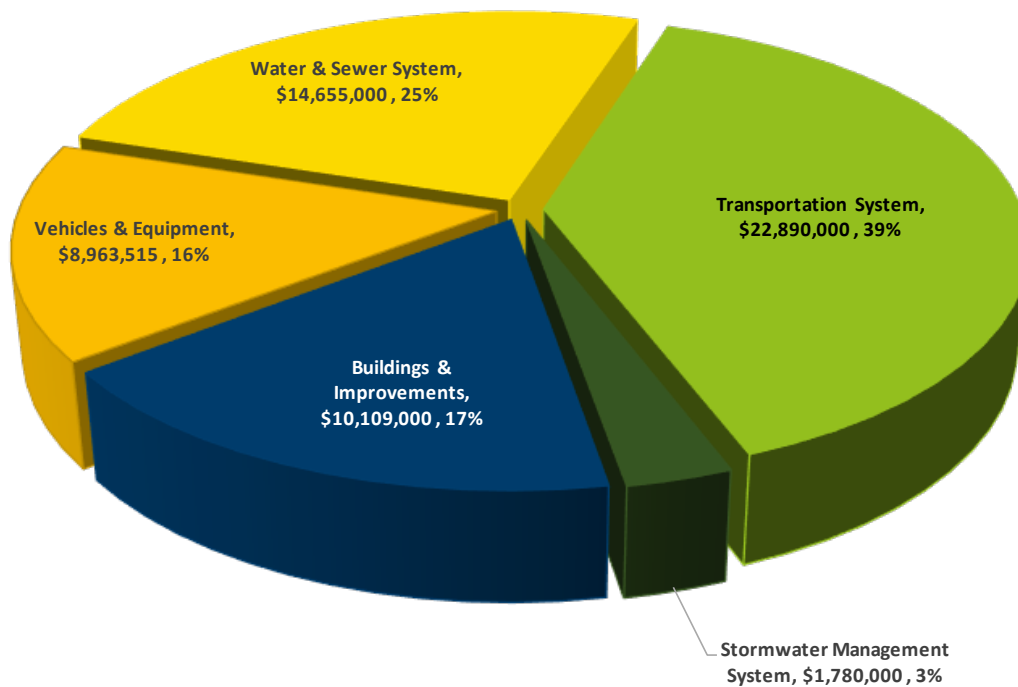
FY2021 Capital Funding by System



Fiscal Years 2021 – 2025 Plan Summary

Expenditures over the 5-year plan period total \$58.4 million. Transportation System spending totals \$22.9 million or 39%. Water and Sewer System spending totals \$14.7 million or 25%, Buildings and Improvements totals \$10.1 million or 17%, Vehicles & Equipment totals \$8.9 million or 16%, and Stormwater Management spending accounts for \$1.8 million or 3%.

FY2021-FY2025 Capital Funding by System





SECTION II – FUNDING SUMMARY

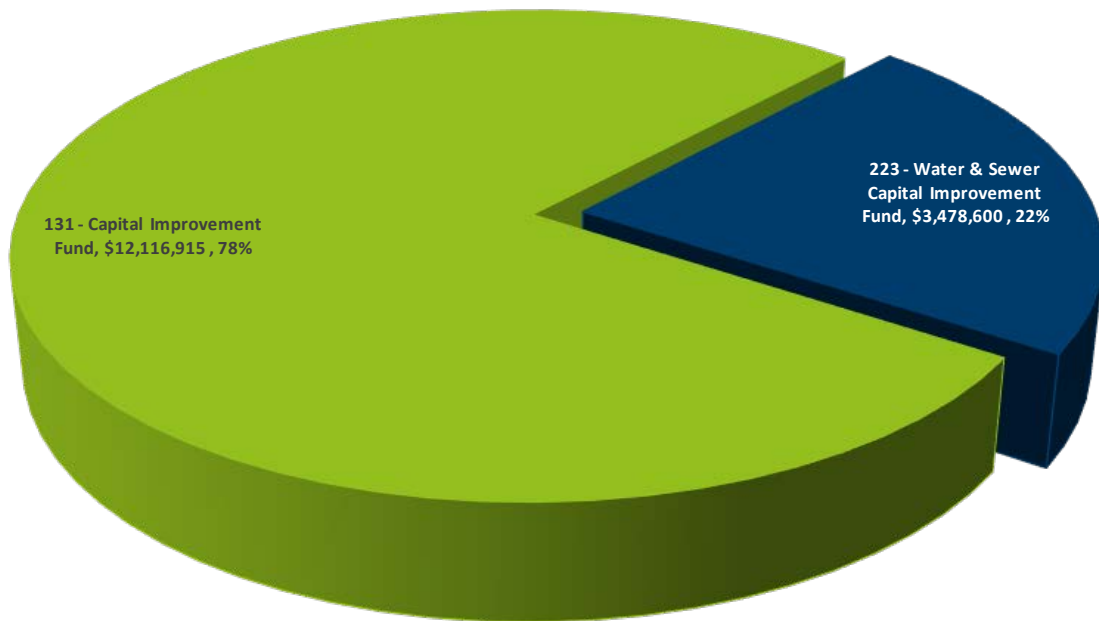
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Section II: Funding Summary

The Village accounts for capital and infrastructure spending in two main capital funds; the Capital Improvement Fund (131) which accounts for 78% and the Water & Sewer Capital Fund (223) which accounts for 22% of total capital spending. The Motor Fuel Tax (122) special revenue fund is not utilized for transportation system spending in FY2021. The chart below depicts the breakdown of capital spending by fund over the plan period.

| Capital Funding by Fund | FY2020 Estimate | FY2021 Proposed | FY2022 Projected | FY2023 Projected | FY2024 Projected | FY2025 Projected |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Funding by Fund | \$12,780,341 | \$15,595,515 | \$13,847,000 | \$9,543,000 | \$10,687,000 | \$8,725,000 |
| % Change vs. Prior Year | 0.00% | 22.03% | -11.21% | -31.08% | 11.99% | -18.36% |
| 122 - Motor Fuel Tax Fund | \$1,675,000 | \$0 | \$1,650,000 | \$0 | \$1,650,000 | \$0 |
| 131 - Capital Improvement Fund | \$5,598,070 | \$12,116,915 | \$9,472,000 | \$5,818,000 | \$5,492,000 | \$5,180,000 |
| 223 - Water & Sewer Capital Improvement Fund | \$5,507,271 | \$3,478,600 | \$2,725,000 | \$3,725,000 | \$3,545,000 | \$3,545,000 |

FY2021 Capital Funding by Fund



Motor Fuel Tax Fund – 122

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 38 cents per gallon on non-diesel fuel and 45.5 cents on diesel. The State collects the tax and currently distributes 26.7% 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.

General Capital Improvement Fund - 131

The Capital Improvement Fund accounts for general government capital asset purchases. Capital purchases in this fund include transportation and stormwater management maintenance and replacement, vehicles and equipment, and buildings and improvements. The primary funding sources include Home Rule Sales Tax and surplus transfers from the General Fund.

Water & Sewer Capital Fund – 223

Capital purchases for the Water & Sewer Systems are funded in part by rates, a drawdown of fund balance, home rule sales tax, and utilization of expiring debt service. 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.



SECTION III – TRANSPORTATION SYSTEM

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Section III: 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. As a result of the strategic planning process in 2015, the Village established the Blue Ribbon Commission to identify areas where walkability and biking could be enhanced and updated the Master Plan accordingly in FY2017-2018. Funds are included in the plan for the construction of additional sidewalk and pedestrian paths over the next 5-years. 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

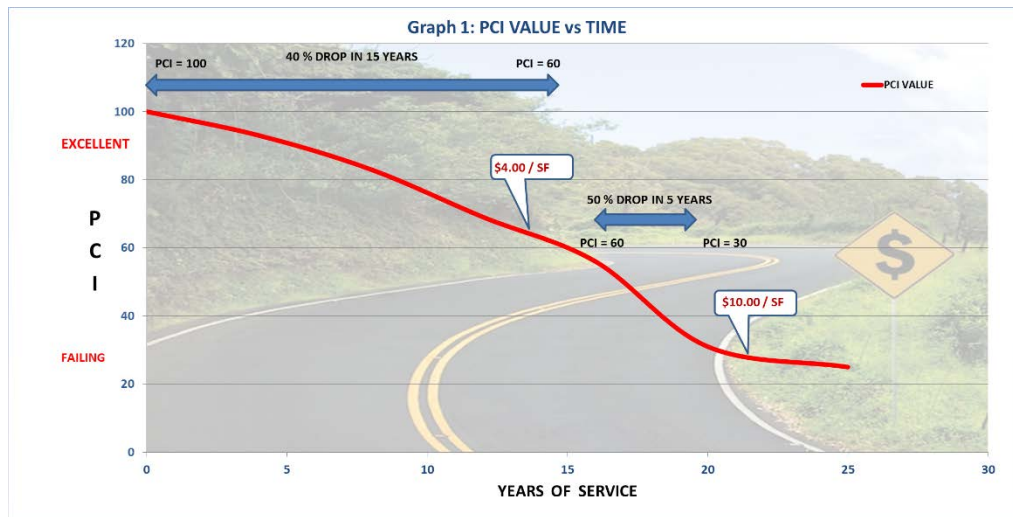
Expansion of the roadway and pedestrian network is costly and historically the Village has only pursued expansion as part of larger regional projects. The focus of capital funding for this system is expected to maintain the existing facilities rather than building new, with the exception of interconnecting the existing pedestrian network. 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 the annual resurfacing/reconstruction program are based on a pavement condition index (PCI) survey conducted in 2019 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 initial construction methods, weather conditions, traffic, and existing distress therefore regular evaluation of the pavement network is required.

Maintaining the transportation systems in the Village of Gurnee is typically 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 in Graph 1 below demonstrates a typical deterioration pattern in this region.

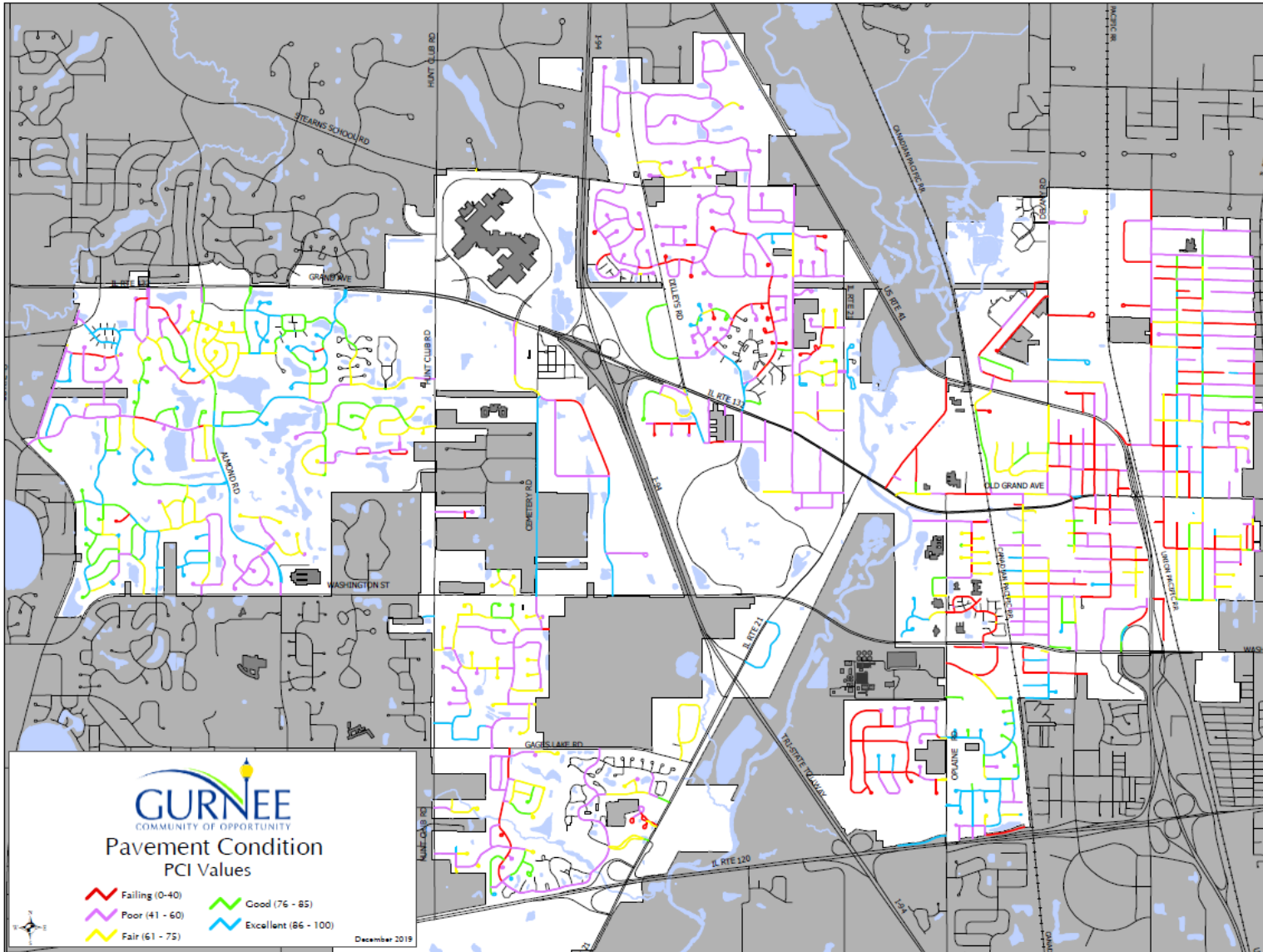
Graph 1



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 the Village targets 6 miles of roadway resurfacing per year for a 20 year cycle (121 miles / 20 years), however in recent past the Village has been able to program 5 miles of roadway resurfacing every year which represents a 25 year replacement cycle. As more capital funds are available, the Village intends to strive for the 6 mile per year mark. In addition to the annual roadway resurfacing projects, the Village also maintains 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 2019 and has been updated to reflect work since the study.

By rehabilitating roadway surface and continuing preventative maintenance, the Village can minimize the risk of unexpected large scale pavement failures and continue towards a target budget annually for rehabilitation of 6 miles of roadway surface at approximately \$6 million with a 20 year life cycle.



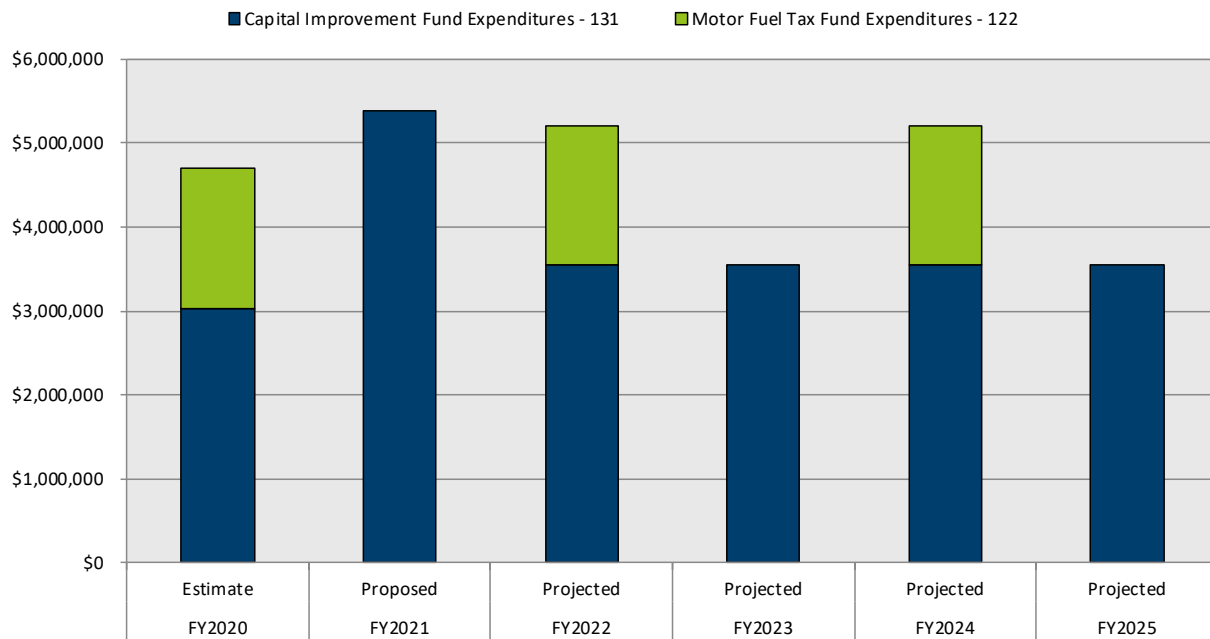
Transportation System Spending Projections

Transportation system spending over the plan period totals \$22.9 million. The following is a list of highlights and a graphic that depicts anticipated spending on transportation system assets throughout the plan period.

- FY2021
 - \$3.7 million in rehabilitation work including:
 - \$2.5 million street resurfacing
 - \$650 thousand street reconstruction
 - \$500 thousand in patching
 - \$60 thousand in bridge and curb flatwork
 - \$1.2 million for improvements related to the Stearns School Road overpass to enhance pedestrian accessibility
 - \$125 thousand in annual sidewalk maintenance
 - \$125 thousand for street light upgrades (final year of multi-year program)
- FY2022
 - \$4.7 million in road rehabilitation/reconstruction
 - \$125 thousand to complete the Knowles Rd. sidewalk connection

| Transportation System | FY2020 Estimate | FY2021 Proposed | FY2022 Projected | FY2023 Projected | FY2024 Projected | FY2025 Projected |
|--|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| Total Transportation System Expenditures | \$4,708,920 | \$5,390,000 | \$5,200,000 | \$3,550,000 | \$5,200,000 | \$3,550,000 |
| % Change vs. Prior Year | 0.00% | 14.46% | -3.53% | -31.73% | 46.48% | -31.73% |
| Motor Fuel Tax Fund Expenditures - 122 | \$1,675,000 | \$0 | \$1,650,000 | \$0 | \$1,650,000 | \$0 |
| % Change vs. Prior Year | 0.00% | -100.00% | 0.00% | -100.00% | 0.00% | -100.00% |
| 443012 STREET SURFACING-MAINT 12275400 | \$1,600,000 | \$0 | \$1,650,000 | \$0 | \$1,650,000 | \$0 |
| 443013 CRACK SEALING 12275400 | \$75,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Capital Improvement Fund Expenditures - 131 | \$3,033,920 | \$5,390,000 | \$3,550,000 | \$3,550,000 | \$3,550,000 | \$3,550,000 |
| % Change vs. Prior Year | 0.00% | 77.66% | -34.14% | 0.00% | 0.00% | 0.00% |
| 433008 ENGINEERING CONSULTANT 13175150 | \$155,000 | \$185,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 |
| 443012 STREET SURFACING-MAINT 13175150 | \$2,100,000 | \$3,715,000 | \$3,100,000 | \$3,100,000 | \$3,100,000 | \$3,100,000 |
| 443014 PAVEMENT MARKING 13175150 | \$35,000 | \$25,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 |
| 443015 PUBLIC SIDEWALK 13175150 | \$175,000 | \$125,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 |
| 472002 INTERGOV COST SHARING 13175150 | \$368,360 | \$1,205,000 | \$0 | \$0 | \$0 | \$0 |
| 472011 SIDEWALK IMPROVEMENTS 13175150 | \$0 | \$0 | \$150,000 | \$150,000 | \$150,000 | \$150,000 |
| 474004 STREET LIGHTS 13175100 | \$100,560 | \$125,000 | \$0 | \$0 | \$0 | \$0 |
| 474005 EAST GRAND ENHANCEMENTS 13120100 | \$100,000 | \$10,000 | \$0 | \$0 | \$0 | \$0 |

Transportation System Spending



Multi-Year Plan Details

2020 Construction Season Projects (FY2021)

PROPOSED 2020 STREET RESURFACING PROGRAM

| Street | From | To | Width (ft) | Length (ft) | Area (ft ²) | PCI | EOC |
|-----------------|-----------------|----------------------|------------|-------------|-------------------------|-----|-------------|
| CLEARVIEW CT | NORTHWESTERN AV | WEST END | 32 | 689 | 22,047 | 25 | \$132,283 |
| COLE CT | PROVIDENCE RD | NORTH END | 27 | 328 | 8,858 | 43 | \$39,862 |
| COMPTON CT | LEONARD DR | SOUTH END | 66 | 213 | 14,075 | 41 | \$63,337 |
| CROSS CT | PROVIDENCE RD | SOUTH END | 24 | 410 | 9,843 | 40 | \$44,291 |
| CROSS RD | PROVIDENCE RD | KINGS WAY | 26 | 1,230 | 31,988 | 39 | \$143,946 |
| DANIELSON CT | REVERE CT | REVERE CT | 28 | 591 | 16,535 | 42 | \$99,213 |
| DAVIDSON CT | REVERE CT | REVERE CT | 27 | 492 | 13,287 | 35 | \$79,724 |
| DEER RUN | ADELE DR | PRAIRIE OAK RD | 30 | 1,460 | 44,455 | 38 | \$200,048 |
| DEER RUN CT | DEER RUN | DEER RUN | 26 | 230 | 5,971 | 29 | \$26,870 |
| DOLCETTO LN | KORBEL DR | INGLENOOK LN | 30 | 607 | 18,225 | 51 | \$82,013 |
| DUNHILL CT | LEONARD DR | EAST END | 27 | 262 | 7,087 | 43 | \$31,890 |
| ELM RD | OPLAINE RD | BIRCH DR | 21 | 771 | 16,191 | 36 | \$129,528 |
| FOX LN | DEER RUN | WEST END | 28 | 377 | 10,564 | 38 | \$47,539 |
| GLOSTER CT | LEONARD DR | SOUTH END | 27 | 213 | 5,758 | 32 | \$25,910 |
| HIGHLAND AV | MAGNOLIA AV | BELLE PLAINE AV | 19 | 689 | 13,091 | 47 | \$104,724 |
| LEE AV | BELLE PLAINE AV | EAST END | 22 | 492 | 13,029 | 30 | \$104,232 |
| LEE AV | MAGNOLIA AV | BELLE PLAINE AV | 28 | 656 | 18,373 | 32 | \$110,236 |
| LEONARD DR | FARWELL CT | GOLFVIEW DR. (SOUTH) | 36 | 2,400 | 86,400 | 37 | \$388,800 |
| NAPA DR | KORBEL DR | NORTH END | 30 | 640 | 19,193 | 42 | \$86,368 |
| NORTHWESTERN AV | SUNSET AV | PACIFIC AV | 30 | 4,100 | 123,000 | 44 | \$553,500 |
| PLYMOUTH CT | PROVIDENCE RD | SOUTH END | 25 | 459 | 11,483 | 40 | \$51,673 |
| | | | | 17,310 | | | \$2,545,988 |
| | | | | 3.3 Miles | | | |

PROPOSED 2020 STREET RECONSTRUCTION PROGRAM

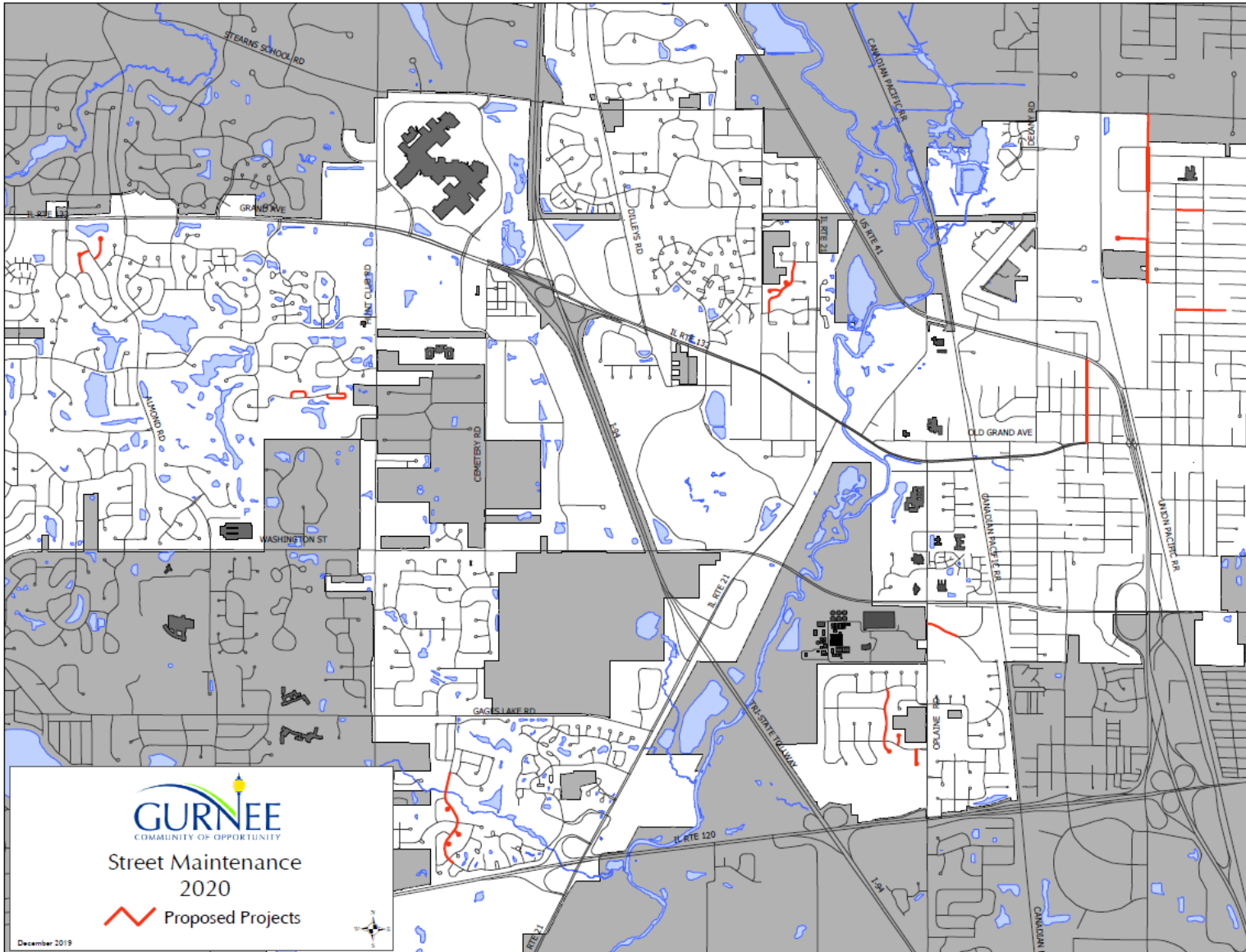
| Street | From | To | Width (ft) | Length (ft) | Area (ft ²) | PCI | EOC |
|------------|-------|----------|------------|-------------|-------------------------|-----|-----------|
| FERNDAL ST | US 41 | GRAND AV | 23 | 2,000 | 58,858 | 36 | \$618,012 |
| | | | | 0.4 Miles | | | |

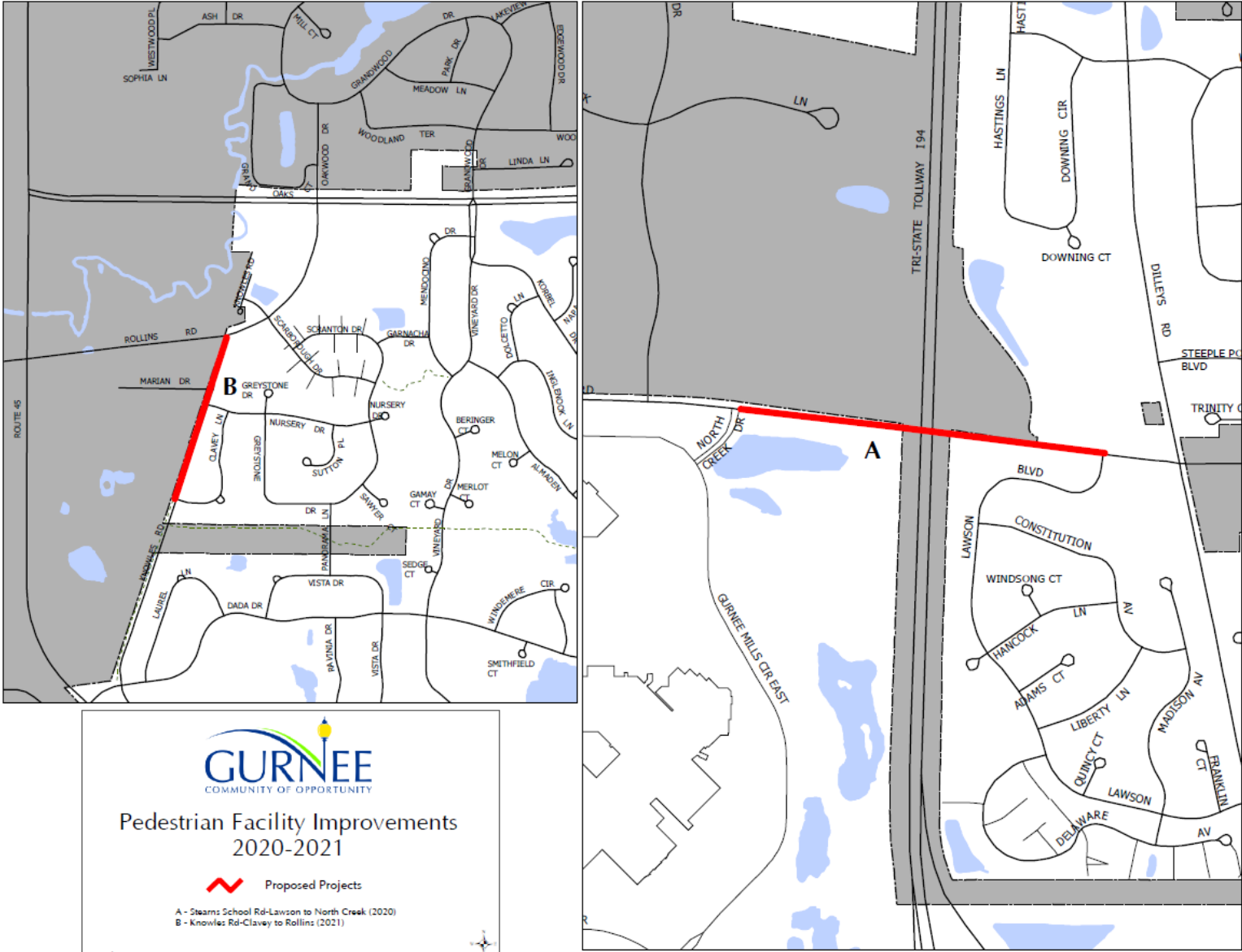
2020 PROJECT SUMMARY

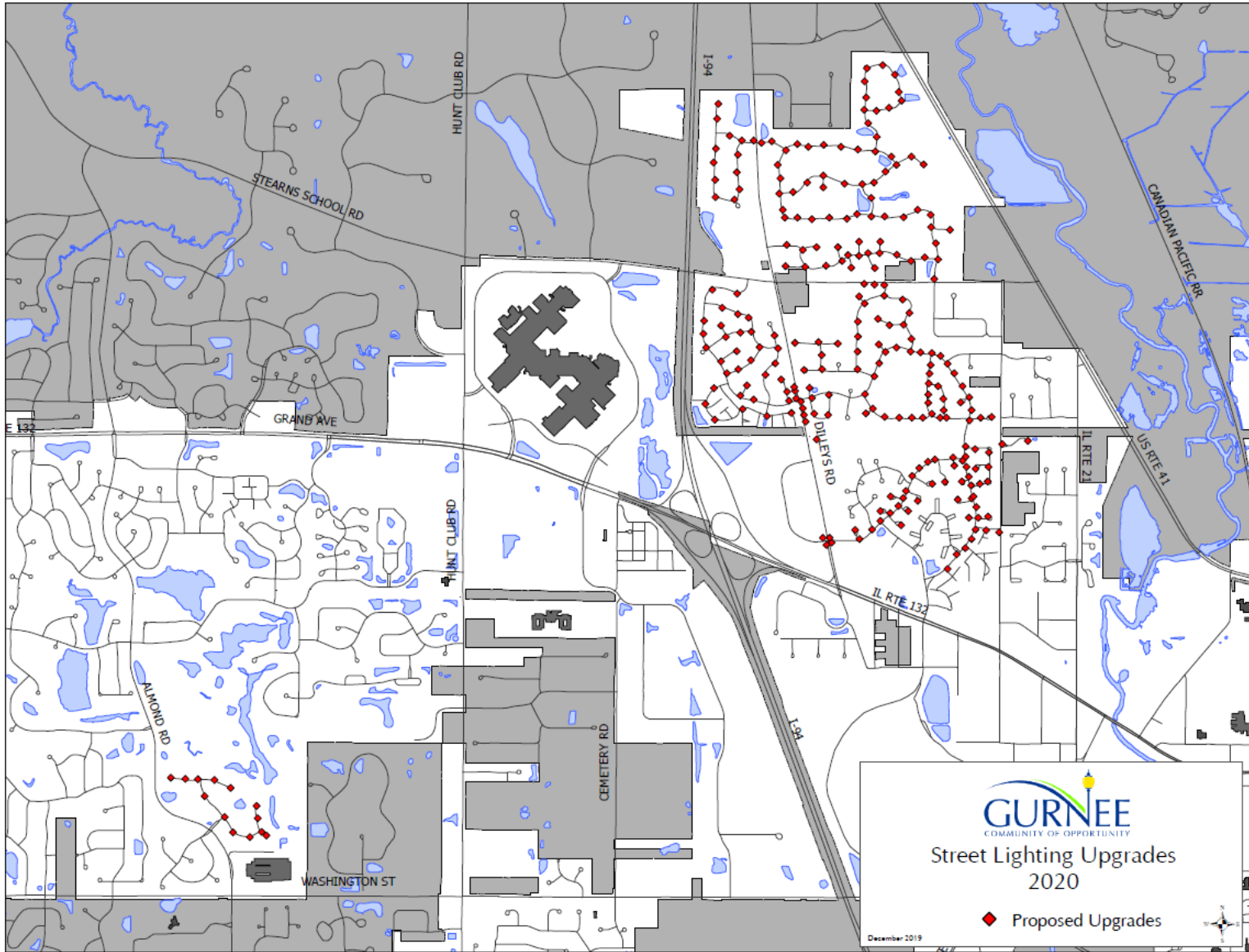
| | |
|--|-------------|
| TOTAL LENGTH OF IMPROVEMENT = 3.7 MILES | |
| STREET RESURFACING PROJECT ESTIMATE | \$2,545,988 |
| STREET RECONSTRUCTION ESTIMATE | \$618,012 |
| MISC, VARIOUS LOCATIONS *PATCHING AND STRIPING | \$525,000 |
| PROJECT TOTAL EOPC | \$3,689,000 |

* Note: PCC Patching on Sedona Ct. EOC = \$75k

* Note: PCC work at FS #2 EOC = \$60k







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SECTION IV – STORMWATER MANAGEMENT
SYSTEM

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Section IV: 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 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 approximately 135 miles of storm sewer pipe and 30 detention basins. The remaining detention basins (over 250) 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 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 in 2015. 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 extremely effective method to reduce the number of structures in the special flood hazard area.

Assumptions & Approach

As the Village and science of stormwater management matured, the focus of capital spending was on enhancements to existing Village-owned detention basins to optimize their effectiveness. 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 grant programs to acquire and demolish flood prone structures.

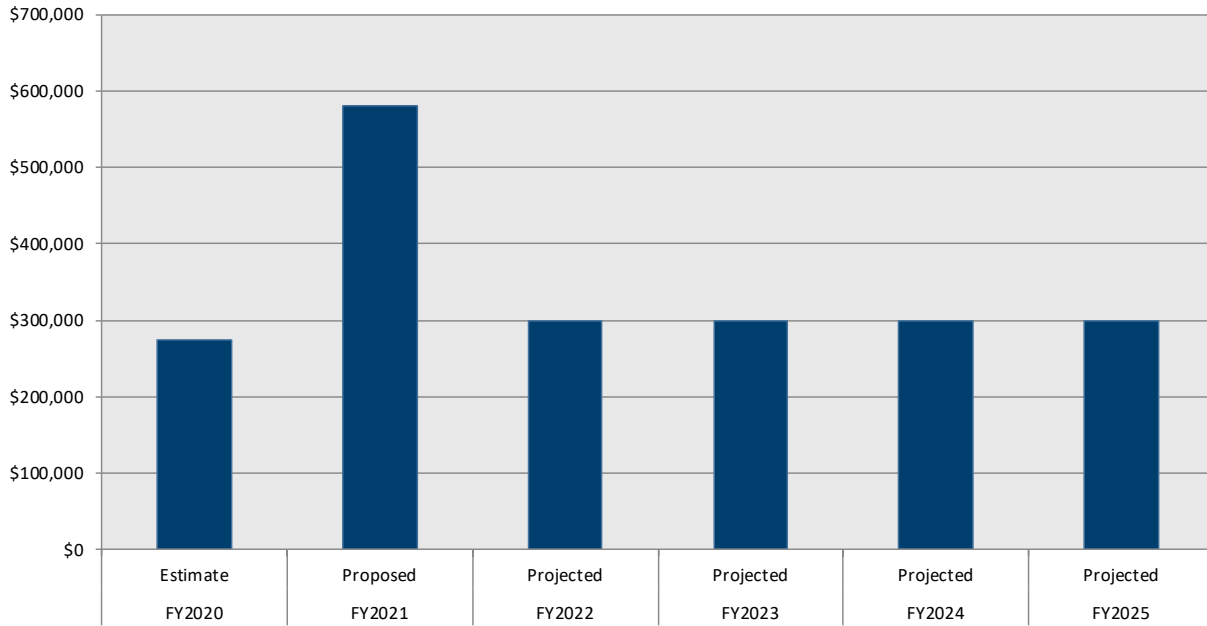
Stormwater Management System Spending Projections

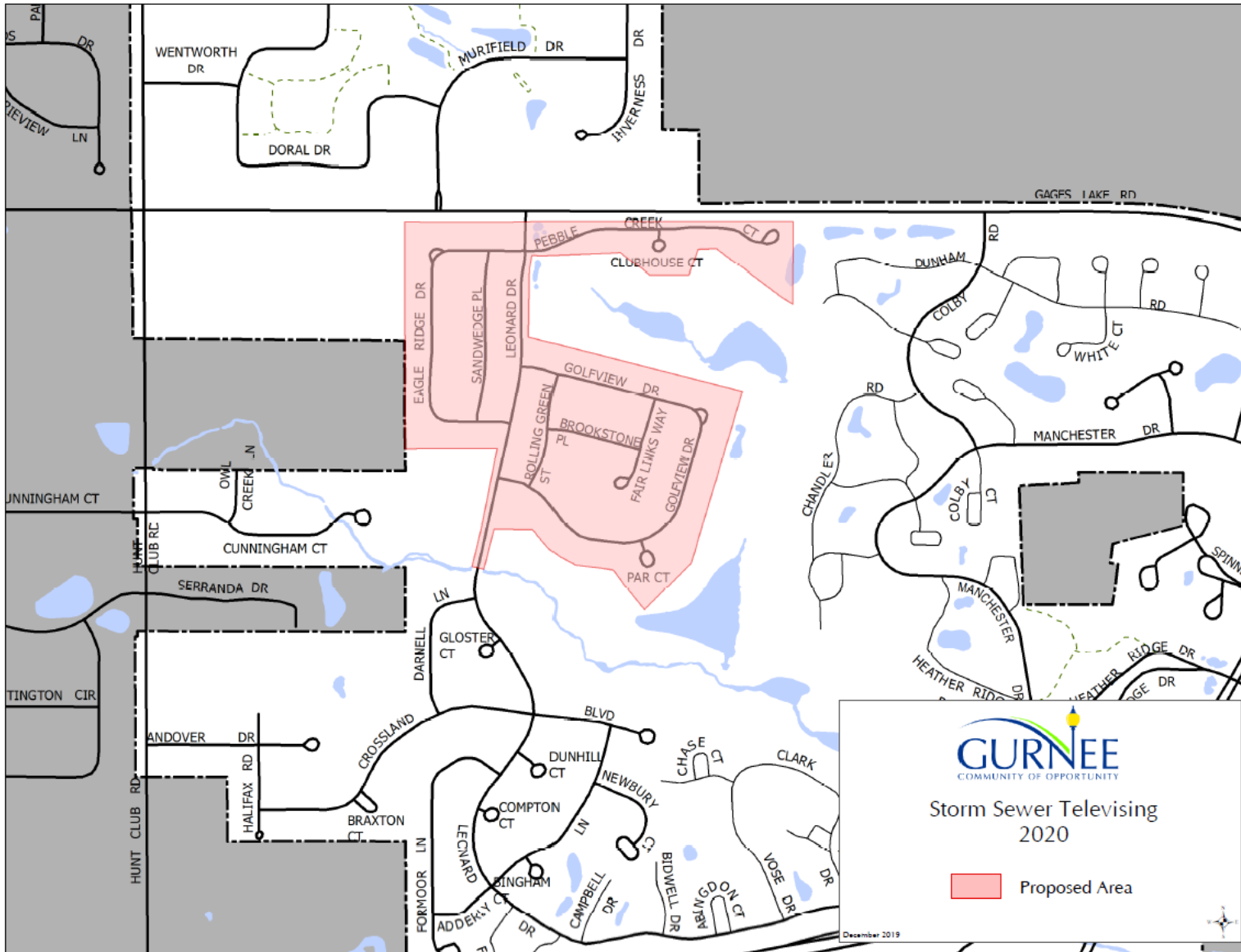
There is no dedicated source of funding for the stormwater management system. In recent years funding for these programs has been provided through General Fund and Impact Fee transfers as part of the annual budget process. Following is a list of highlights and a graphic that depicts anticipated spending on Stormwater Management System assets throughout the plan period.

- FY2021
 - \$270 thousand for culvert work on Waveland, Grove and Boulevard View
 - \$150 thousand for land acquisition (3 properties)
 - \$85 thousand for landscaping and drainage improvements
 - \$75 thousand for televising Stormwater mains

| Stormwater Management System | FY2020 Estimate | FY2021 Proposed | FY2022 Projected | FY2023 Projected | FY2024 Projected | FY2025 Projected |
|--|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| Total Stormwater Management System Expenditures | \$275,000 | \$580,000 | \$300,000 | \$300,000 | \$300,000 | \$300,000 |
| % Change vs. Prior Year | 0.00% | 110.91% | -48.28% | 0.00% | 0.00% | 0.00% |
| Capital Improvement Fund Expenditures - 131 | \$275,000 | \$580,000 | \$300,000 | \$300,000 | \$300,000 | \$300,000 |
| % Change vs. Prior Year | 0.00% | 110.91% | -48.28% | 0.00% | 0.00% | 0.00% |
| 471002 LAND ACQUISITION | 13175150 | \$25,000 | \$150,000 | \$50,000 | \$50,000 | \$50,000 |
| 472006 DRAINAGE IMPROVEMENTS | 13175150 | \$250,000 | \$430,000 | \$250,000 | \$250,000 | \$250,000 |

Stormwater Management System Spending





Storm Sewer Televising
2020

Proposed Area

December 2019





SECTION V – WATER & SEWER SYSTEM

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Section V: 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 continues to be 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.

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 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 standardization of electrical cabinetry and maintenance of deteriorating facilities will become the focus of the capital improvement plan. Sewer pipe, pumps, and manhole structures are expected to be the focus of future rehabilitation while standardization of electrical cabinet panels and SCADA programs at our lift stations will be prioritized for investments to maintain a high levels of service to the community.

Water & Sewer System Spending Projections

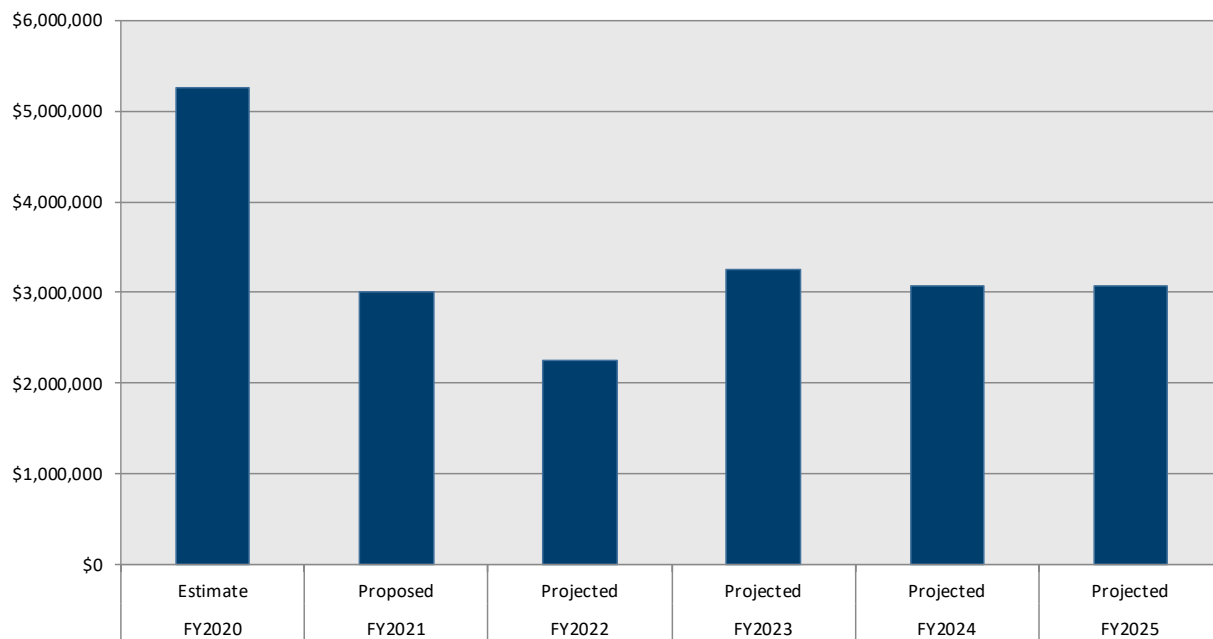
In FY2013 the Village began a multi-year sanitary sewer cleaning and televising program in an effort to create a baseline for the condition of the sanitary sewer network. Using robotic technology the inside of sanitary sewer pipe is televised allowing staff to proactively identify problems and areas of concern. This program is expected to continue on a 10 year cycle.

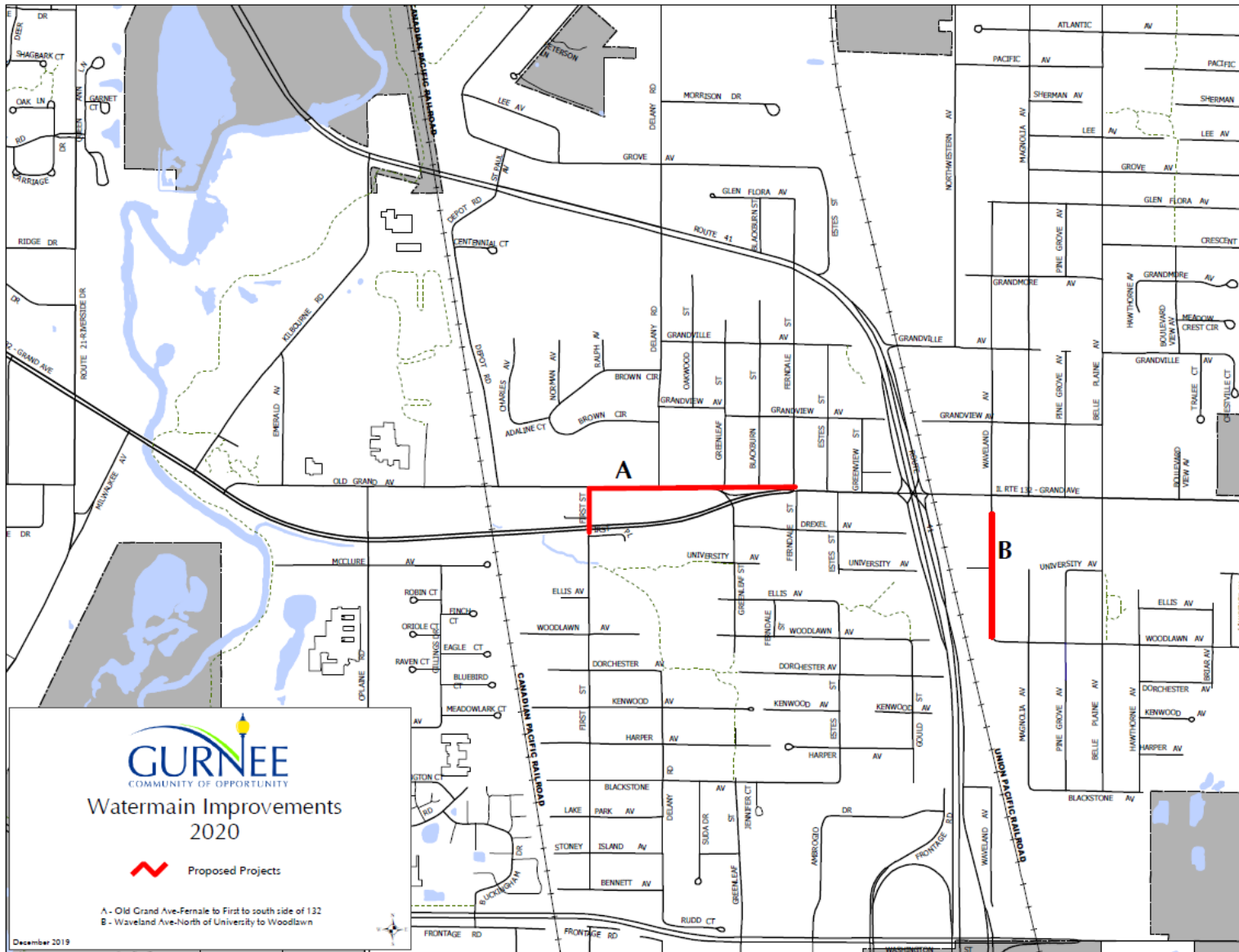
As a result of these inspection efforts future years will target funding for a Sanitary Sewer Repairs line item. This line item will be used to repair deteriorating sections of sanitary sewer pipe discovered during the annual cleaning and inspection.

- FY2021
 - \$1.0 million for phase 1 of 2 watermain replacement on Old Grand Ave.
 - \$550 thousand for watermain replacement on Waveland
 - \$540 thousand for enhancements to wells, lift stations and towers
 - \$400 thousand for remaining construction on the Knowles Rd. water tower
 - \$260 thousand for engineering and televising work
 - \$225 thousand in System Control And Data Acquisition (SCADA) system upgrades
 - \$40 thousand for a new generator at the Lee Ave. lift station

| Water & Sewer System | FY2020 Estimate | FY2021 Proposed | FY2022 Projected | FY2023 Projected | FY2024 Projected | FY2025 Projected |
|--|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| Total Water & Sewer System Expenditures | \$5,247,743 | \$3,015,000 | \$2,250,000 | \$3,250,000 | \$3,070,000 | \$3,070,000 |
| % Change vs. Prior Year | 0.96% | -42.55% | -25.37% | 44.44% | -5.54% | 0.00% |
| Water & Sewer Capital Fund Expenditures - 223 | \$5,247,743 | \$3,015,000 | \$2,250,000 | \$3,250,000 | \$3,070,000 | \$3,070,000 |
| % Change vs. Prior Year | 0.96% | -42.55% | -25.37% | 44.44% | -5.54% | 0.00% |
| 472002 RTE 132/41 COST SHARING 22375500 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 472003 UTILITY IMPROVEMENT 22375500 | \$1,600,000 | \$2,130,000 | \$2,000,000 | \$3,000,000 | \$3,000,000 | \$3,000,000 |
| 472012 KNOWLES RD. WATER TOWER 22375500 | \$3,397,743 | \$400,000 | \$0 | \$0 | \$0 | \$0 |
| 472004 ENGINEERING STUDIES 22375500 | \$0 | \$260,000 | \$200,000 | \$200,000 | \$20,000 | \$20,000 |
| 472005 SANITARY SEWER REPAIR 22375500 | \$200,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 475022 SCADA SYSTEM 22375500 | \$50,000 | \$225,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 |

Water & Sewer System Spending







SECTION VI – VEHICLES & EQUIPMENT

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Section VI: 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 (Appendix A). 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. The Village has been successful in limiting the number of vehicles in the fleet budgeted for replacement by shifting heavily used vehicles to other areas that are less demanding. For example, a Police squad that reaches a certain age and mileage threshold may not be appropriate as a Police vehicle but can be utilized by the Community Development Department in less demanding roles. The table below shows the number of vehicles and pieces of heavy equipment and their approximate replacement value broken down by department to be budgeted for replacement in future years.

| Department | Count | Replacement Value |
|-------------------------|------------|---------------------|
| Police Department | 36 | \$1,495,000 |
| Fire Department | 21 | \$5,890,000 |
| Public Works - Streets* | 41 | \$6,165,000 |
| Public Works - Utility* | 26 | \$2,795,000 |
| Total | 124 | \$16,345,000 |

*Some equipment is shared between the streets and utility divisions of Public Works

Vehicle & Equipment Assumptions & Approach

Various factors are considered when determining a replacement cycle for vehicles and equipment. These factors include mileage or hours of engine runtime, 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 with every department and the Fleet Management Administrator.

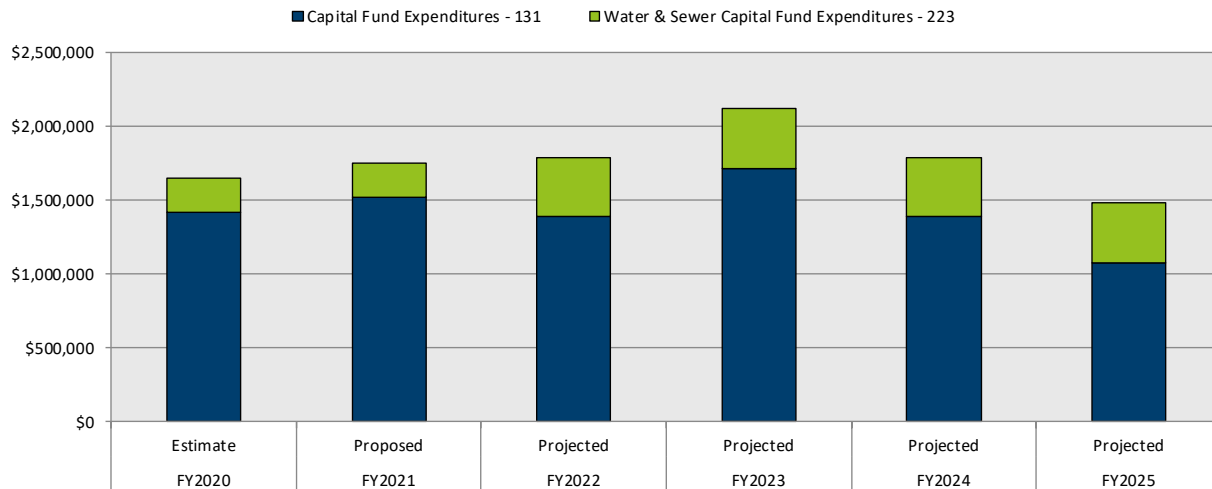
Vehicle & Equipment Spending Projections

Following is a list of highlights and a graphic that depicts anticipated spending on Vehicles and Equipment throughout the plan period.

- FY2021
 - Administration
 - \$450 thousand for various information technology projects including; Security and access control, audio & visual systems, communication systems & services, network hardware, expansion of finance/HR ERP system, and network security applications
 - Police Department
 - \$259 thousand for five squad car replacements (replacements rolled to Community Development)
 - \$54 thousand for two detective vehicles
 - Fire Department
 - \$200 thousand for a 90/10 grant for body armor vests for first responders in active shooter situations (offset by grant revenue)
 - \$38 thousand for the replacement of a command vehicle
 - \$25 thousand for warning siren maintenance
 - \$5 thousand for pre-emption system maintenance
 - Public Works – Streets
 - \$475 thousand for the replacement of two 5-yard dump trucks (Units 271&272 split 75/25 with Water & Sewer)
 - \$144 thousand for the replacement of a loader (Unit 205 split 50/50 with Water & Sewer)
 - \$72 thousand for the replacement of a compact excavator (Unit 206 split 50/50 with Water & Sewer)
 - \$30 thousand for a compressor and generator for the shop truck (Unit 791 split 75/25 with Water & Sewer)

| Vehicles & Equipment by Fund | FY2020 Estimate | FY2021 Proposed | FY2022 Projected | FY2023 Projected | FY2024 Projected | FY2025 Projected |
|--|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| Total Vehicles & Equipment Expenditures | \$1,654,528 | \$1,751,515 | \$1,792,000 | \$2,118,000 | \$1,792,000 | \$1,480,000 |
| % Change vs. Prior Year | 0.00% | 5.86% | 2.31% | 18.19% | -15.39% | -17.41% |
| Capital Fund Expenditures - 131 | \$1,419,000 | \$1,517,415 | \$1,392,000 | \$1,718,000 | \$1,392,000 | \$1,080,000 |
| % Change vs. Prior Year | 0.00% | 6.94% | -8.27% | 23.42% | -18.98% | -22.41% |
| 475004 COMPUTER HARDWARE-CAPITAL | 13100000 \$82,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 475005 COMPUTER SOFTWARE-CAPITAL | 13100000 \$25,000 | \$450,000 | \$250,000 | \$250,000 | \$250,000 | \$250,000 |
| 475202 VEHICLES | 13140100 \$275,000 | \$312,815 | \$300,000 | \$300,000 | \$300,000 | \$300,000 |
| 475004 COMPUTER HARDWARE-CAPITAL | 13140100 \$160,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 475010 PRE-EMPTION SYSTEM | 13150100 \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$5,000 |
| 475016 MATCHING GRANT PROGRAM | 13150100 \$25,000 | \$200,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 |
| 475017 WARNING SIRENS | 13150100 \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 |
| 475202 VEHICLES | 13150100 \$300,000 | \$38,000 | \$337,000 | \$663,000 | \$337,000 | \$25,000 |
| 475103 HEAVY EQUIPMENT | 13175100 \$0 | \$130,350 | \$100,000 | \$100,000 | \$100,000 | \$100,000 |
| 475202 VEHICLES | 13175100 \$416,500 | \$356,250 | \$350,000 | \$350,000 | \$350,000 | \$350,000 |
| 474002 VILLAGE PARK | 13175150 \$5,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 475021 INTER/INTRA NETWORK PROJ | 13175150 \$100,500 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Water & Sewer Capital Fund Expenditures - 223 | \$235,528 | \$234,100 | \$400,000 | \$400,000 | \$400,000 | \$400,000 |
| % Change vs. Prior Year | 0.00% | -0.61% | 70.87% | 0.00% | 0.00% | 0.00% |
| 475012 FINANCE ERP | 22375500 \$2,778 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 475103 HEAVY EQUIPMENT | 22375500 \$0 | \$115,350 | \$125,000 | \$125,000 | \$125,000 | \$125,000 |
| 475202 VEHICLES | 22375500 \$232,750 | \$118,750 | \$275,000 | \$275,000 | \$275,000 | \$275,000 |

Vehicles & Equipment Spending



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**SECTION VII – BUILDINGS & BUILDING
IMPROVEMENTS**

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Section VII: 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 (Appendix A).

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.
- Help hold its value.
- Keep the appearance of buildings as an aesthetically pleasing reflection of the community.

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
- Police Department Substation – 6170 Grand Avenue (Gurnee Mills)
- Public Works Facility -1151 Kilbourne Road

The Village also maintains water storage facilities, storm and sanitary sewer pumping stations, Welton Plaza, 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.

Building and Building Improvements 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.

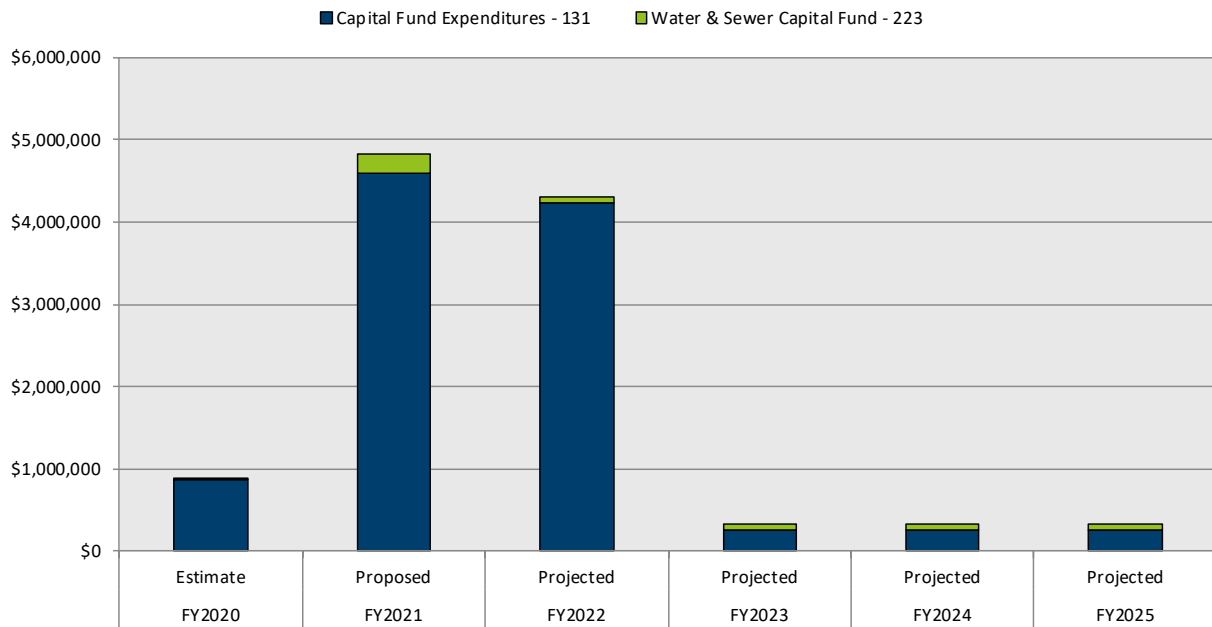
Buildings & Improvements Spending Projections

Following is a list of highlights and a graphic that depicts anticipated spending on Buildings and Improvements assets throughout the plan period.

- FY2021
 - Administration
 - \$55 thousand for a monopole on Cemetery Rd. (Split 50/50 with Water & Sewer)
 - \$8 thousand for exterior improvements at Mother Rudd house
 - Police Department
 - \$248 thousand for improvements including; dispatch lockers, carpet replacement, tertiary power supply, fire protection dry system, security access, and phase 1 of 2 of Gurnee Mills substation remodeling
 - Fire Department
 - \$4 million for phase 1 of 2 of Fire Station #3 construction
 - \$60 thousand for phase 1 of 2 of Fire Station #2 parking lot maintenance
 - \$55 thousand for Fire Station #1&2 maintenance
 - Public Works - Streets
 - \$113 thousand for parking lot resurfacing at the Public Works facility (split 50/50 with Water & Sewer)
 - \$62 thousand to replace floor drains in the main building (split 50/50 with Water & Sewer)
 - Public Works – Water & Sewer
 - \$113 thousand for parking lot resurfacing at the Public Works facility (split 50/50 with Water & Sewer)
 - \$55 thousand for a monopole on Cemetery Rd. (Split 50/50 with Water & Sewer)
 - \$62 thousand to replace floor drains in the main building (split 50/50 with Water & Sewer)

| Buildings & Improvements | FY2020 Estimate | FY2021 Proposed | FY2022 Projected | FY2023 Projected | FY2024 Projected | FY2025 Projected |
|--|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| Total Buildings & Improvements Expenditures | \$894,150 | \$4,829,000 | \$4,305,000 | \$325,000 | \$325,000 | \$325,000 |
| % Change vs. Prior Year | 0.00% | 440.07% | -10.85% | -92.45% | 0.00% | 0.00% |
| Capital Fund Expenditures - 131 | \$870,150 | \$4,599,500 | \$4,230,000 | \$250,000 | \$250,000 | \$250,000 |
| % Change vs. Prior Year | 0.00% | 428.59% | -8.03% | -94.09% | 0.00% | 0.00% |
| 473003 BUILDING IMPROVEMENTS 13110100 | \$150,000 | \$62,500 | \$50,000 | \$50,000 | \$50,000 | \$50,000 |
| 473003 BUILDING IMPROVEMENTS 13140100 | \$305,150 | \$247,500 | \$75,000 | \$75,000 | \$75,000 | \$75,000 |
| 473003 BUILDING IMPROVEMENTS 13150100 | \$350,000 | \$4,115,000 | \$4,055,000 | \$75,000 | \$75,000 | \$75,000 |
| 473003 BUILDING IMPROVEMENTS 13175100 | \$60,000 | \$174,500 | \$50,000 | \$50,000 | \$50,000 | \$50,000 |
| 474002 VILLAGE PLAZA 13175150 | \$5,000 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Water & Sewer Capital Fund - 223 | \$24,000 | \$229,500 | \$75,000 | \$75,000 | \$75,000 | \$75,000 |
| % Change vs. Prior Year | 0.00% | 856.25% | -67.32% | 0.00% | 0.00% | 0.00% |
| 473003 BUILDING IMPROVEMENTS 22375500 | \$24,000 | \$229,500 | \$75,000 | \$75,000 | \$75,000 | \$75,000 |

Buildings & Improvements Spending



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SECTION VIII – APPENDIX

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Appendix A – Fixed Asset Policy



Fixed Asset Policy

Adopted: June 4, 2007

Last Revised: August 20, 2018

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.

General Policy

Each department shall be responsible for the following: (a) maintain control and security over each asset within the department's possession; (b) completion of documentation required by the Finance Division each time an asset is purchased, updated, transferred or disposed; and (c) conduct physical inventories of 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 amounts set forth in Section **IV and VII** herein and having a useful life of more than one year. Those assets identified pursuant to this policy as set forth in Section VIII shall be recorded and depreciated, if applicable, by the Director of Finance in the Fixed Asset System.

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, computers, weapons, and radios. Departments will annually submit a physical count of all inventoried assets to Finance.

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 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 as set forth in Section VII of this policy and have a useful life of at least one year. Capital assets below the capitalization threshold 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:

- a) Tangible
- b) Useful life of more than one year (benefit more than a single fiscal period)
- c) Cost exceeds designated threshold (see Section VII)

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.

Depreciating Assets

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.

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 significantly 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 be capitalized only 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 is 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 (as set forth in Section VII), may be approved by the Village Administrator.

Modification 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, may be conducted at an interval recommended by the Finance Director and approved by the Village Administrator. The Village's accounting records will then be adjusted to reflect the current fixed asset inventory list. In conjunction with the preparation of the Multi-Year Capital Plan, the Finance Division 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 department 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 Division at the time of acquisition or disposal.

Capital Asset Categories and Useful Lives

| Asset Type | Years | Capitalization |
|---------------------------------|-------|----------------|
| 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 Equipment | 10 | \$25,000 |
| 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 |