



**Multi-Year
Financial Forecast**

**Multi-Year
Capital Plan**

Annual Budget

**Quarterly
Status Report**

**Comprehensive
Annual
Financial Report**

Multi-Year Capital Plan
Fiscal Years 2017 – 2021
May 1, 2016 – April 30, 2021
Presented on December 21, 2015

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

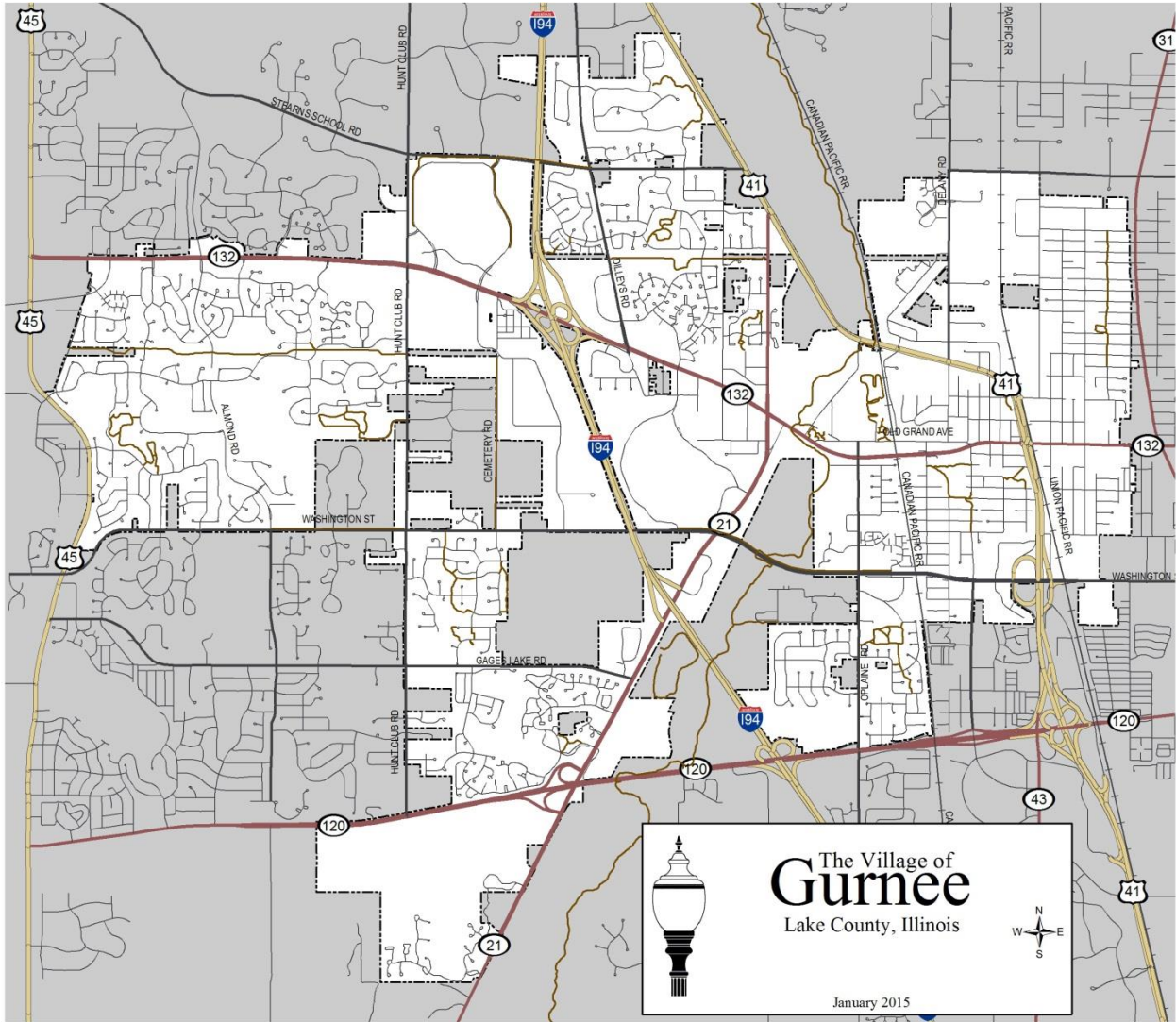
Scott Drabicki – Village Engineer

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 2017 – 2021. 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 FY2017 Budget. Beyond FY2017, 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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Multi-Year Capital Plan
Fiscal Years 2017 – 2021

Executive Summary

Funding Strategy

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

In 2014 the Village Board instituted an additional 0.5% Home Rule Sales Tax. This additional revenue was dedicated for infrastructure and capital spending, and is the basis for funding the [Transportation System plan](#). 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 expires. This debt service is being utilized to fund the pay-as-you-go capital plan in the Water & Sewer Fund. This funding strategy has allowed the Village to avoid levying a property tax for capital improvements.

Water & Sewer related infrastructure and capital funding has historically relied on revenues from new development in the form of connection and user fees. As new development opportunities lessened it became apparent Water & Sewer rates were not sufficient to sustain a capital replacement program. In 2011, the Village conducted a water rate study and as a result of the findings, instituted a base fee and incremental increase in the rate. The incremental increase expired on October 1, 2015. More information regarding the study and historical rates can be found in the [Water & Sewer System](#) section.

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

Overall the Village's funding strategy 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

FY2017 Plan Summary

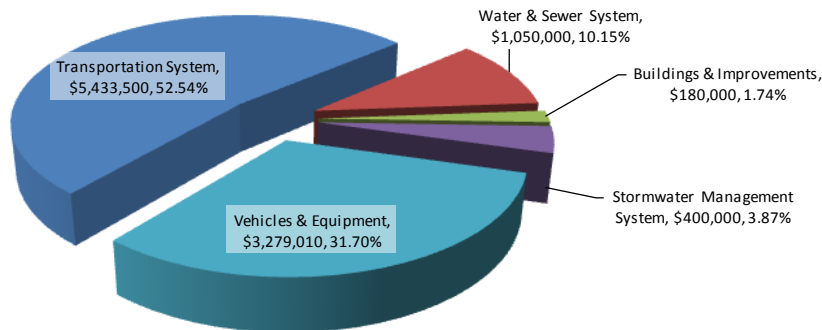
The largest expenditure category is Transportation System spending which totals \$5.43 million or 52.54%. Vehicles and Equipment accounts for \$3.28 million or 31.70%, Water and Sewer totals \$1.05 million or 10.15%, Buildings and Improvements totals \$180 thousand or 1.74%, and Stormwater Management totals \$400 thousand or 3.87%.

Fiscal Years 2017 – 2021 Plan Summary

Expenditures over the 5-year plan period total \$54.64 million. Transportation System spending totals \$27.28 million or 50.02%. Vehicles & Equipment totals \$11.82 million or 21.66%. Water and Sewer system spending totals \$13.65 million or 25.03%, largely due to the construction of the Knowles Rd. water tower in FY2018. Buildings and Improvements totals \$495 thousand or 0.91% and Stormwater Management spending accounts for \$1.30 million or 2.38%.

	FY2016 Budget	FY2016 Estimate	FY2017 Proposed	FY2018 Projected	FY2019 Projected	FY2020 Projected	FY2021 Projected	Total FY2017 - FY2021
Transportation System	\$6,235,195	\$6,183,332	\$5,433,500	\$5,013,500	\$5,518,500	\$5,658,500	\$5,658,500	\$27,282,500
Water & Sewer System	\$795,000	\$841,000	\$1,050,000	\$7,200,000	\$1,350,000	\$1,750,000	\$2,300,000	\$13,650,000
Buildings & Improvements	\$411,000	\$357,500	\$180,000	\$100,000	\$40,000	\$75,000	\$100,000	\$495,000
Stormwater Management System	\$324,305	\$273,605	\$400,000	\$200,000	\$300,000	\$300,000	\$100,000	\$1,300,000
Vehicles & Equipment	\$2,333,350	\$2,095,274	\$3,279,010	\$2,303,660	\$2,499,339	\$1,827,184	\$2,003,148	\$11,912,342
	\$10,098,850	\$9,750,711	\$10,342,510	\$14,817,160	\$9,707,839	\$9,610,684	\$10,161,648	\$54,639,842

FY2017 Budgeted CIP by System - \$10.34m



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Multi-Year Capital Plan

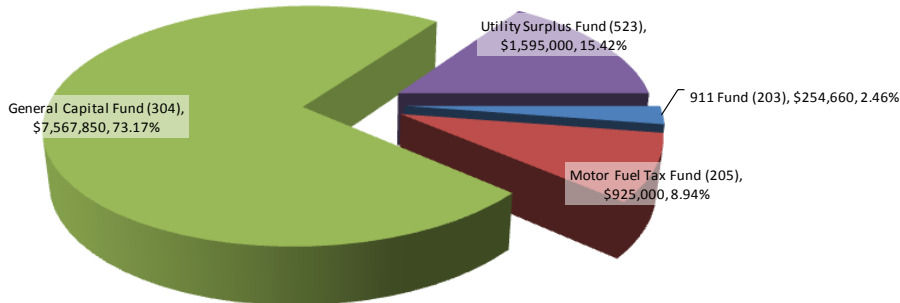
Fiscal Years 2017 – 2021

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 infrastructure. The Village also maintains a 911 Fund (203), which has historically been utilized to fund capital purchases related to the operation of the Village’s 911 center. These funds are restricted and spending is determined by an independent board. The 911 Fund forecast is not included in the CIP as spending priorities are determined by a separate ETSB Board. Projected Capital Purchases are included in the Vehicles & Equipment category.

	FY2016 Budget	FY2016 Estimate	FY2017 Proposed	FY2018 Projected	FY2019 Projected	FY2020 Projected	FY2021 Projected	Total FY2017 - FY2021
911 Fund (203)	\$463,950	\$277,613	\$254,660	\$254,660	\$35,000	\$10,000	\$10,000	\$564,320
Motor Fuel Tax Fund (205)	\$1,700,000	\$1,375,000	\$925,000	\$925,000	\$925,000	\$925,000	\$925,000	\$4,625,000
General Capital Fund (304)	\$6,669,900	\$6,787,098	\$7,567,850	\$6,007,100	\$6,842,400	\$6,602,800	\$6,692,700	\$33,712,850
Utility Surplus Fund (523)	\$1,265,000	\$1,311,000	\$1,595,000	\$7,717,500	\$1,905,541	\$1,974,994	\$2,449,015	\$15,642,050
	\$10,098,850	\$9,750,711	\$10,342,510	\$14,904,260	\$9,707,941	\$9,512,794	\$10,076,715	\$54,544,220

FY2017 Budgeted CIP by Fund - \$10.77m



911 Fund – 204

The 911 fund is a special revenue fund that accounts for distributions related to an imposed 911 surcharge on telecommunications. These funds are restricted for use in operating a 911 center. 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.

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 through a combination of user fees. Users of the systems are charged a variable and a fixed rate based on meter size and usage. The Village established a Water & Sewer Capital Fund to segregate capital expenditures from operations. As a proprietary fund, Generally Accepted Accounting Principles requires the Water & Sewer Capital Fund be reported in combination with the Water & Sewer Operating Fund as one enterprise on a full accrual basis of accounting.

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Multi-Year Capital Plan

Fiscal Years 2017 – 2021

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 intends to update the plan in FY2017. 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.

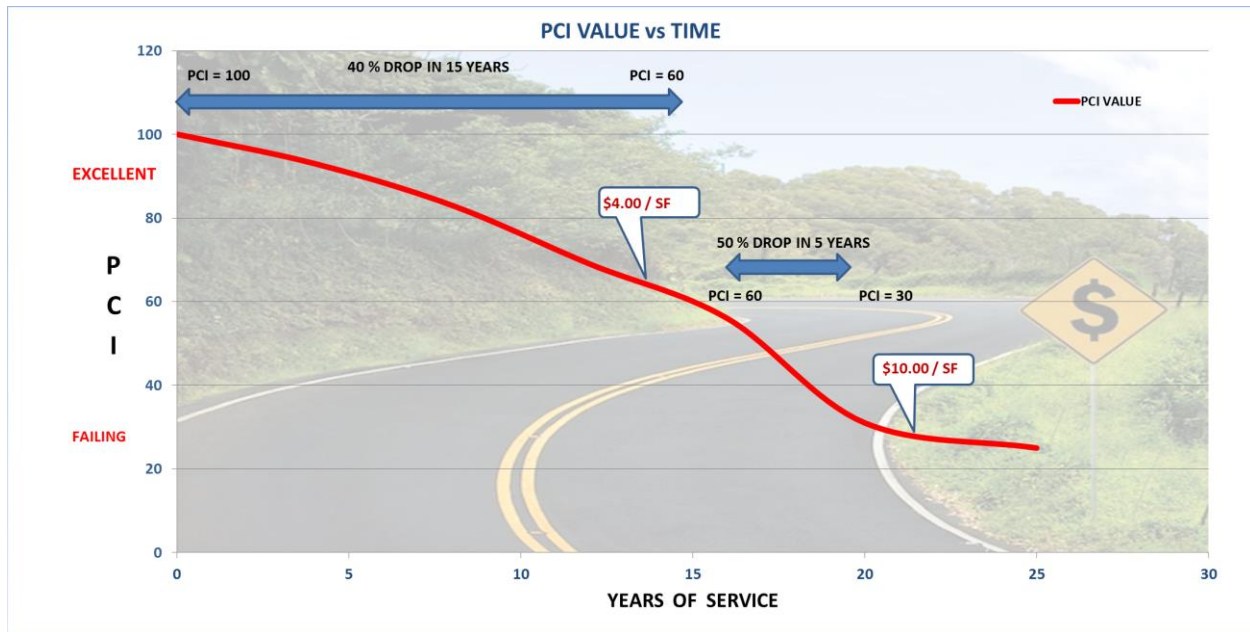
The Village's roadway network consists of paved local roadways and bridges that interconnect to Township, County, and State roadways. Capital expenditures for roadways include new installations, preventative maintenance, and rehabilitation. The Village maintains the equivalent of about 121 centerline 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. Maintenance of the pedestrian path system is primarily focused on eliminating trip hazards that form when concrete slabs are displaced due to settlement or uplift.

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

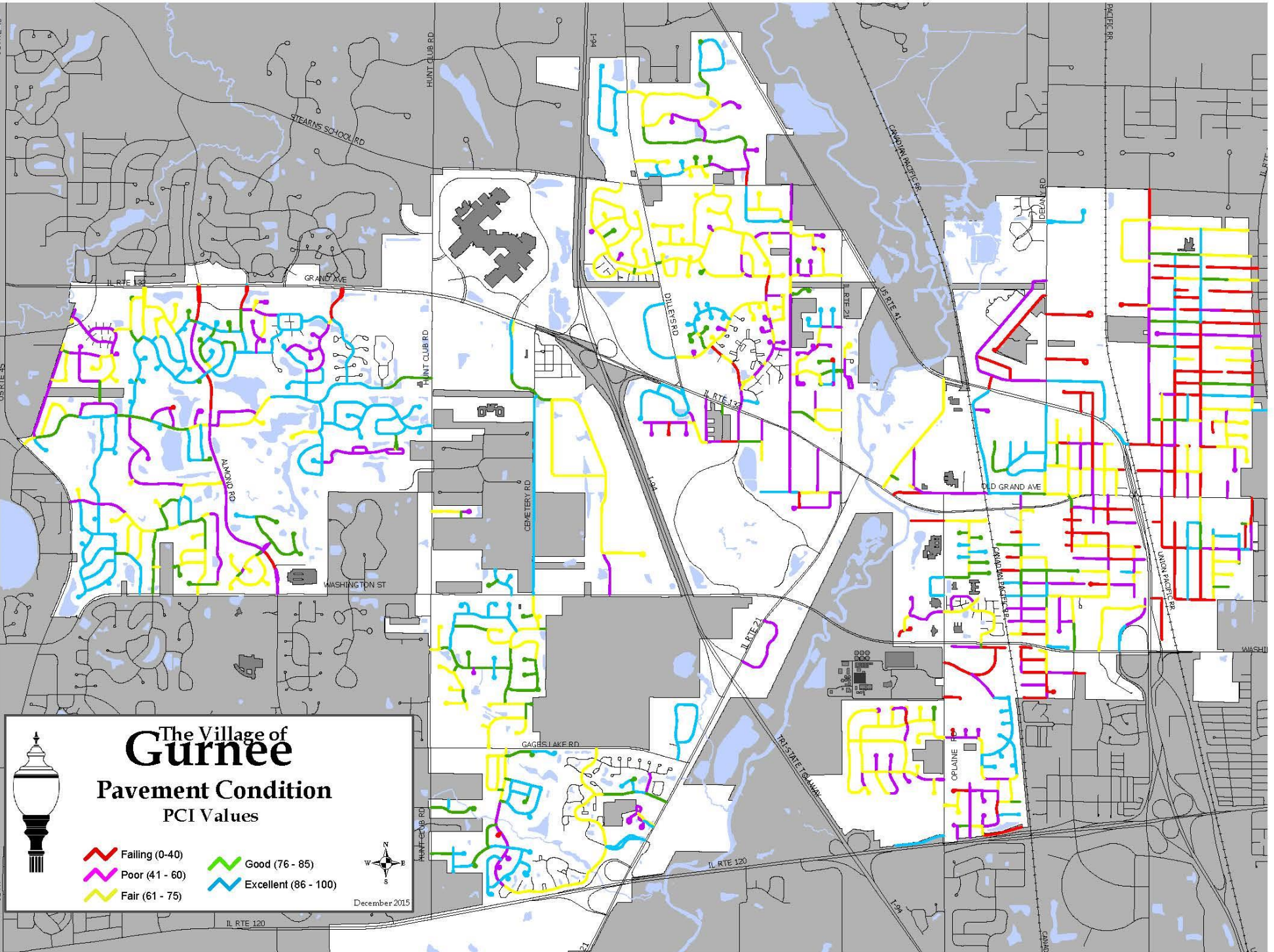
Maintaining the transportation systems in the Village of Gurnee is the largest budgetary line item in the capital plan. Staff assumes roadway pavements to last 15-20 years before the condition begins to deteriorate at an increasing rate which requires more costly reconstruction from the ground up. The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




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






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



The Village of Gurnee
Pavement Condition
 PCI Values



 Failing (0-40)	 Good (76 - 85)
 Poor (41 - 60)	 Excellent (86 - 100)
 Fair (61 - 75)	

December 2015

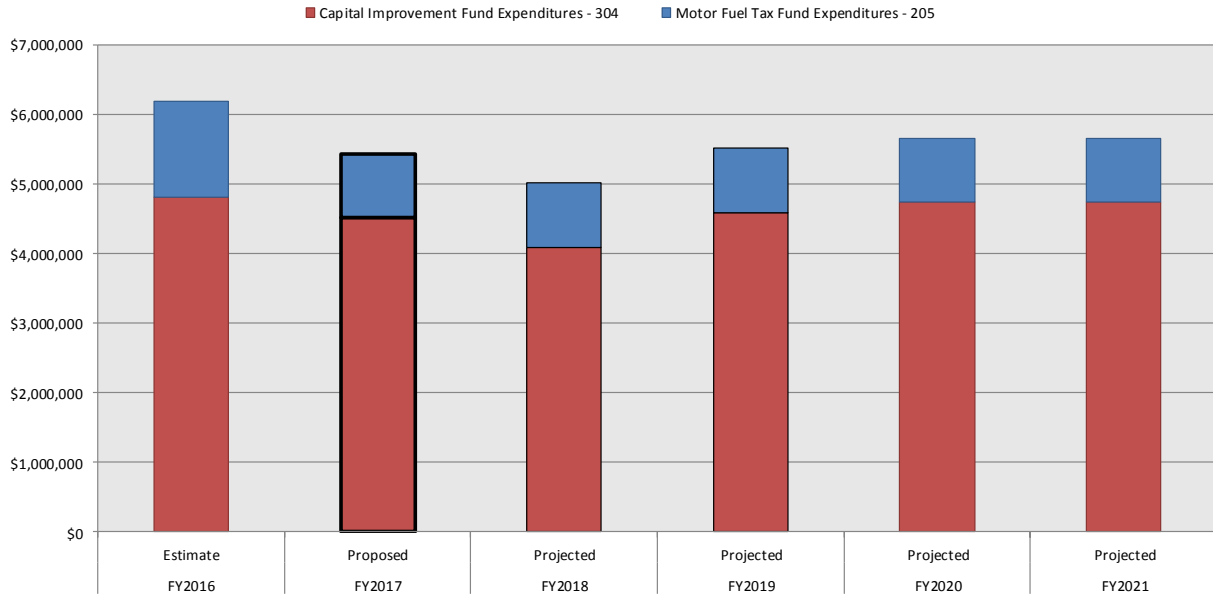
Transportation System Spending Projections

Transportation System spending over the plan period (FY2017 – FY2021) totals \$27.28 million. As a result of the strategic planning process, funding for sidewalk improvements was increased from \$50,000 to \$175 thousand in FY2017 and \$100 thousand annually thereafter. Pursuant to the strategic plan update the community has expressed an interest in providing more pedestrian accommodations. The first project to be undertaken will be the installation of a public sidewalk between Grand Avenue and Washington Street on IL Route 21. This area receives a lot of heavy foot traffic from Six Flags employees and the park has agreed to work with the Village to provide easements to facilitate the installation.

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

Transportation System by Fund		FY2016 Budget	FY2016 Estimate	FY2017 Proposed	FY2018 Projected	FY2019 Projected	FY2020 Projected	FY2021 Projected
Motor Fuel Tax Fund Expenditures - 205								
Crack Sealing	205-0000-432.50-13	\$75,000	\$75,000	\$0	\$75,000	\$75,000	\$75,000	\$75,000
2014 Construction Season Program	205-0000-432.50-12							
2014 Carryover - Final Inspections	205-0000-432.50-12	\$325,000	\$325,000					
2015 Construction Season Program	205-0000-432.50-12	\$1,300,000	\$975,000					
2016 Construction Season Program	205-0000-432.50-12			\$925,000				
2017 Construction Season Program	205-0000-432.50-12				\$850,000			
2018-2021 Construction Seasons Program	205-0000-432.50-12					\$850,000	\$850,000	\$850,000
Total Motor Fuel Tax Fund Expenditures - 205		\$1,700,000	\$1,375,000	\$925,000	\$925,000	\$925,000	\$925,000	\$925,000
Capital Improvement Fund Expenditures - 304								
Engineering Consultant	304-0000-514.30-07	\$466,863	\$450,000	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000
Property Taxes	304-0000-514.32-51	\$8,332	\$8,332	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500
Sidewalk Repair	304-0000-514.50-14	\$50,000	\$50,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Sidewalk Improvements	304-0000-514.76-99			\$175,000	\$100,000	\$100,000	\$100,000	\$100,000
IDOT 41/UPPR	304-0000-514.75-50	\$40,000	\$0	\$40,000	\$0	\$10,000	\$0	\$0
2014 Construction Season Program	304-0000-514.50-12							
2015 Construction Season Program	304-0000-514.50-12	\$3,970,000	\$4,300,000					
2016 Construction Season Program	304-0000-514.50-12			\$3,935,000				
2017 Construction Season Program	304-0000-514.50-12				\$3,630,000			
2018-2021 Construction Seasons Program	304-0000-514.50-12					\$4,125,000	\$4,275,000	\$4,275,000
Total Capital Improvement Fund Expenditures - 304		\$4,535,195	\$4,808,332	\$4,508,500	\$4,088,500	\$4,593,500	\$4,733,500	\$4,733,500
Total Transportation System - All Funds		\$6,235,195	\$6,183,332	\$5,433,500	\$5,013,500	\$5,518,500	\$5,658,500	\$5,658,500

Transportation System Spending FY2017 \$5.43m



Multi-Year Plan Details

FY2017 – 2016 Construction Season Projects

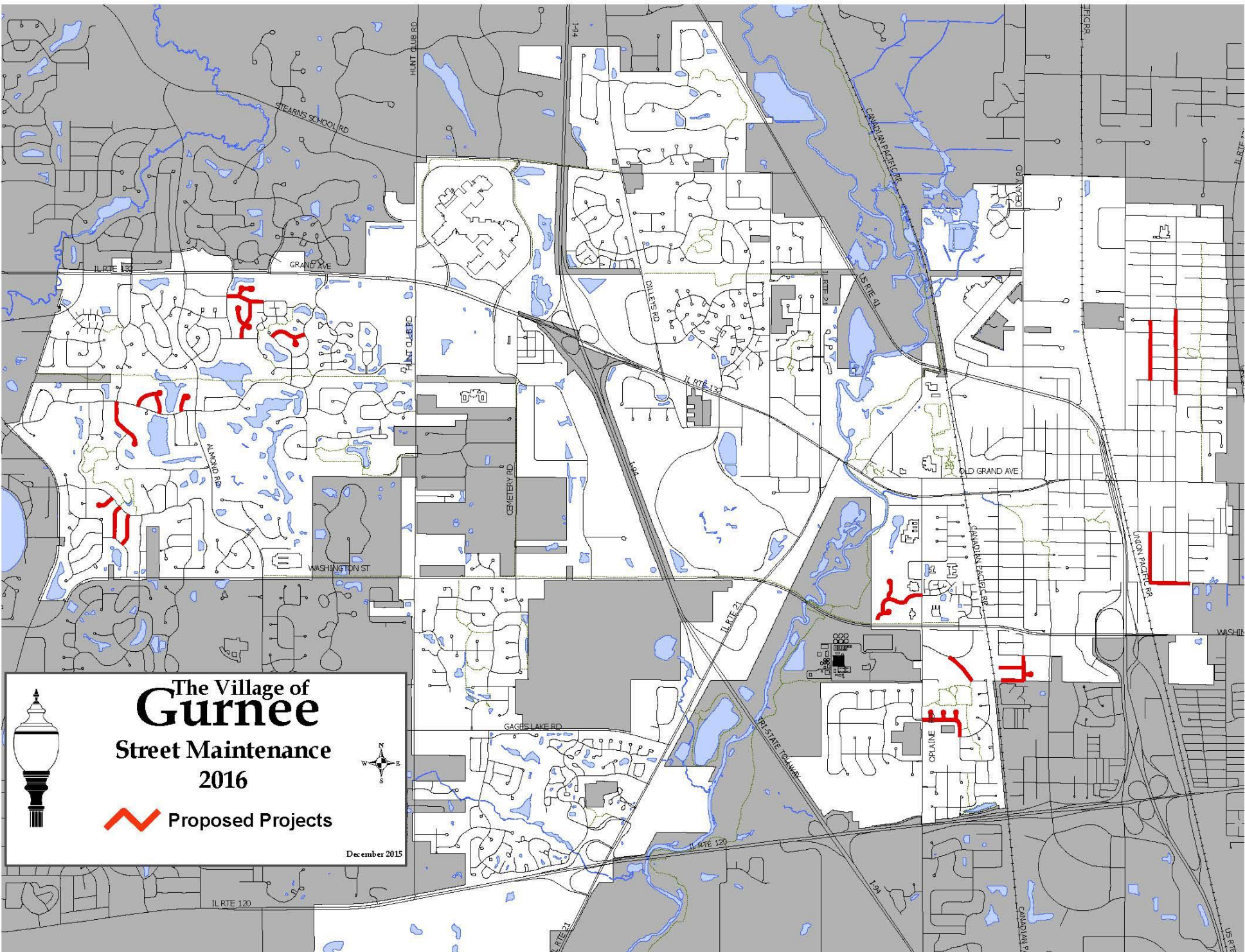
2016 STREET RESURFACING PROJECT

Street	From	To	Length(Ft)	PCI	Section Type	Width e-e	Roadway Area	Rehab. Costs
BRADLEY DR	KNOTTINGHAM DR	CAMDEN DR	948	49	Urban	28	26544	\$114,139
KINGSBURY CT	BRADLEY DR	SOUTH END	292	52	Urban	28	8176	\$35,157
							Sub-Total =	\$149,296
MILLSTONE LN	BUCHANAN DR	PENNSBURY LN	1027	45	Urban	28	28756	\$120,775
GREENFIELD CT	MILLSTONE LN	NORTH END	630	47	Urban	28	17640	\$75,852
PRESTON CT	MILLSTONE LN	SOUTH END	243	44	Urban	28	6804	\$29,257
BUCHANAN DR	ARLINGTON LN	STRATTON LN	975	47	Urban	28	27300	\$117,390
HILLSIDE CT	BUCHANAN DR	EAST END	722	63	Urban	28	20216	\$86,929
							Sub-Total =	\$430,203
TREETOP LN	CASCADE WAY	HILLVIEW DR	856	62	Urban	28	23968	\$100,666
CLIFFWOOD LN	CASCADE WAY	HILLVIEW DR	807	66	Urban	28	22596	\$94,903
SNOW CAP CT	CASCADE WAY	WEST END	522	73	Urban	28	14616	\$61,387
							Sub-Total =	\$256,956
VINEYARD DR	DADA DR	SOUTH END	1411	56	Urban	28	39508	\$165,934
WINDEMERE CIR	DADA DR - EAST	DADA - WEST	1404	58	Urban	28	39312	\$165,110
OAKMEADOW CT	DADA DR	NORTH END	630	56	Urban	28	17640	\$74,088
							Sub-Total =	\$405,132
BROOKHAVEN RD	GREENHAVEN LN	OLPAINE RD	509	46	Urban	28	14252	\$64,134
GREENHAVEN LN	BROOKHAVEN RD	SPRINGHAVEN DR	879	51	Urban	28	24612	\$110,754
MINTHAVEN CT	GREENHAVEN LN	NORTH END	525	44	Urban	28	14700	\$66,150
SPRINGHAVEN DR	GREENHAVEN LN	SOUTH END	417	24	Urban	28	11676	\$52,542
							Sub-Total =	\$293,580
BLACKSTONE AV	MAGNOLIA AV	HAWTHORNE AV	1100	Fail	Rural	24	31200	\$249,600
							Sub-Total =	\$249,600
RUSSELL AV	WEST END	DELANY RD	633	23	Rural	22	13926	\$97,482
DELANY RD	RUSSELL AV	OGLESBY AV	659	35	Rural	22	14498	\$144,980
WOODCREST CT	DELANY RD	EAST END	285	37	Urban	28	7980	\$33,516
CHARLES AV	DELANY RD	WEST END	656	41	Rural	22	14432	\$72,160
							Sub-Total =	\$348,138
BIRCH DR	ELM RD	RUSSELL AV	837	55	Rural	22	18414	\$110,484
COUNTRY TRL	OLPAINE RD	SUNNYSIDE AV	915	44	Urban	28	25620	\$115,290
BRIARWOOD CT	COUNTRY TRL	NORTH END	223	26	Urban	28	6244	\$37,464
FARMGATE CT	COUNTRY TRL	NORTH END	230	51	Urban	25	5750	\$34,500
WHITE OAK CT	COUNTRY TRL	NORTH END	240	47	Urban	25	6000	\$36,000
SUNNYSIDE AV	TANGLEWOOD DR	COUNTRY TRL	440	62	Urban	28	12320	\$51,744
			19015				Sub-Total =	\$385,482
			3.60					

2016 STREET RECONSTRUCTION PROJECT

BELLE PLAINE AV	KEITH AV	CRESCENT AV	2200	Fail	Rural	22	52800	\$897,600
MAGNOLIA AV	PACIFIC AV	GLENFLORA AV	1350	Fail	Rural	22	33000	\$561,000
MAGNOLIA AV	BLACKSTONE AV	WOODLAWN AV	1300	Fail	Rural	22	31200	\$530,400
			4850				Sub-Total =	\$1,989,000
			0.92					

PROJECT SUMMARY		
TOTAL LENGTH OF IMPROVEMENT	4.52	MILES
STREET RESURFACING PROJECT ESTIMATE	\$2,518,387	
STREET RECONSTRUCTION PROJECT ESTIMATE	\$1,989,000	
MISC. VARIOUS LOCATION PATCHING AND STRIPING	\$350,000	
PROJECT TOTAL EOPC	\$4,857,387	



 **The Village of Gurnee**
Street Maintenance
2016

 **Proposed Projects**

December 2015

FY2017 - 2016 Construction Season Projects

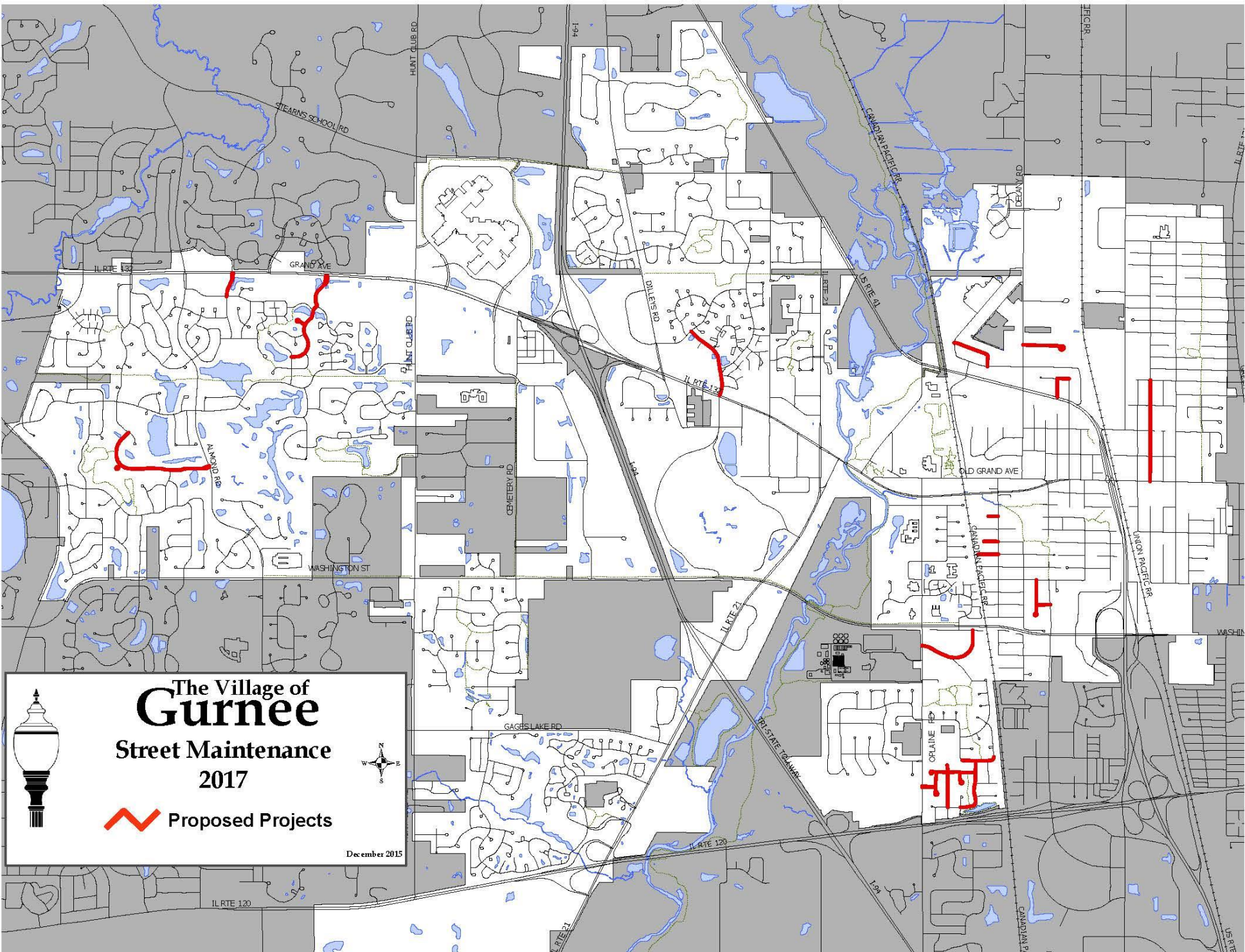
2017 STREET RESURFACING PROJECT

Street	From	To	Length(Ft)	PCI	Section Type	width e-e	Roadway Area	Rehab. Costs
BITTERSWEET DR	DADA DR	VINEYARD DR	3320	44	Urban	28	92960	\$399,728
BLACKBERRY CT	BITTERSWEET DR	WEST END	230	68	Urban	28	6440	\$27,692
ARLINGTON LN	GRAND AVE	BUCHANAN DR	620	30	Urban	34	27000	\$116,100
STONEBROOK DR	GRAND AV	CAMDEN DR	866	34	Urban	34	29444	\$126,609
							Sub-Total =	\$670,129
LONGMEADOW DR	WEST END	WATERBURY AV	1273	25	Urban	28	35644	\$153,269
WATERBURY AV	EASTWOOD AV	NEW HAVEN	1125	49	Urban	28	31500	\$135,450
FRAMINGHAM CT	LONGMEADOW DR	SOUTH END	404	44	Urban	28	11312	\$48,642
WILLIAMSBURG AV	SOUTH END	LONGMEADOW DR	689	70	Urban	28	19292	\$82,956
CORNELL AV	OPLAINE RD	WILLIAMSBURG AV	344	65	Urban	28	9632	\$41,418
ANGELO AV	EASTWOOD AV	NORTH END	1069	48	Urban	28	29932	\$128,708
NEW HAVEN AV	SUNNYSIDE AV	FIELDSTONE DR	837	65	Urban	28	23436	\$100,775
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 =	\$1,066,030
STONEY ISLAND AV	SUDA DR	GREENLEAF ST	364	55	Urban	28	10192	\$45,864
SUDA DR	STONEY ISLAND AV	SOUTH END	299	46	Urban	28	8372	\$37,674
SUDA DR	BLACKSTONE AV	STONEY ISLAND AV	650	58	Urban	28	18200	\$81,900
							Sub-Total =	\$165,438
BLACKBURN ST	GLEN FLORA AV	US 41	486	17	Rural	22	10692	\$96,228
GLEN FLORA AV	FERNDAL ST	BLACKBURN ST	299	4	Rural	22	6578	\$59,202
							Sub-Total =	\$155,430
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 =	\$225,324
PAULY DR	PINEWOOD RD	LASWSON BLVD	1269	50	Urban	34	43146	\$185,528
LAWSON BLVD	GRAND AVE	PAULY DR	700	60	Urban	48	33600	\$144,480
							Sub-Total =	\$330,008
MORRISON DR	DELANY RD	EAST END	1257	24	Urban	34	42738	\$256,428
LEE AV	ST PAUL AV	GROVE AV	1207	39	Urban	34	41038	\$246,228
							Sub-Total =	\$502,656
CAMDEN DR	HAMILTON DR	KNOTTINGHAM DR	456	54	Urban	28	45024	\$189,101
MORGAN CT	WEST END	CAMDEN DR	341	52	Urban	28	9548	\$40,102
			21136				Sub-Total =	\$229,202

2017 STREET RECONSTRUCTION PROJECT

MAGNOLIA AV	GLENFLORA AV	GRAND AV	2100	Fail	Rural	22	50400	\$856,800
								\$856,800

PROJECT SUMMARY		
TOTAL LENGTH OF IMPROVEMENT	4.40	MILES
STREET RESURFACING PROJECT ESTIMATE	\$3,344,218	4.00
STREET RECONSTRUCTION PROJECT ESTIMATE	\$856,800	0.40
MISC. VARIOUS LOCATION PATCHING AND STRIPING	\$350,000	
PROJECT TOTAL EOPC	\$4,551,018	



 **The Village of Gurnee**
Street Maintenance
2017

 **Proposed Projects**

December 2015

FY2019 – FY2021 Projects

Following are projected estimates for road resurface/reconstruct programs in FY2019 – FY2021. Individual streets are not presented as road conditions may change prior to the program year due to severe weather or other major impacts to the driving surface that may require a change in the prioritization of work. Figures are presented for estimates of work currently identified to be completed. In addition, the Village intends to update the road condition survey following the FY2018 program, and results may alter the prioritization of work.

FY2019 - 2018 CONSTRUCTION SEASON PROJECT SUMMARY		
TOTAL LENGTH OF IMPROVEMENT	5.96	MILES
STREET RESURFACING PROJECT ESTIMATE	\$4,366,407	
MISC. VARIOUS LOCATION PATCHING AND STRIPING	\$350,000	
PROJECT TOTAL EOPC	\$4,716,407	

FY2020 - 2019 CONSTRUCTION SEASON PROJECT SUMMARY		
TOTAL LENGTH OF IMPROVEMENT	6.79	MILES
STREET RESURFACING PROJECT ESTIMATE	\$4,836,336	
MISC. VARIOUS LOCATION PATCHING AND STRIPING	\$250,000	
PROJECT TOTAL EOPC	\$5,086,336	

FY2021 - 2020 CONSTRUCTION SEASON PROJECT SUMMARY		
TOTAL LENGTH OF IMPROVEMENT	6.24	MILES
STREET RESURFACING PROJECT ESTIMATE	\$4,554,639	
MISC. VARIOUS LOCATION PATCHING AND STRIPING	\$250,000	
PROJECT TOTAL EOPC	\$4,804,639	

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Multi-Year Capital Plan

Fiscal Years 2017 – 2021

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

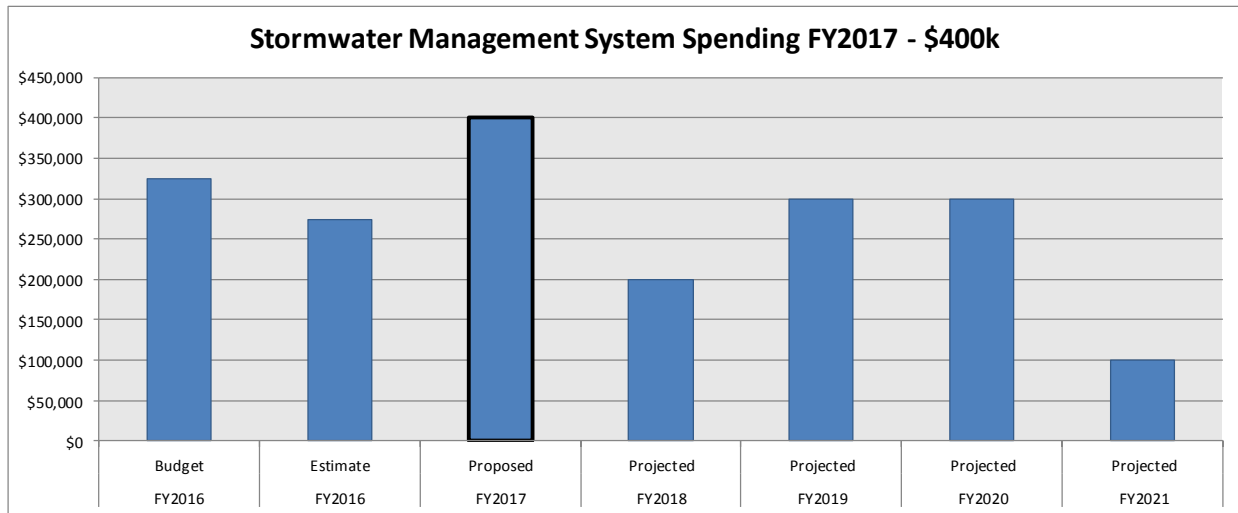
As the Village and science of stormwater management has matured enhancements to existing Village-owned detention basins to optimize their effectiveness was the focus of capital spending. In recent years the need for structural improvements has declined and the focus has now turned to long-term maintenance 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		FY2016 Budget	FY2016 Estimate	FY2017 Proposed	FY2018 Projected	FY2019 Projected	FY2020 Projected	FY2021 Projected
Capital Improvement Fund Expenditures - 304								
Floodplain Acquisition	304-0000-514.75-01	\$241,000	\$202,000	\$200,000	\$50,000	\$50,000	\$50,000	\$50,000
Lift Stations	304-0000-514.76-94				\$100,000	\$200,000	\$200,000	
Drainage Improvements	304-0000-514.76-94	\$83,305	\$71,605	\$200,000	\$50,000	\$50,000	\$50,000	\$50,000
Total Stormwater Management System		\$324,305	\$273,605	\$400,000	\$200,000	\$300,000	\$300,000	\$100,000



Multi-Year Plan Details

FY2017 PROJECT SUMMARY		
RESIDENTIAL STRUCTURE DEMOLITION – KILBOURNE 2015 GRANT	\$200,000	
MISCELLANEOUS DRAINAGE IMPROVEMENTS - CALVIN CT, FULLER ROAD, IL 132/MCCLURE AVE	\$200,000	
TOTAL EOPC	\$400,000	
FY2018 PROJECT SUMMARY		
RESIDENTIAL STRUCTURE DEMOLITION – UNDETERMINED	\$50,000	
MISCELLANEOUS DRAINAGE IMPROVEMENTS	\$50,000	
LIFT STATION MAINTENANCE	\$100,000	
TOTAL EOPC	\$200,000	



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Overview

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

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

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

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

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

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

Through 2011 the Village was funding sewer extension projects in the northeast portion of the community to provide new service options for residents in that area that were previously served by

individual septic systems. Some gaps remain but the demand from the neighborhood does not support further investment in sewer extensions at this time.

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

Assumptions & Approach

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

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

Funding

During period of high development and population growth, the Village utilized one-time revenues and connection fees to fund infrastructure maintenance on the Water & Sewer Systems. During this time the Village did not increase rates to keep up with the cost to purchase water or maintain the new assets being installed in the future. As a result, after new development slowed dramatically and the Village became “built-out”, one-time revenues declined and the Water & Sewer System had to rely on user fees to maintain infrastructure. The Village performed a rate study in 2011, and found the Village rate was by far the lowest in the area for Lake Michigan water customers. The rate study recommended instituting fixed fees to cover overhead costs and incremental rate increases over time to lessen the impact to users. While the new rate structure was able to shore up a struggling Water & Sewer Fund, funding for capital and infrastructure is still inadequate to maintain the system. The incremental rate increases put in place as a result of the rate study expired October 1, 2015. The Village is exploring rate scenarios to increase funding for infrastructure investment and anticipates approving a 5-year rate structure prior to May 1, 2016.

Water & Sewer System Spending Projections

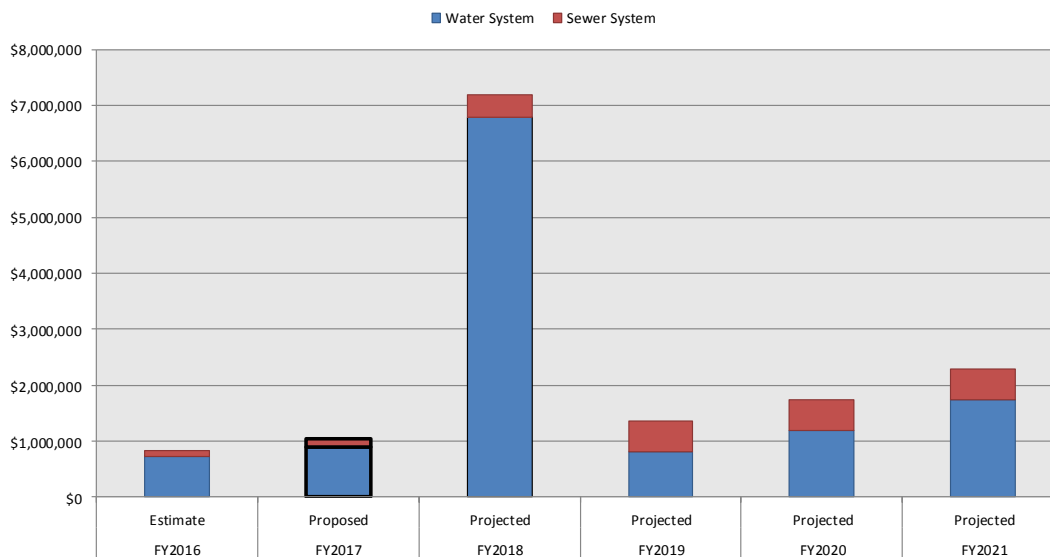
Included in the FY2017 plan is funding to rehab Well #1, replace watermain along Grand Ave. and Pine Grove, and complete the engineering study for the Knowles Rd. water tower to be constructed in FY2018.

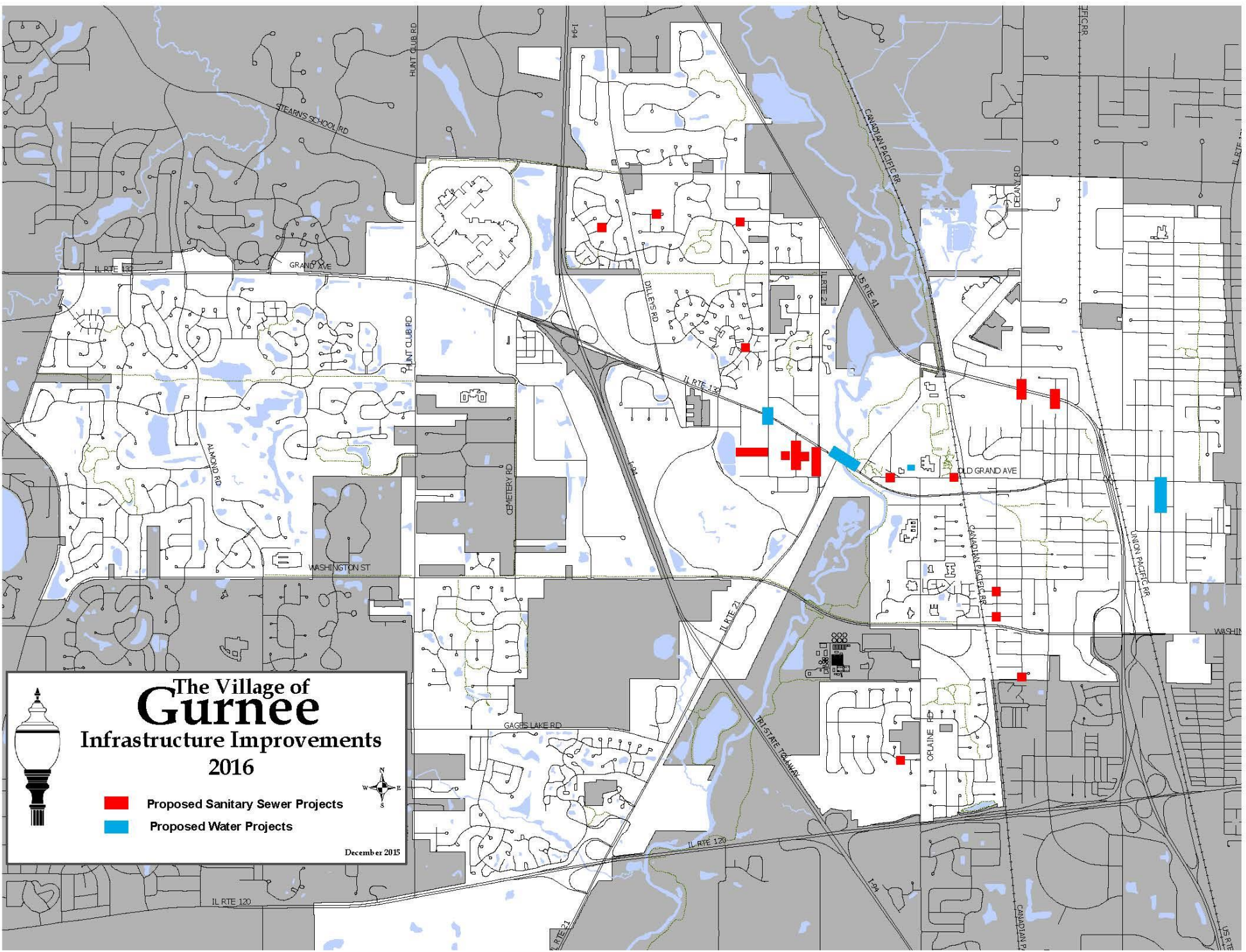
In FY2013 the Village began a multi-year sanitary sewer cleaning and televising program in an effort to create a baseline for the condition of the sanitary sewer network. Using robotic technology the inside of sanitary sewer pipe is televised allowing staff to proactively identify problems and areas 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 2017 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		FY2016 Budget	FY2016 Estimate	FY2017 Proposed	FY2018 Projected	FY2019 Projected	FY2020 Projected	FY2021 Projected
Water System								
Production & Pumpage								
Well #1	523-7555-461.75-51			\$260,000				
Well #2	523-7555-461.75-51							\$50,000
Pump Station - Rt. 21	523-7555-461.75-51							
Pump Station - Fuller	523-7555-461.75-51							
Pump Station - Cemetery Rd.	523-7555-461.75-51						\$200,000	
Distribution								
Professional Services	523-7555-461.75-52	\$15,000	\$15,000					
Watermain - Grand Ave. @ US41	523-7555-461.75-50	\$425,000	\$700,000					
Watermain - Grand Ave. @ River				\$240,000				
Watermain - Grand Ave. @ Fuller				\$50,000				
Watermain - Waveland					\$250,000			
Watermain - Pine Grove				\$250,000				
Watermain	523-7555-461.75-51	\$200,000	\$6,000		\$400,000	\$800,000	\$1,000,000	\$1,700,000
Storage								
Professional Services	523-7555-461.75-52			\$100,000	\$100,000			
Tower #1 - Old Grand					\$50,000			
Tower #2 - Heatherridge								
Tower #3 - Pembroke								
Tower #4 - Northwestern								
Tower #5 - Knowles					\$6,000,000			
Total Water System		\$640,000	\$721,000	\$900,000	\$6,800,000	\$800,000	\$1,200,000	\$1,750,000
Sewer System								
Spot Repairs	523-7555-461.75-64	\$150,000	\$115,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Lining				\$75,000	\$75,000	\$75,000		
Televising							\$75,000	\$75,000
Lift Stations	523-7555-461.75-60	\$5,000	\$5,000		\$200,000	\$200,000	\$200,000	\$200,000
Generators					\$50,000	\$50,000	\$50,000	\$50,000
Professional Services								
Main Extensions						\$150,000	\$150,000	\$150,000
Total Sewer System		\$155,000	\$120,000	\$150,000	\$400,000	\$550,000	\$550,000	\$550,000
Total Water & Sewer Systems		\$795,000	\$841,000	\$1,050,000	\$7,200,000	\$1,350,000	\$1,750,000	\$2,300,000

Water & Sewer System Spending - FY2017 - \$1.05m





**The Village of
Gurnee**
Infrastructure Improvements
2016

 Proposed Sanitary Sewer Projects
 Proposed Water Projects

December 2015

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Multi-Year Capital Plan

Fiscal Years 2017 – 2021

Overview

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

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

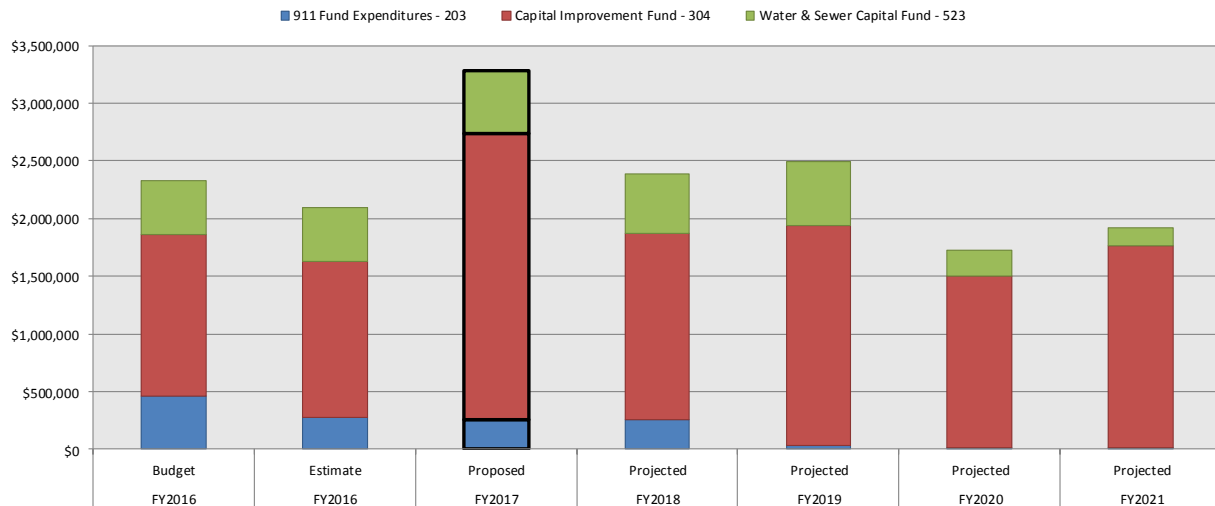
Assumptions & Approach

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

Vehicle & Equipment Spending Projections

Vehicles & Equipment by Fund			FY2016 Budget	FY2016 Estimate	FY2017 Proposed	FY2018 Projected	FY2019 Projected	FY2020 Projected	FY2021 Projected
911 Fund Expenditures - 203									
Telecom Equipment	203-0000-423.70-03		\$226,000	\$67,003	\$10,000	\$10,000	\$35,000	\$10,000	\$10,000
Computer Hardware	203-0000-423.70-06		\$30,450	\$11,000					
Computer Software	203-0000-423.70-07		\$5,000	\$5,110					
Communications Equipment	203-0000-423.70-17		\$200,000	\$192,000	\$244,660	\$244,660			
Mobile Data Equipment	203-0000-423.70-27		\$2,500	\$2,500					
Total 911 Fund Expenditures - 203			\$463,950	\$277,613	\$254,660	\$254,660	\$35,000	\$10,000	\$10,000
Capital Improvement Fund - 304									
Metropolitan Area Network (MAN)	304-0000-514.75-26				\$86,000	\$25,000	\$40,000	\$40,000	\$40,000
Wireless LAN Controller Replacement	304-0000-514.75-26						\$22,500	\$10,000	
Firewall / IDS / IPS Equipment	304-0000-514.75-26				\$22,500	\$10,000			
Switching - PW	304-0000-514.75-26					\$20,000			
Switching - FD	304-0000-514.75-26						\$25,000		
Switching - VH Core / SAN	304-0000-514.75-26				\$13,500				
Inter/Intra Network	304-0000-514.75-26		\$90,000	\$90,000					
Police Station Core Switch Upgrade / Replacement	70-20 / 70-06					\$12,500			
Security Video Surveillance - PD	304-4010-514.70-20				\$15,000				
SAN Storage & Backup Solution	304-0000-514.75-14					\$35,000	\$35,000		
EOC Outfitting / Radio, Data, Voice Comms Continuity	???					\$15,000	\$15,000		
Comprehensive Imaging & Document Management	304-0000-514.75-14				\$37,500	\$37,500			
Option 61 -> Call Manager Transition (Police)	304-4010-514.70-20				\$7,850				
Financial System / SunGard PS Replacement	304 / 523-****-****.75-14				\$175,000				
VH Computer Room Cabinet / Cooling Retrofit	101-3530-418.70-10					\$27,500			
Police Access Control System (Gatekeeper / Stanley)	304-4010-514.70-20				\$10,000				
CRM / Service Request System									
Fire Matching Grant Program			\$193,000	\$156,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Police Department Vehicles			\$260,000	\$245,000	\$213,000	\$291,000	\$298,300	\$305,700	\$337,700
Fire Department Vehicles			\$286,000	\$286,000	\$1,100,000	\$296,500	\$609,400	\$274,700	\$535,400
Fire Department Vehicles			\$5,000	\$5,261					
PW Streets Vehicles			\$505,000	\$505,000	\$279,000	\$496,100	\$540,100	\$506,200	\$518,800
PW Streets Equipment			\$60,400	\$60,400	\$270,000	\$102,500	\$73,600	\$107,700	\$77,300
Total Capital Improvement Fund - 304			\$1,399,400	\$1,347,661	\$2,479,350	\$1,618,600	\$1,908,900	\$1,494,300	\$1,759,200
Water & Sewer Capital Fund - 523									
PW Utility System Security					\$22,500	\$17,500	\$12,500	\$7,500	
PW Utility Remote Video Surveillance					\$10,000	\$10,000	\$7,500	\$7,500	
PW Utility Access Control					\$12,500	\$7,500	\$5,000		
PW SCADA Control System Improvements	523-7555-461.76-06		\$150,000	\$150,000	\$125,000	\$125,000	\$125,000		
Financial System / SunGard PS Replacement					\$175,000				
PW Utility Vehicles	523-7555-461.70-01		\$194,901	\$194,901	\$0	\$132,000	\$384,529	\$0	\$0
PW Utility Equipment	523-7555-461.70-10		\$125,099	\$125,099	\$200,000	\$225,500	\$21,013	\$209,994	\$149,015
Total Water & Sewer Capital Fund - 523			\$470,000	\$470,000	\$545,000	\$517,500	\$555,541	\$224,994	\$149,015
Total Vehicles & Equipment - All Funds			\$2,333,350	\$2,095,274	\$3,279,010	\$2,390,760	\$2,499,441	\$1,729,294	\$1,918,215

Vehicles & Equipment Spending - FY2017 - \$3.28m



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Multi-Year Capital Plan

Fiscal Years 2017 – 2021

Overview

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

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

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

The Village's main facilities include:

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

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

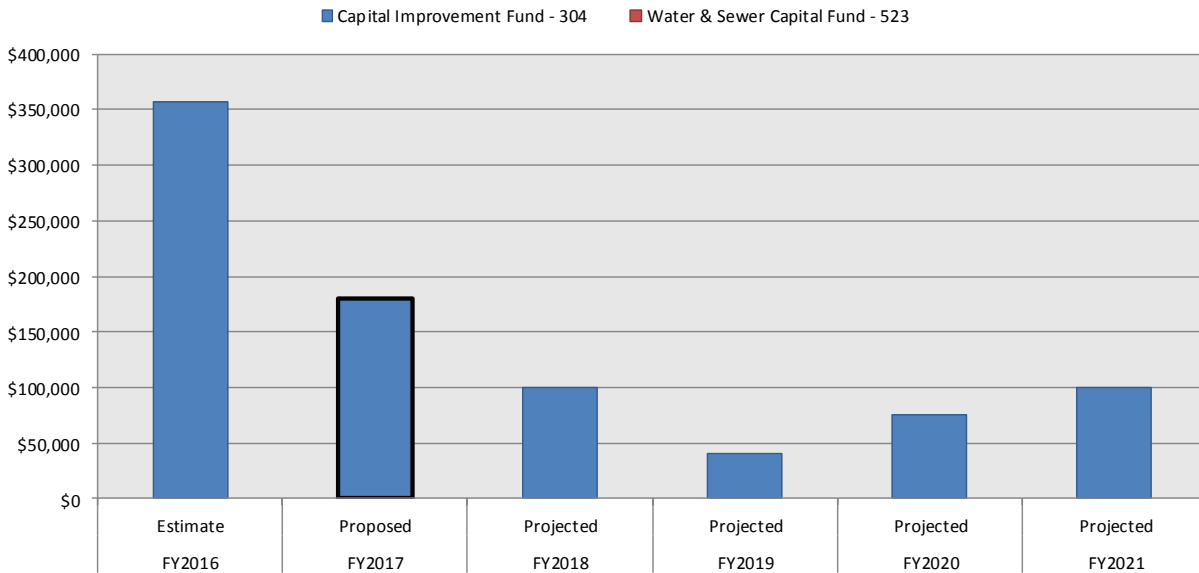
Assumptions & Approach

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

Buildings & Improvements Spending Projections

Buildings & Improvements by Fund	FY2016 Budget	FY2016 Estimate	FY2017 Proposed	FY2018 Projected	FY2019 Projected	FY2020 Projected	FY2021 Projected
Capital Improvement Fund - 304							
Village Hall							
MEP					\$40,000		
Exterior				\$50,000			
Police Department							
MEP						\$75,000	
Exterior							\$100,000
Grounds	\$258,000	\$258,000					
Fire Station #1							
MEP			\$15,000				
Interior			\$15,000				
Exterior			\$10,000				
Fire Station #2							
MEP			\$15,000				
Interior			\$25,000				
Grounds	\$40,000	\$29,500					
PW Facility							
MEP			\$25,000	\$50,000			
Grounds	\$38,000						
Other							
Welton Plaza	\$75,000	\$70,000	\$75,000				
Total Capital Improvement Fund - 304	\$411,000	\$357,500	\$180,000	\$100,000	\$40,000	\$75,000	\$100,000
Total Buildings & Improvements - All Funds	\$411,000	\$357,500	\$180,000	\$100,000	\$40,000	\$75,000	\$100,000

Buildings & Improvements Spending - FY2017 - \$180k



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Fiscal Years 2017 – 2021



The Village of Gurnee

Fixed Asset Policy

Kristina M. Kovarik, Mayor
Andy Harris, Clerk

Jeanne Balmes
Greg Garner
Michael Jacobs

David Ohanian
Cheryl Ross
Hank Schwarz

Trustees

James Hayner
Village Administrator

Tina Smigielski
Finance Director

Adopted by the Village Board
June 4, 2007

STATEMENT OF PURPOSE

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

SCOPE

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

GENERAL POLICY

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

INVENTORY, VALUING, CAPITALIZING, AND DEPRECIATION

Inventoried Asset

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

Fixed Assets

Valuing Fixed Assets

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

Capitalizing

When to Capitalize Assets:

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

Assets not Capitalized:

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

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

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

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

Fixed Asset Categories:

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

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

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

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

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

RETIREMENT OF ASSETS

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

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

MODIFICATIONS OF ASSETS

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

PHYSICAL INVENTORY OF ASSETS

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

VI. DEPRECIATION

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

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

VII. CAPITAL ASSET CATEGORIES AND USEFUL LIVES

Asset Type	Years	Capitalization Threshold
Land	N/A	\$1
Land Improvements (Exhaustible)		
Parking Lots	20	\$25,000
Fences	20	\$25,000
Pedestrian Bridges	20	\$25,000
Bike Paths	20	\$25,000
Landscaping	30	\$25,000
Buildings	50	\$50,000
Building Improvements		
HVAC	20	\$50,000
Re-Roofing	20	\$50,000
Electrical & Plumbing	30	\$50,000
Carpet Replacement	10	\$50,000
Vehicles		
Police Squads	3	\$25,000
General Vehicles	8	\$25,000
Small Trucks	11	\$25,000
Large Trucks	15	\$25,000
Ambulances	15	\$25,000
Ladder Truck	25	\$25,000
Fire Engines, pumpers	15	\$25,000
Machinery & Equipment		
Fire equipment (ladders, hoses)	10	\$25,000
Police Communications 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