

VILLAGE OF



GURNEE

COMMUNITY OF OPPORTUNITY

MULTI-YEAR CAPITAL PLAN

FISCAL YEARS 2018 – 2022

Presented on January 9, 2017

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
Don Wilson - Trustee

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Elected Officials & Staff

Gurnee Village Board

Kristina M. Kovarik – Mayor

Andy Harris – Village Clerk

Jeanne Balmes – Trustee

Greg Garner – Trustee

Thomas Hood – Trustee

Karen Thorstenson – 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

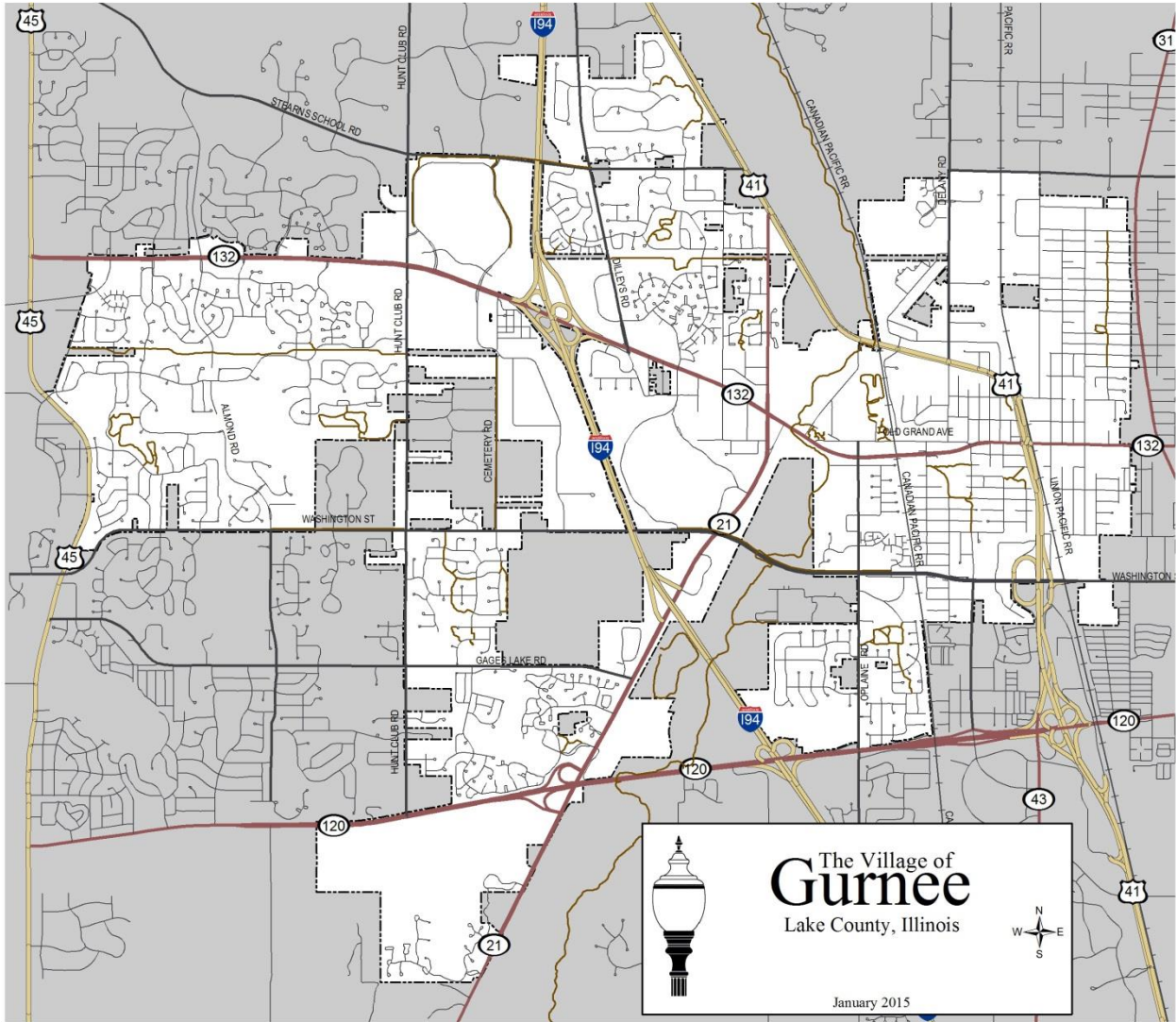
Scott Drabicki – Village Engineer

Ellen Dean – Economic Development Director

Brian Gosnell – Finance Director

Chris Velkover – IS 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 2018 – 2022. 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 FY2018 Budget. Beyond FY2018, 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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SECTION I – EXECUTIVE SUMMARY

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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 drop in resources.

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](#). The Village transfers excess General Fund reserves to the Capital Improvement Fund (304) annually for general government capital projects in subsequent years. In FY2017 approximately \$410 thousand of annual debt service split between the General Fund and Water & Sewer Fund expired. Starting in FY2018, 100% these funds are directed to the pay-as-you-go capital program. In FY2019 approximately \$850 thousand of annual debt service expires. The Village plans to use 50% of this expiring debt service to fund pay-as-you-go capital improvements. 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 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 Infrastructure needs in the interim will be funded in part by rates, a drawdown of fund balance, home rule sales tax, and utilization of expiring debt service. The Village is planning an approximately \$6 million low-interest IEPA loan to construct an above ground water storage tower on the west side of the community to provide sufficient pressure and fire flow. This expenditure is expected to start in FY2018 (\$1 million) and conclude in FY2019 (\$5 million).

Overall, the Village's funding strategy over the next 5 years of utilizing dedicated Home Rule Sales Tax, General Fund surpluses, expiring debt service, and charges for service provides maximum operating flexibility, minimal burden to residents, and a low debt per capita measure.

Plan Summary

FY2018 Plan Summary

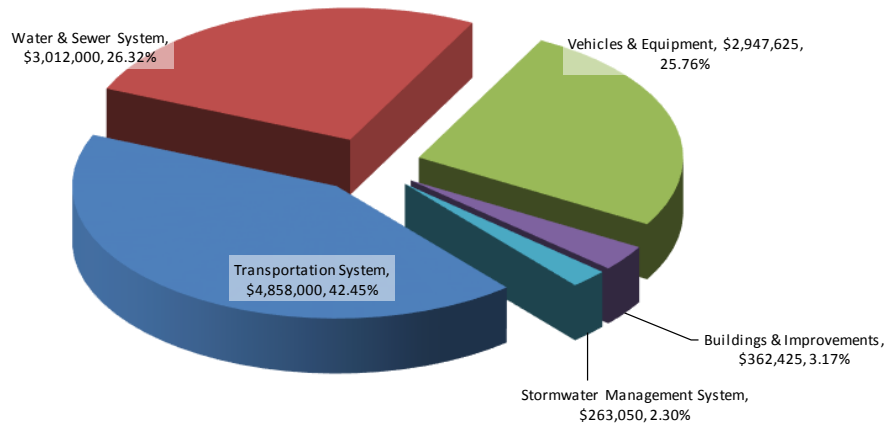
The largest expenditure category is the Transportation System which totals \$4.86 million or 42.45%. Water & Sewer System spending totals \$3.01 million or 26.32%, Vehicles and Equipment accounts for \$2.95 million or 25.76%, Buildings and Improvements totals \$362 thousand or 3.17%, and Stormwater Management totals \$263 thousand or 2.30%.

Fiscal Years 2018 – 2022 Plan Summary

Expenditures over the 5-year plan period total \$56.45 million. Transportation System spending totals \$26.81 million or 47.49%. Water and Sewer system spending totals \$15.31 million or 27.12%, largely due to the construction of the Knowles Rd. water tower in FY2018-19. Vehicles & Equipment totals \$11.81 million or 20.91 %, Buildings and Improvements totals \$1.27 million or 2.24% and Stormwater Management spending accounts for \$1.26 million or 2.24%.

| System | FY2017 Budget | FY2017 Estimate | FY2018 Proposed | FY2019 Projected | FY2020 Projected | FY2021 Projected | FY2022 Projected | Total FY2018 - FY2022 |
|------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|-----------------------|
| Transportation System | \$5,448,500 | \$5,259,900 | \$4,858,000 | \$5,038,500 | \$5,543,500 | \$5,683,500 | \$5,683,500 | \$26,807,000 |
| Water & Sewer System | \$1,050,000 | \$712,515 | \$3,012,000 | \$6,350,000 | \$1,750,000 | \$2,300,000 | \$1,900,000 | \$15,312,000 |
| Vehicles & Equipment | \$3,330,050 | \$3,402,210 | \$2,947,625 | \$2,421,050 | \$2,361,982 | \$2,159,063 | \$1,915,589 | \$11,805,310 |
| Buildings & Improvements | \$180,000 | \$353,575 | \$362,425 | \$317,000 | \$261,000 | \$175,000 | \$150,000 | \$1,265,425 |
| Stormwater Management System | \$411,000 | \$411,000 | \$263,050 | \$300,000 | \$300,000 | \$200,000 | \$200,000 | \$1,263,050 |
| | \$10,419,550 | \$10,139,200 | \$11,443,100 | \$14,426,550 | \$10,216,482 | \$10,517,563 | \$9,849,089 | \$56,452,785 |

FY2018 Proposed CIP by System





SECTION II – FUNDING SUMMARY

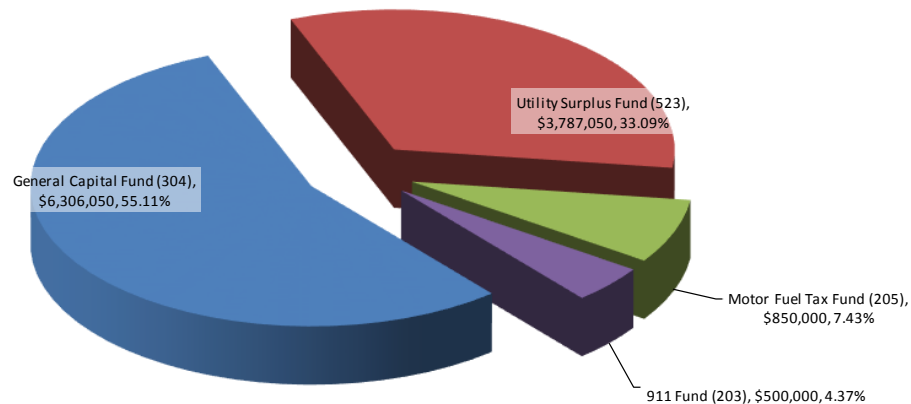
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Funding Summary

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 Transportation System 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. In FY2017, the Village’s Emergency Telephone Systems Board (ETSB) consolidated with the City of Zion ETSB and formed the Northeast Lake County Consolidated E-911 Emergency Telephone Systems Board (NLCC-ETSB). As such, budget and spending authority is controlled by the NLCC-ETSB. The Village plans to maintain the 911 Fund to act as a pass-through for spending and reimbursement requests from the NLCC-ETSB. Projected Capital Purchases are included in the Vehicles & Equipment category.

| Fund | FY2017 Budget | FY2017 Estimate | FY2018 Proposed | FY2019 Projected | FY2020 Projected | FY2021 Projected | FY2022 Projected | Total FY2018 - FY2022 |
|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------------|
| General Capital Fund (304) | \$7,573,500 | \$7,460,975 | \$6,306,050 | \$6,621,850 | \$6,805,180 | \$6,814,492 | \$6,463,346 | \$33,010,918 |
| Utility Surplus Fund (523) | \$1,602,500 | \$1,190,015 | \$3,787,050 | \$6,604,700 | \$2,211,302 | \$2,503,071 | \$2,185,743 | \$17,291,866 |
| Motor Fuel Tax Fund (205) | \$925,000 | \$925,000 | \$850,000 | \$850,000 | \$850,000 | \$850,000 | \$850,000 | \$4,250,000 |
| 911 Fund (203) | \$318,550 | \$563,210 | \$500,000 | \$350,000 | \$350,000 | \$350,000 | \$350,000 | \$1,900,000 |
| | \$10,419,550 | \$10,139,200 | \$11,443,100 | \$14,426,550 | \$10,216,482 | \$10,517,563 | \$9,849,089 | \$56,452,785 |

FY2018 Proposed CIP by Fund



911 Fund – 203

The 911 Fund is a special revenue fund that accounts for purchases and reimbursements from the NLCC-ETSB. Per the agreement with Zion, these funds are restricted for 911 related capital purchases. The Village utilizes these funds primarily for funding maintenance and new equipment related to the Village's 911 center located at the Police Department.

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. In addition, funds distributed to municipalities as part of the state capital program are expected to decline or potentially disappear over the next several years as the State deals with budget deficits.

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 primary funding sources include Home Rule Sales Tax and surplus transfers from the General Fund.

Water & Sewer Capital Fund – 523

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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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 update 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

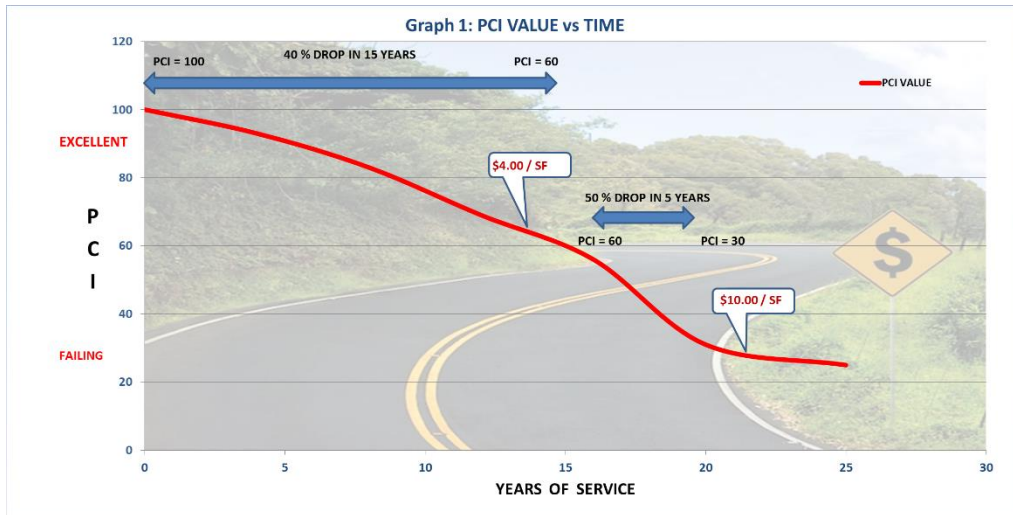
Expansion of the roadway and pedestrian network is costly and historically the Village has only pursued expansion as part of larger regional projects. The focus of capital funding for this system is expected to be maintaining the existing facilities rather than building new, with the exception of interconnecting 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 annual resurfacing/reconstruction program are currently based on a pavement condition index (PCI) survey conducted in 2016 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.

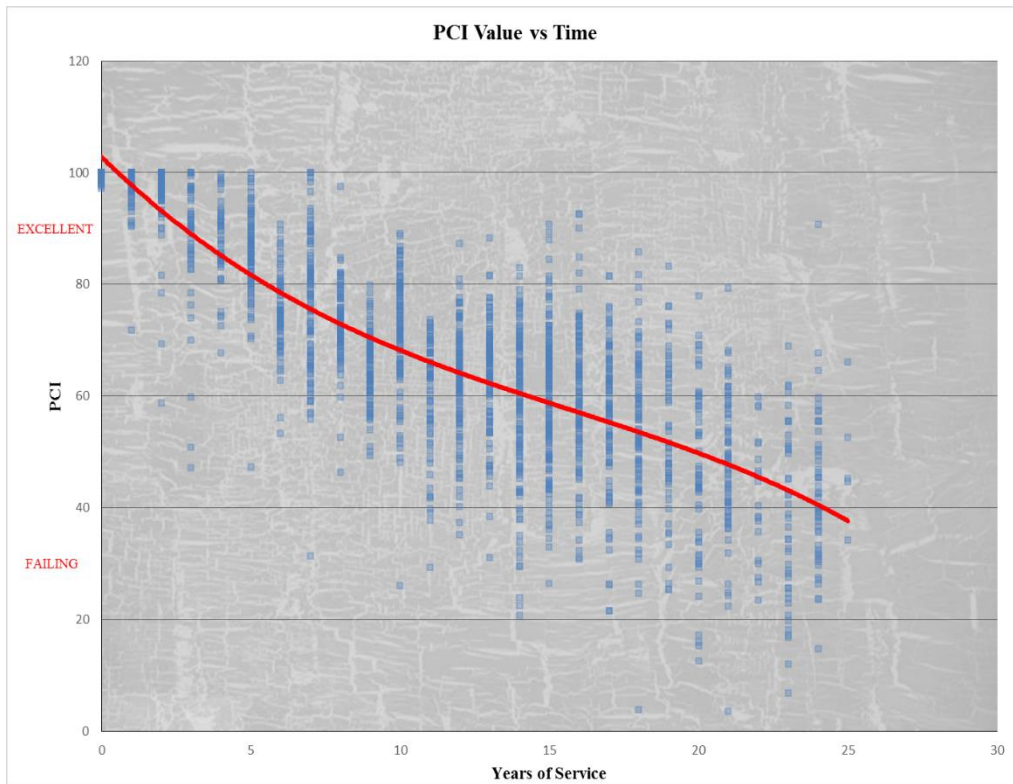
Maintaining the transportation systems in the Village of Gurnee is the largest budgetary line item in the capital plan. Staff assumes roadway pavements to last 15-20 years before the condition begins to deteriorate at an increasing rate which requires more costly reconstruction

from the ground up. The pavement life curve in Graph 1 below demonstrates a typical deterioration pattern in this region. Graph 2 is the actual pavement deterioration curve for the Village of Gurnee based on the 2013 and 2016 pavement evaluations.

Graph 1



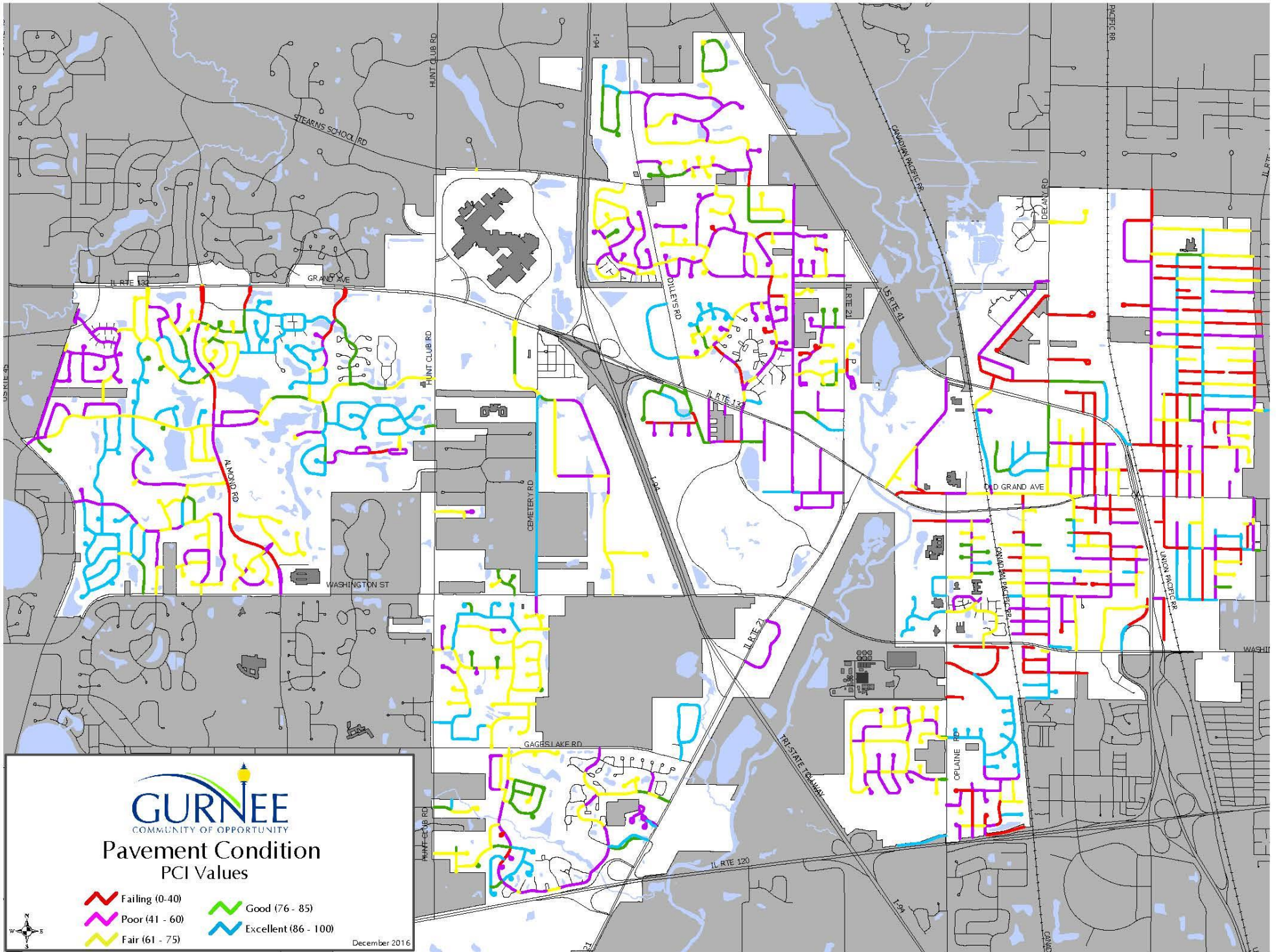
Graph 2



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 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 2016 and has been updated to reflect work since the study.

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.



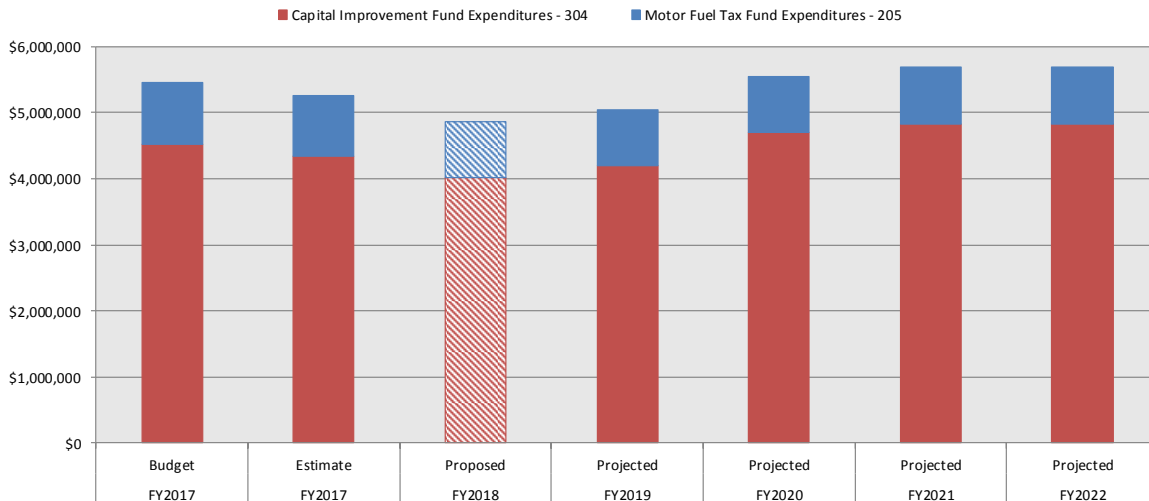
Transportation System Spending Projections

Transportation System spending over the plan period (FY2018 – FY2022) totals \$26.81 million. As a result of the strategic planning process, funding for sidewalk improvements was increased from \$50 thousand to approximately \$125 thousand annually. Pursuant to the strategic plan update the community has expressed an interest in providing more pedestrian accommodations. The first project undertaken was the installation of a public sidewalk between Grand Avenue and Washington Street on IL Route 21. The second major project is to enhance the connection near Knowles Road and the Rollins Savannah.

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

| Transportation System by Fund | FY2017 Budget | FY2017 Estimate | FY2018 Proposed | FY2019 Projected | FY2020 Projected | FY2021 Projected | FY2022 Projected |
|--|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| Motor Fuel Tax Fund Expenditures - 205 | | | | | | | |
| Crack Sealing | | | \$75,000 | \$75,000 | \$75,000 | \$75,000 | \$75,000 |
| 2017 Construction Season Program | \$925,000 | \$925,000 | \$775,000 | | | | |
| 2018-2022 Construction Seasons Program | | | | \$775,000 | \$775,000 | \$775,000 | \$775,000 |
| Total Motor Fuel Tax Fund Expenditures - 205 | \$925,000 | \$925,000 | \$850,000 | \$850,000 | \$850,000 | \$850,000 | \$850,000 |
| Capital Improvement Fund Expenditures - 304 | | | | | | | |
| Engineering Consultant | \$340,000 | \$370,000 | \$400,000 | \$325,000 | \$325,000 | \$325,000 | \$325,000 |
| Property Taxes | \$8,500 | \$6,000 | \$1,000 | \$8,500 | \$8,500 | \$8,500 | \$8,500 |
| Sidewalk Repair | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 |
| Sidewalk Improvements | \$175,000 | \$298,900 | \$125,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 |
| IDOT 41/UPPR | \$40,000 | \$0 | \$40,000 | \$0 | \$10,000 | \$0 | \$0 |
| East Grand Enhancements | | | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 |
| 2016 Construction Season Program | \$3,935,000 | \$3,635,000 | \$192,000 | | | | |
| 2017 Construction Season Program | | | \$3,025,000 | | | | |
| IL 132 Maintenance | | | \$100,000 | | | | |
| 2018-2021 Construction Seasons Program | | | | \$3,630,000 | \$4,125,000 | \$4,275,000 | \$4,275,000 |
| Total Capital Improvement Fund Expenditures - 304 | \$4,523,500 | \$4,334,900 | \$4,008,000 | \$4,188,500 | \$4,693,500 | \$4,833,500 | \$4,833,500 |
| Total Transportation System - All Funds | \$5,448,500 | \$5,259,900 | \$4,858,000 | \$5,038,500 | \$5,543,500 | \$5,683,500 | \$5,683,500 |

Transportation System Spending



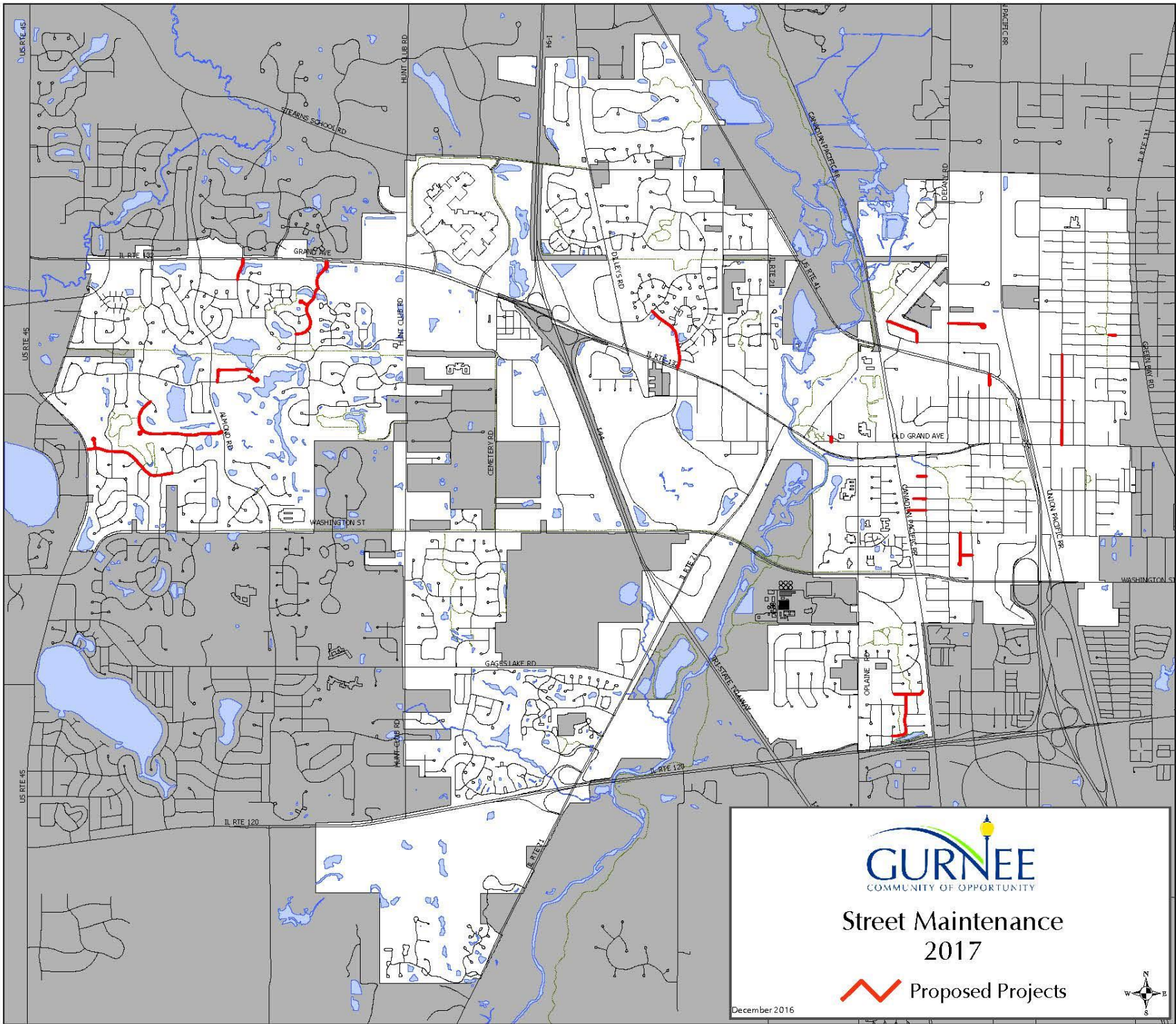
Multi-Year Plan Details

2017 Construction Season Projects (FY2018)

| Street | From | To | Length(Ft) | PCI | Section Type | width e-e- | Roadway Area | Rehab. Costs |
|------------------|------------------|-------------------|-------------------|-------|--------------|------------|---|--------------------|
| CASCADE WAY | US 45 | STRAWBERRY FIELDS | 2500 | 59 | Urban | 28 | 84600 | \$338,400 |
| SIERRA PL | NORTH END | CASCADE WAY | 387 | 61 | Urban | 28 | 10836 | \$54,180 |
| BITTERSWEET DR | ALMOND RD | VINEYARD DR | 3320 | 44 | Urban | 28 | 92960 | \$371,840 |
| BLACKBERRY CT | BITTERSWEET DR | WEST END | 230 | 68 | Urban | 28 | 6440 | \$25,760 |
| | | | | | | | Sub Total = | \$790,180 |
| CAMDEN DR | HAMILTON DR | KNOTTINGHAM DR | 1750 | 54 | Urban | 28 | 45024 | \$189,101 |
| MORGAN CT | WEST END | CAMDEN DR | 341 | 52 | Urban | 28 | 9548 | \$40,102 |
| ARLINGTON LN | GRAND AVE | BUCHANAN DR | 620 | 30 | Urban | 34 | 27000 | \$113,400 |
| STONEBROOK DR | GRAND AV | CAMDEN DR | 866 | 34 | Urban | 34 | 53100 | \$212,400 |
| HADLEY CIR | DADA DR | DADA DR | 1300 | 56 | Urban | 28 | 36400 | \$154,700 |
| TYME CT | DADA DR | EAST END | 410 | 65 | Urban | 28 | 11480 | \$48,790 |
| | | | | | | | Sub Total = | \$758,492 |
| PAULY DR | PINEWOOD RD | LASWSON BLVD | 1269 | 50 | Urban | 34 | 44000 | \$184,800 |
| LAWSON BLVD | GRAND AVE | PAULY DR | 860 | 60 | Urban | 44 | 45000 | \$189,000 |
| | | | | | | | Sub Total = | \$373,800 |
| NEW HAVEN AV | SUNNYSIDE AV | FIELDSTONE DR | 1000 | 65 | Urban | 28 | 28000 | \$117,600 |
| WATERBURY AV | COHASSET CT | NEW HAVEN | 1500 | 49 | Urban | 28 | 42000 | \$189,000 |
| | | | | | | | Sub Total = | \$306,600 |
| MORRISON DR | DELANY RD | EAST END | 1257 | 24 | Urban | 28 | 42738 | \$170,952 |
| LEE AV | ST PAUL AV | GROVE AV | 1207 | 39 | Urban | 34 | 41038 | \$205,190 |
| LEE AV | BLVD. VIEW C-D-S | 3469 Lee | 200 | 2 | Rural | 22 | 6480 | \$58,320 |
| | | | | | | | Sub Total = | \$434,462 |
| STONEY ISLAND AV | SUDA DR | GREENLEAF ST | 364 | 55 | Urban | 28 | 10192 | \$42,806 |
| SUDA DR | BLACKSTONE AV | SOUTH END | 950 | 50 | Urban | 28 | 26600 | \$111,720 |
| DORCHESTER AV | WEST END | FIRST ST | 354 | 3 | Rural | 22 | 7788 | \$70,092 |
| ELLIS AV | FIRST ST | WEST END | 256 | 33 | Rural | 22 | 5632 | \$50,688 |
| KENWOOD AV | WEST END | FIRST ST | 528 | 19 | Rural | 22 | 11616 | \$104,544 |
| | | | | | | | Sub Total = | \$379,850 |
| | | | Length in feet = | 21469 | | | | |
| | | | Length in Miles = | 4.1 | | | | |
| | | | | | | | Total Estimate of Street Resurfacing = | \$3,043,385 |

| | | | | | | | | |
|----------------------|----------------------|--------------------------------|-------------------|------|-------|----|--|--------------------|
| MAGNOLIA AV | GLEN FLORA AV | GRAND AVE | 2600 | Fail | Rural | 22 | 64200 | \$963,000 |
| EMERALD RE-ALIGNMENT | OLD GRAND AV | OLD GRAND AV | 300 | | Rural | 28 | 8400 | \$126,000 |
| FERNDALE IMPROVEMENT | SKOKIE HWY. - RT. 41 | S. 300' OF SKOKIE HWY - RT. 41 | 300 | | Rural | 28 | 8400 | \$126,000 |
| | | | Length in feet = | 3200 | | | Sub Total = | \$1,215,000 |
| | | | Length in Miles = | 0.6 | | | | |
| | | | | | | | Total Estimate of Street Reconstruction = | \$1,215,000 |

| PROJECT SUMMARY | | |
|--|-------------|-------|
| TOTAL LENGTH OF IMPROVEMENT | 4.67 | MILES |
| STREET RESURFACING PROJECT ESTIMATE | \$3,043,385 | 4 |
| STREET RECONSTRUCTION PROJECT ESTIMATE | \$1,215,000 | 1 |
| MISC. VARIOUS LOCATION PATCHING AND STRIPING | \$350,000 | |
| PROJECT TOTAL EOPC | \$4,608,385 | |



Street Maintenance 2017

 Proposed Projects

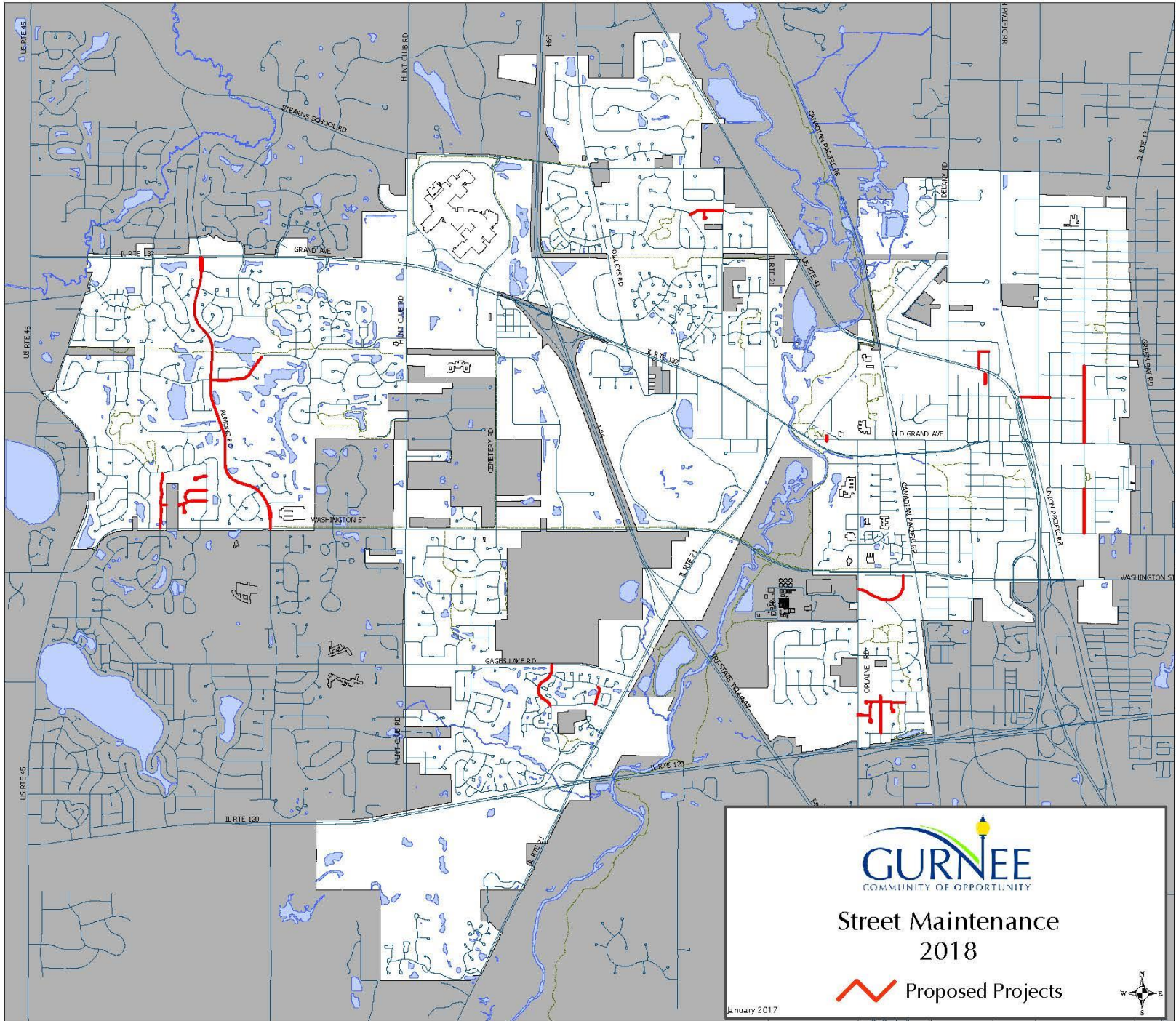
December 2016



2018 Construction Season Projects (FY2019)

| Street | From | To | Length(Ft) | PCI | Section Type | width e-e- | Roadway Area | Rehab. Costs |
|-----------------|-----------------|------------------------|------------|-----|--------------|------------|-------------------|--------------------|
| ALMOND RD | WASHINGTON ST | DADA DR | 5054 | 50 | Urban | 36 | 181944 | \$773,262 |
| ALMOND RD | GRAND AVE | DADA DR | 3740 | 38 | Urban | 36 | 136000 | \$578,000 |
| KINGSPORT DR | CASCADE WAY | WASHINGTON ST | 1614 | 81 | Urban | 28 | 45192 | \$192,066 |
| MAGICAL LN | KINGSPORT DR | EAST END | 135 | 71 | Urban | 28 | 3780 | \$16,065 |
| BRADFORD CT | OLD WALNUT CIR | WEST END | 446 | 72 | Urban | 28 | 12488 | \$53,074 |
| BRENTWOOD LN | OLD WALNUT CIR | WEST END | 847 | 74 | Urban | 28 | 23716 | \$100,793 |
| CLAREWOOD LN | BRENTWOOD LN | OLD WALNUT CIR | 889 | 64 | Urban | 28 | 24892 | \$105,791 |
| PINEHURST CT | BRENTWOOD LN | SOUTH END | 381 | 77 | Urban | 28 | 10668 | \$45,339 |
| | | | | | | | Sub-Total= | \$1,864,390 |
| ALPINE CT | RED PINE AV | SOUTH END | 256 | 73 | Urban | 28 | 7168 | \$30,106 |
| RED PINE AV | LAWSON BLVD | FULLER RD | 990 | 47 | Urban | 28 | 27720 | \$116,424 |
| LONGMEADOW DR | WEST END | WATERBURY AV | 1273 | 25 | Urban | 28 | 35644 | \$149,705 |
| FRAMINGHAM CT | LONGMEADOW DR | SOUTH END | 404 | 44 | Urban | 28 | 11312 | \$47,510 |
| WILLIAMSBURG AV | SOUTH END | LONGMEADOW DR | 689 | 70 | Urban | 28 | 19292 | \$81,026 |
| CORNELL AV | OPLAINE RD | WILLIAMSBURG AV | 344 | 65 | Urban | 28 | 9632 | \$40,454 |
| ANGELO AV | EASTWOOD AV | NORTH END | 1069 | 48 | Urban | 28 | 29932 | \$125,714 |
| DADA DR | ALMOND RD | 500' - EAST OF TYME CT | 1800 | 52 | Urban | 36 | 64800 | \$275,400 |
| COLBY RD | MANCHESTER DR | GAGES LAKE RD | 1477 | 64 | Urban | 28 | 41356 | \$175,763 |
| DUNHAM RD | MANCHESTER DR | WILBUR CT | 545 | 53 | Urban | 28 | 15260 | \$64,855 |
| | | | | | | | Sub-Total= | \$1,106,958 |
| BLACKBURN ST | GLEN FLORA AV | US 41 | 486 | 17 | Rural | 22 | 10692 | \$96,228 |
| GLEN FLORA AV | FERNDALE ST | BLACKBURN ST | 299 | 4 | Rural | 22 | 6578 | \$59,202 |
| BELLE PLAINE AV | GRAND AV | CRESCENT AV | 2257 | 50 | Urban | 28 | 63196 | \$252,784 |
| BELLE PLAINE AV | WOODLAWN AV | BLACKSTONE AV | 1329 | 34 | Rural | 22 | 29238 | \$263,142 |
| GRANDVILLE AV | WAVELAND AV | NORTHWESTERN AV | 344 | 22 | Rural | 22 | 7568 | \$52,976 |
| GRANDVILLE AV | NORTHWESTERN AV | RXR | 538 | 25 | Urban | 36 | 19368 | \$77,472 |
| | | | | | | | Sub-Total= | \$801,804 |
| ELM RD | BIRCH DR | FRONTAGE RD | 1129 | 26 | Rural | 22 | 24838 | \$223,542 |
| ELM RD | OPLAINE RD | BIRCH DR | 764 | 36 | Rural | 22 | 16808 | \$151,272 |
| | | | | | | | Sub-Total= | \$374,814 |

| PROJECT SUMMARY | | |
|--|-------------|-------|
| TOTAL LENGTH OF IMPROVEMENT | 5.51 | MILES |
| STREET RESURFACING PROJECT ESTIMATE | \$4,147,966 | |
| MISC. VARIOUS LOCATION PATCHING AND STRIPING | \$350,000 | |
| PROJECT TOTAL EOPC | \$4,497,966 | |



Street Maintenance
2018

 Proposed Projects

January 2017



2019 – 2021 Construction Season Projects (FY2020 – FY2022)

Following are projected estimates for road resurface/reconstruct programs in FY2020 – FY2022. 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.

| FY2020 - 2019 CONSTRUCTION SEASON PROJECT SUMMARY | |
|--|-------------|
| TOTAL LENGTH OF IMPROVEMENT (MILES) | 6.1 |
| STREET REHABILITATION PROJECT ESTIMATE | \$4,731,099 |
| MISC LOCATION PATCHING AND STRIPING | \$250,000 |
| PROJECT TOTAL EOPC | \$4,981,099 |

| FY2021 - 2020 CONSTRUCTION SEASON PROJECT SUMMARY | |
|--|-------------|
| TOTAL LENGTH OF IMPROVEMENT (MILES) | 6.1 |
| STREET REHABILITATION PROJECT ESTIMATE | \$4,873,032 |
| MISC LOCATION PATCHING AND STRIPING | \$250,000 |
| PROJECT TOTAL EOPC | \$5,123,032 |

| FY2022 - 2021 CONSTRUCTION SEASON PROJECT SUMMARY | |
|--|-------------|
| TOTAL LENGTH OF IMPROVEMENT (MILES) | 5.9 |
| STREET REHABILITATION PROJECT ESTIMATE | \$4,854,658 |
| MISC LOCATION PATCHING AND STRIPING | \$250,000 |
| PROJECT TOTAL EOPC | \$5,104,658 |



SECTION IV – STORMWATER MANAGEMENT
SYSTEM

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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 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 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.

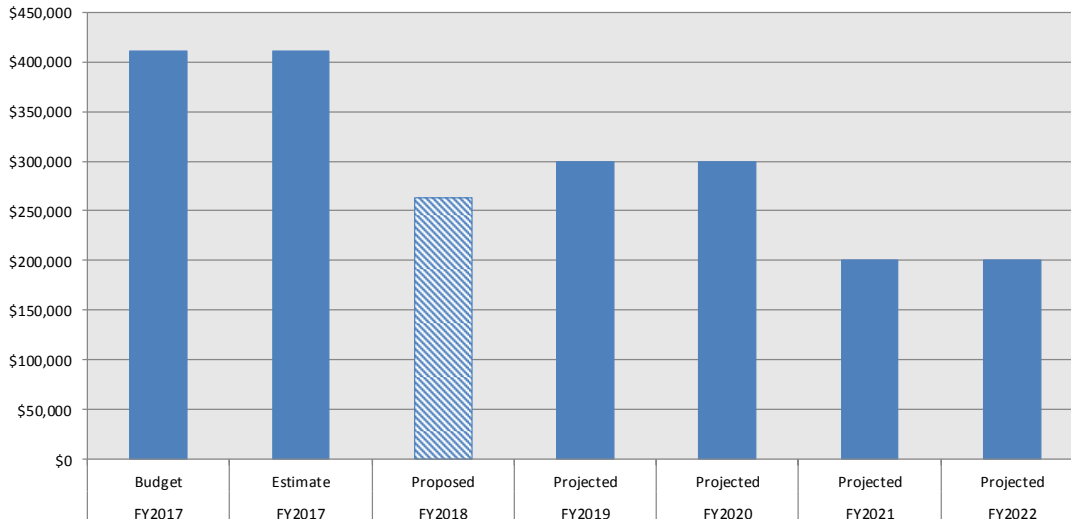
The recommended approach is to continue to inspect and maintain or repair stormwater facilities as needed and continue to leverage local funds with governmental grants programs to acquire and demolish flood prone structures.

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.

| Stormwater Management System | FY2017 Budget | FY2017 Estimate | FY2018 Proposed | FY2019 Projected | FY 2020 Projected | FY 2021 Projected | FY 2022 Projected |
|--|------------------|--------------------|--------------------|---------------------|----------------------|----------------------|----------------------|
| Capital Improvement Fund Expenditures - 304 | | | | | | | |
| Floodplain Acquisition | \$211,000 | \$211,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 |
| Lift Stations | | | \$100,000 | \$200,000 | \$200,000 | \$100,000 | \$100,000 |
| Drainage Improvements | \$200,000 | \$200,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 |
| Bittersweet Wetland Enhancement | | | \$63,050 | | | | |
| Total Stormwater Management System | \$411,000 | \$411,000 | \$263,050 | \$300,000 | \$300,000 | \$200,000 | \$200,000 |

Stormwater Management System Spending



Multi-Year Plan Details

| FY2018 PROJECT SUMMARY | |
|--|------------------|
| FLOOPLAIN PROPERTY ACQUISITION (NO SPECIFIC LOCATIONS) | \$50,000 |
| MISCELLANOUS DRAINAGE IMPROVEMENTS (ALPINE CT, WOODHILL, ROUTE 21) | \$50,000 |
| LIFT STATION UPGRADES | \$100,000 |
| BITTERSWEET WETLAND ESCROW | \$63,050 |
| PROJECT TOTAL EOPC | \$263,050 |

| FY2019 PROJECT SUMMARY | |
|------------------------------------|------------------|
| FLOOPLAIN PROPERTY ACQUISITION | \$50,000 |
| MISCELLANOUS DRAINAGE IMPROVEMENTS | \$50,000 |
| LIFT STATION UPGRADES | \$200,000 |
| PROJECT TOTAL EOPC | \$300,000 |

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SECTION V – WATER & SEWER SYSTEM

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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 elevation 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.

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.

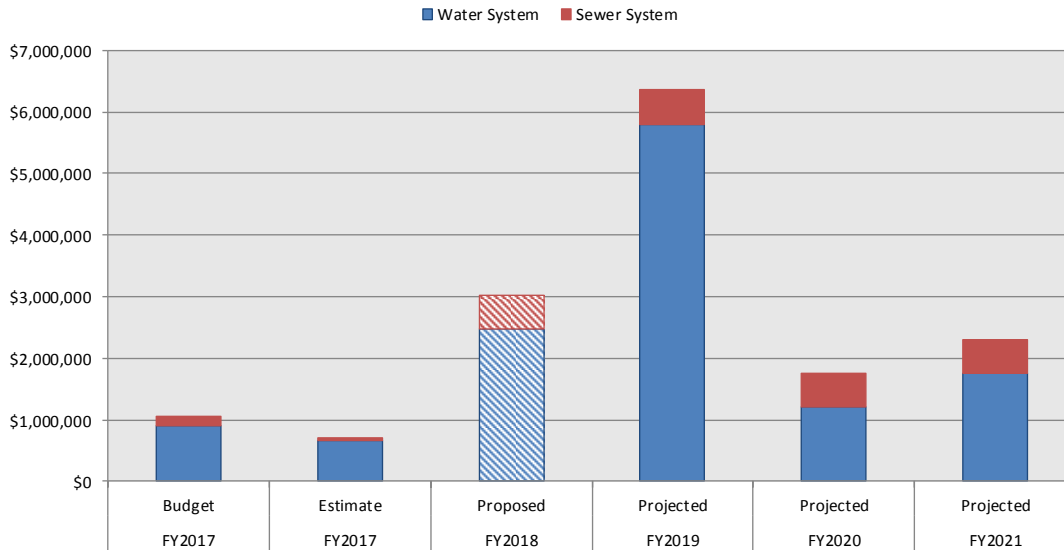
Water & Sewer System Spending Projections

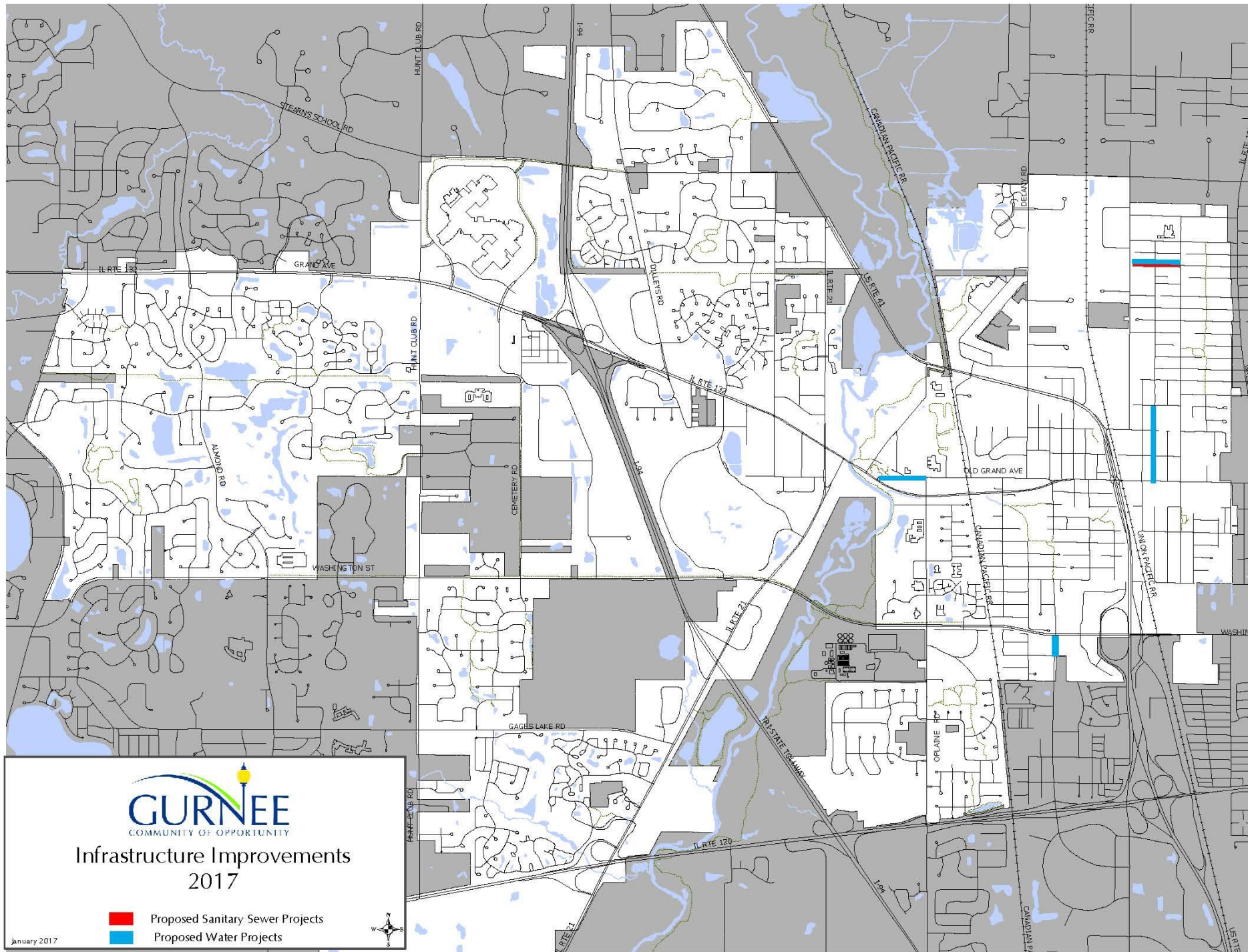
In FY2013 the Village began a multi-year sanitary sewer cleaning and televising program in an effort to create a baseline for the condition of the sanitary sewer network. Using robotic technology the inside of sanitary sewer pipe is televised allowing staff to proactively identify problems and areas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

As a result of these inspection efforts Fiscal Year 2018 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.

| Water & Sewer System | FY2017 Budget | FY2017 Estimate | FY2018 Proposed | FY2019 Projected | FY2020 Projected | FY2021 Projected | FY2022 Projected |
|--|--------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Water System | | | | | | | |
| Production & Pumpage | | | | | | | |
| Well #1 | \$260,000 | \$260,000 | | | | | |
| Well #2 | | | | | | \$50,000 | |
| Pump Station - Cemetery Rd. | | | | | \$200,000 | | |
| Distribution | | | | | | | |
| Professional Services | | | \$70,000 | | | | |
| Watermain - Grand Ave. @ River | \$240,000 | \$0 | \$372,000 | | | | |
| Watermain - Grand Ave. @ Fuller | \$50,000 | \$50,000 | \$15,000 | | | | |
| Watermain - Waveland | | | \$0 | | | | |
| Watermain - Pine Grove | \$250,000 | \$250,000 | | | | | |
| Watermain | | | \$720,000 | \$800,000 | \$1,000,000 | \$1,700,000 | \$1,500,000 |
| Storage | | | | | | | |
| Professional Services | \$100,000 | \$100,000 | \$220,000 | | | | |
| Tower #1 - Old Grand | | | \$50,000 | | | | |
| Tower #4 - Northwestern | | | \$25,000 | | | | |
| Tower #5 - Knowles | | | \$1,000,000 | \$5,000,000 | | | |
| Total Water System | \$900,000 | \$660,000 | \$2,472,000 | \$5,800,000 | \$1,200,000 | \$1,750,000 | \$1,500,000 |
| Sewer System | | | | | | | |
| Spot Repairs | \$75,000 | \$52,515 | \$75,000 | \$75,000 | \$75,000 | \$75,000 | \$75,000 |
| Lining | \$75,000 | | \$75,000 | \$75,000 | | | |
| Televising | | | | | \$75,000 | \$75,000 | \$75,000 |
| Lift Stations | | | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 |
| Generators | | | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 |
| Main Extensions | | | \$140,000 | \$150,000 | \$150,000 | \$150,000 | |
| Total Sewer System | \$150,000 | \$52,515 | \$540,000 | \$550,000 | \$550,000 | \$550,000 | \$400,000 |
| Total Water & Sewer Systems | \$1,050,000 | \$712,515 | \$3,012,000 | \$6,350,000 | \$1,750,000 | \$2,300,000 | \$1,900,000 |

Water & Sewer System Spending





Infrastructure Improvements
2017

- Proposed Sanitary Sewer Projects
- Proposed Water Projects



January 2017



SECTION VI – VEHICLES & EQUIPMENT

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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 that need to be budgeted for replacement by utilizing heavily used vehicles in 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 pieces of vehicles and heavy equipment and approximate current replacement value by department that need to be budgeted for eventual replacement in future years.

| Department | Count | Replacement Value |
|-------------------------|------------|---------------------|
| Police Department | 34 | \$1,422,000 |
| Fire Department | 20 | \$5,225,000 |
| Public Works - Streets* | 41 | \$5,812,000 |
| Public Works - Utility* | 26 | \$2,777,000 |
| Total | 121 | \$15,236,000 |

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

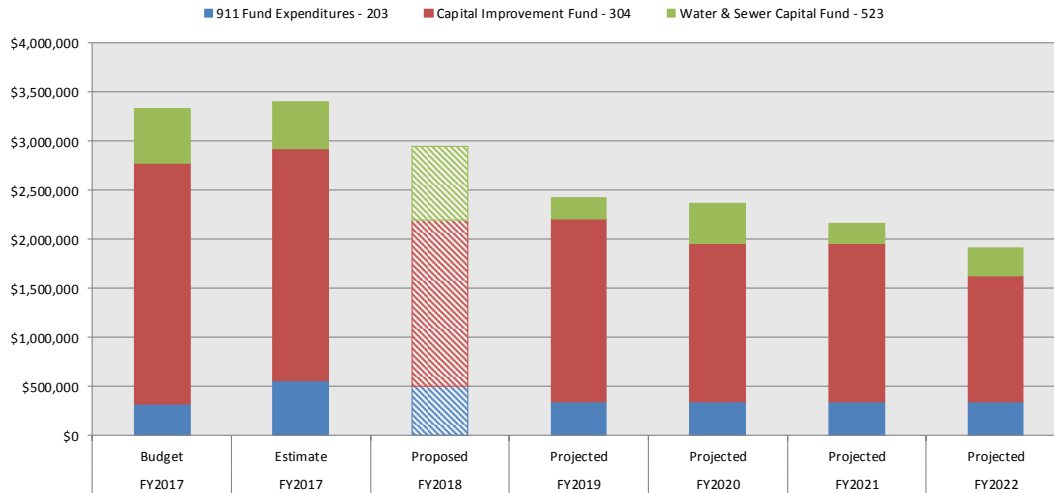
Assumptions & Approach

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.

Vehicle & Equipment Spending Projections

| Vehicles & Equipment by Fund | FY2017 Budget | FY2017 Estimate | FY2018 Proposed | FY2019 Projected | FY2020 Projected | FY2021 Projected | FY2022 Projected |
|--|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| 911 Fund Expenditures - 203 | | | | | | | |
| Telecom Equipment | \$70,200 | \$70,200 | | | | | |
| Office Furniture | \$6,000 | \$6,000 | | | | | |
| Computer Hardware | \$14,100 | \$14,100 | | | | | |
| Computer Software | \$24,250 | \$24,250 | | | | | |
| Communications Equipment | \$189,500 | \$434,160 | | | | | |
| Mobile Data Equipment | \$14,500 | \$14,500 | | | | | |
| JETSB Capital | | | \$500,000 | \$350,000 | \$350,000 | \$350,000 | \$350,000 |
| Total 911 Fund Expenditures - 203 | \$318,550 | \$563,210 | \$500,000 | \$350,000 | \$350,000 | \$350,000 | \$350,000 |
| Capital Improvement Fund - 304 | | | | | | | |
| LAN/MAN Network Improvements | \$122,000 | \$122,000 | \$165,500 | \$79,500 | \$59,500 | \$60,000 | \$60,000 |
| Police Station Core Switch Upgrade / Replacement | | | | | \$12,500 | | |
| SAN Storage & Backup Solution | \$15,000 | \$15,000 | | \$65,000 | | | \$75,000 |
| IP Phone System | | | | | \$42,500 | \$10,000 | \$10,000 |
| EOC Outfitting / Radio, Data, Voice Comms Continuity | | | \$27,500 | \$45,000 | | \$15,000 | |
| Comprehensive Imaging & Document Management | \$37,500 | \$0 | \$37,500 | \$37,500 | | | |
| Financial System / SunGard PS Replacement | \$175,000 | \$100,000 | \$100,000 | | | | |
| VH Computer Room Cabinet / Cooling Retrofit | | | | \$27,500 | | | |
| Police Access Control System (Gatekeeper / Stanley) | \$10,000 | \$25,000 | \$20,000 | \$40,000 | | | |
| In-Squad Video | | | | | \$150,000 | | |
| Warning Sirens | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 |
| Fire Pre-Emption System | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$30,000 | \$5,000 | \$5,000 |
| EMS Software Upgrade | \$60,000 | \$60,000 | | | | | |
| Fire Matching Grant Program | \$95,000 | \$95,000 | \$65,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 |
| Police Department Vehicles | \$213,000 | \$213,000 | \$285,000 | \$290,950 | \$298,224 | \$329,371 | \$285,726 |
| Fire Department Vehicles | \$1,075,000 | \$1,075,000 | \$375,000 | \$580,000 | \$300,000 | \$485,000 | \$300,000 |
| PW Streets Vehicles | \$279,000 | \$279,000 | \$506,000 | \$526,850 | \$538,894 | \$551,239 | \$391,854 |
| PW Streets Equipment | \$347,500 | \$347,500 | \$82,000 | \$84,050 | \$105,063 | \$75,382 | \$77,267 |
| Total Capital Improvement Fund - 304 | \$2,459,000 | \$2,361,500 | \$1,693,500 | \$1,856,350 | \$1,611,680 | \$1,605,992 | \$1,279,846 |
| Water & Sewer Capital Fund - 523 | | | | | | | |
| PW Security Upgrades | \$45,000 | \$45,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 |
| PW SCADA Control System Improvements | \$125,000 | \$125,000 | \$125,000 | \$125,000 | \$125,000 | | |
| Financial System / SunGard PS Replacement | \$175,000 | \$100,000 | \$100,000 | | | | |
| PW Utility Vehicles | \$0 | \$0 | \$384,125 | \$49,200 | \$50,430 | \$37,691 | \$33,942 |
| PW Utility Equipment | \$207,500 | \$207,500 | \$125,000 | \$20,500 | \$204,872 | \$145,380 | \$231,801 |
| Total Water & Sewer Capital Fund - 523 | \$552,500 | \$477,500 | \$754,125 | \$214,700 | \$400,302 | \$203,071 | \$285,743 |
| Total Vehicles & Equipment - All Funds | \$3,330,050 | \$3,402,210 | \$2,947,625 | \$2,421,050 | \$2,361,982 | \$2,159,063 | \$1,915,589 |

Vehicles & Equipment Spending





**SECTION VII – BUILDINGS & BUILDING
IMPROVEMENTS**

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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 buildings looking good.

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, 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.

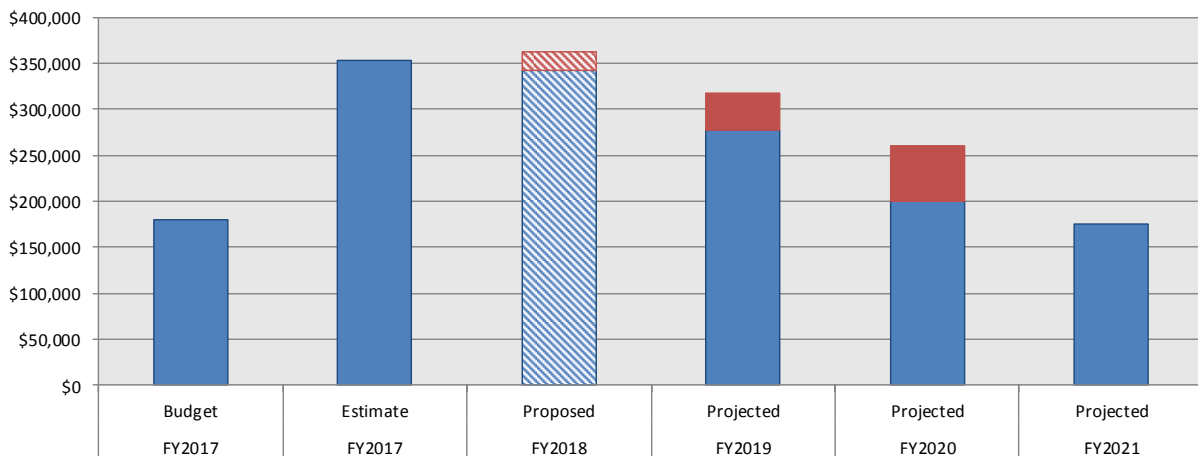
Assumptions & Approach

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

| Buildings & Improvements by Fund | FY2017 Budget | FY2017 Estimate | FY2018 Proposed | FY2019 Projected | FY2020 Projected | FY2021 Projected | FY2022 Projected |
|---|------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| Capital Improvement Fund - 304 | | | | | | | |
| Village Hall | | | | | | | |
| MEP | | | | \$40,000 | | \$25,000 | |
| Interior | | | \$50,000 | | | | |
| Exterior | | | \$50,000 | | | | \$25,000 |
| Police Department | | | | | | | |
| MEP | | | \$85,000 | \$92,000 | \$75,000 | | |
| Exterior | | | | | | \$100,000 | \$50,000 |
| Fire Station #1 | | | | | | | |
| MEP | \$15,000 | \$15,000 | | | | | |
| Interior | \$15,000 | \$15,000 | \$80,000 | | | | |
| Exterior | \$10,000 | \$10,000 | | \$115,000 | \$25,000 | \$25,000 | \$25,000 |
| Fire Station #2 | | | | | | | |
| MEP | \$15,000 | \$15,000 | | | | | |
| Interior | \$25,000 | \$25,000 | | | | | |
| Exterior | | | | | \$25,000 | | \$25,000 |
| PW Facility | | | | | | | |
| MEP | \$25,000 | \$25,000 | \$20,000 | | | | |
| Exterior | | | \$16,500 | | \$25,000 | \$25,000 | \$25,000 |
| Grounds | | | | \$30,000 | \$50,000 | | |
| Other | | | | | | | |
| Welton Plaza | \$75,000 | \$248,575 | \$40,000 | | | | |
| Rudd House | | | \$25,000 | | | | |
| Total Capital Improvement Fund - 304 | \$180,000 | \$353,575 | \$341,500 | \$277,000 | \$200,000 | \$175,000 | \$150,000 |
| Water & Sewer Capital Fund - 523 | | | | | | | |
| PW Facility | | | | | | | |
| MEP | | | \$14,425 | | | | |
| Exterior | | | \$6,500 | | \$11,000 | | |
| Grounds | | | | \$40,000 | \$50,000 | | |
| Total Water & Sewer Capital Fund - 523 | \$0 | \$0 | \$20,925 | \$40,000 | \$61,000 | \$0 | \$0 |
| Total Buildings & Improvements - All Funds | \$180,000 | \$353,575 | \$362,425 | \$317,000 | \$261,000 | \$175,000 | \$150,000 |

Buildings & Improvements Spending





SECTION VIII – APPENDIX

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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

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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, pumps | 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 |