

CAPITAL PROJECTS FUND

FUND SUMMARY

The Capital Projects Fund is used primarily for the design, construction, and significant maintenance of streets, storm sewers and sidewalks within the Village. Funding is primarily obtained through taxes on the use of natural gas, electricity and telecommunications services. A real estate transfer tax was added in December of 2000 in connection with a 20 year street and storm sewer improvement plan. Beginning in FY09/10, the use of a portion of the Village property tax was allocated to continue our investment in public infrastructure assets and to provide a stable revenue source into the future.

Other revenues include a stormwater “fee in lieu” which is collected on developments that add impervious surface area and are unable to provide adequate on-site detention of storm-water runoff. These impact fees are to be used to fund storm sewer system improvements in the Village. The Capital Projects Fund also generates some additional revenues through the periodic sale of unneeded Village-owned land / rights of way and applies these funds toward future Village property purchases, where desirable.

FY11/12 Budget Summary The FY11/12 Capital Projects Fund budget includes a full complement of projects and initiatives which continue our strong emphasis on reinvestment in the maintenance of the public infrastructure. Most of these programs also have a significant impact our Water and Sanitary Sewer Fund as we generally address many of these infrastructure components in concert, to optimize efficiency and minimize cost. Included in the budget is a planned drawdown of cash reserves totaling nearly \$1.1 million to support the completion of these projects and improvements. As we consider the use of cash reserves to complete current year projects, we are cognizant of the impact the depletion of these reserves has on our flexibility with respect to project scheduling as well as our ability to address unanticipated or emergency issues or new opportunities.

Our goal is to maintain a minimum cash reserve balance of approximately \$500,000 by the end of FY11/12. In the event favorable bid pricing continues, and it appears we will be able to achieve a minimum cash reserve balance of \$500,000, we should be able to complete all of the scheduled projects identified in the budget. In the event, we fall short of our target cash reserve balance, we will consider project deferrals.

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1. **Property Tax: (\$1,530,000)** Beginning in FY09/10, a portion of the Village property tax was allocated to the Capital Projects Fund as a new permanent revenue source needed to sustain the 20 year street improvement program. In 2000, in conjunction with a voter-approved referendum to issue bonds to complete storm sewer improvements, the Village Board committed to improving overall roadway surfaces by completing rehabilitations on a 20 year cycle versus the previous 30 year program.

Declining revenues combined with additional increases in the scope of scheduled construction projects significantly impacted our ability to maintain pace with the 20 year plan. After significant discussion of this problem, our Capital Improvements Commission (CIC) in the fall of 2008 proposed a plan to utilize a scheduled reduction in property taxes (from 1987 series capital bonds which are now paid off) to begin filling the gaps in our street improvement program. Instead of a general property tax reduction, we would maintain property taxes generally at current levels and use the amount previously paid to retire debt for direct financing of future road projects.

This proposal was communicated to the public through a special edition Village newsletter mailed to all Village residents in August 2008. The CIC hosted two televised special meetings in September 2008 to receive public input on the proposal. Additionally, the proposed property tax levy was reviewed on three separate meetings, including a formal public hearing, prior to adoption in November 2008, allowing maximum opportunity for public input and feedback.

Based on the CIC proposal, we will continue to infuse additional property tax dollars into the Capital Projects Fund as other Village bonds are retired. This is expected to continue through 2014 as property tax supported debt for capital improvements are reduced to zero. See Debt Service Fund budget for future debt service on Village issued general obligation bonds.

2. **Telecommunications Tax: (\$1,200,000)** This revenue source is derived from a 6% tax on telecommunication services within Glen Ellyn. Monthly payments are received from the Illinois Department of Revenue which, in January, 2003, took over as the centralized collection agent for all municipally-imposed telecommunications taxes. This tax has been in decline over the past several years.
3. **Electricity Use Tax: (\$975,000)** Prior to 1998, the Village imposed a utility tax of 5% of gross charges on electrical companies. Changes in State law at that time resulted in the conversion of this tax to a use tax based on the number of kilowatt hours of electrical consumption per month (Village Ordinance VC-4618; 7-27-98). This revenue source is affected by weather and its impact on usage of electricity.

The amount budgeted for FY11/12 is an estimate of electricity use tax receipts based on

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“average” electricity consumption in a given year.

4. **Natural Gas Use Tax: (\$300,000)** In December, 2003 the Village converted its 5% utility tax on gross charges for natural gas to a use based tax of 2¢ per therm of natural gas used (effective 2-1-04) in order to:

- ✓ Provide equity among Glen Ellyn taxpayers. Those who purchased their natural gas from an out-of-state supplier did not pay tax on the gas they purchased. Under the new form of tax, all Glen Ellyn customers will pay the same tax.
- ✓ Provide some stabilization in the amount of tax collected from residents. The 2¢ per therm use tax is not tied to the market price of natural gas, therefore taxes collected will not change as gas prices fluctuate.

Our revenue projection for FY11/12 is based on 15 million therms of gas consumed in Glen Ellyn at a rate of 2¢ per therm for a total of \$300,000.

5. **Real Estate Transfer Tax: (\$400,000)** Collections of this tax, which is assessed at \$3 per \$1,000 of a property’s sales value, first began on December 1, 2000. This revenue source is solely dedicated to help pay for the 20 year street/storm sewer program as recommended by the Capital Improvements Commission and approved by the Village Board in July, 2000. Specifically, this revenue source is allocated to pay for expenses incurred in the "Street Program" line item as defined in Ordinance 4872, adopted August 28, 2000.

Collections of this tax have dropped off significantly over the past three years due to the fallout from the housing crisis and general state of the economy.

6. **Community Development Block Grant: (FY10/11 Estimated Actual - \$11,000)** A portion of the Braeside Area / Surrey Drive Improvements project was eligible for reimbursement from a Community Development Block Grant. This represents the final reimbursements.

FY11/12 Budget - (\$300,000) A Community Development Block Grant in the amount of \$300,000 will help defray construction expenses for the installation of street lights throughout the Braeside subdivision.

7. **Miscellaneous Revenue:**

FY10/11

FY11/12

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	<u>Estimate</u>	<u>Budget</u>
DuPage County Reimb. (Riford Rd.)	\$284,000	\$ 0
DuPage County Reimb. (Crescent Ave sidewalk)	139,000	0
County Grant – Riford Open Channel Stabilization	2,000	20,000
Miscellaneous Other	<u>7,000</u>	<u>7,000</u>
	<u>\$432,000</u>	<u>\$27,000</u>

8. **Operating Transfer – General Fund: (FY08/09 Actual - \$3,000,000)** Available General Fund reserves were used to fill a short-term funding gap in the Capital Projects Fund.
9. **Contract Street Maintenance: (FY10/11 Estimate - \$82,000)** - Provides funds for the contract maintenance of Village streets for the following procedures and locations:

Contract Asphalt Street Patching (Skip Patching Program)	\$ 67,000
Engineering Oversight of Skip Patching Program	7,000
Resurfacing of Roadways near Deer Glen by Township	8,000
TOTAL	\$82,000

Contract Street Maintenance: (FY11/12 Budget - \$225,000)

The proposed FY11/12 contract street maintenance work will include:

A. Asphalt Roadway Surface Treatments	\$ 75,000
B. Asphalt Roadway Crack Sealing	45,000
C. Asphalt Street Major Patching Project	80,000
D. Concrete Curb & Street Pavement Repair	25,000
E. Concrete Street Grinding / Leveling	0
F. Concrete Street Joint and Crack Sealing	0
TOTAL	\$225,000

The Public Works Department develops an annual list of candidate street sections for various types of large scale maintenance work performed primarily by private contractors under contracts developed, let and supervised by staff.

- A. The surface treatment program will consist of the application of a preservative seal to the approximately six miles of asphalt roadways reconstructed and resurfaced in 2009 and 2010.
- B. Another major maintenance effort on asphalt streets is crack sealing, with candidate street sections including both recently paved streets (to seal the curb joint as appropriate) and somewhat older streets to fill developing cracks.

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- C. Large-scale patching efforts will continue with targeted streets identified and evaluated by engineering and operations staff. The major patching program is typically completed by a contractor as a stand-alone project.
- D. The concrete curb and street pavement repair program consists of the replacement of deteriorated sections of curb and pavement at spot locations throughout the Village as identified by staff.
- E. Diamond grinding of concrete streets improves ride quality by re-profiling the pavement. The candidate section for budgeting purposes is Main Street between Fairview and Hillside and would improve about 8,400 square yards of pavement. **This project/program is being deferred until FY15.**
- F. After grinding, the work on Main Street between Fairview and Hillside would be completed with the re-sealing of joints and cracks. The budget amount is based on sealing approximately 25,000 ft. of joints and cracks. **This project/program is being deferred until FY15.**

10. **Construction Projects: (FY10/11 Estimate - \$86,000)** – This line item lists non-roadway projects undertaken in the current fiscal year and also continuing projects with payouts in the current fiscal year.

Project Description	Estimated Actual
a. Turner, East of Main Storm Sewer Improvements (#01017) – Final contractor and engineer payments for the project performed in late 2009 to install about 170 feet of storm sewer to improve street drainage and provide a connection point for a private drain. Reimbursement from the Community Initiative Grant program of \$45,000 is expected this fiscal year.	\$5,000
b. Miscellaneous Storm Sewer Improvements and Drainage Investigations – Following the July 2010 major storm event, Benesch was hired to perform a drainage study at 244 Anthony to identify possible solutions to mitigate property flooding exacerbated by excess roadway stormwater.	\$2,000
c. Miscellaneous Expenses – Miscellaneous account charges incurred during the fiscal year: <ul style="list-style-type: none"> <input type="checkbox"/> NPDES general stormwater permit (\$1,000) <input type="checkbox"/> Village Engineer general assistance (\$1,000) 	\$2,000
d. Project Engineering – Projects where engineering was authorized, completed or carried forward from previous fiscal years:	
1. Lake Ellyn Outfall Channel Rehabilitation (#00505) – Design engineering and permitting costs incurred in 2010.	\$12,000

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2. Nicoll Way Land Bridge Repairs – Design engineering expenses for the project to repair portions of the structure located north of Roosevelt Road that is exhibiting general curb and isolated pavement failures.	\$15,000
3. Braeside Area Lighting Project (#01102) – Pavia-Marting & Co. was retained in 2010 to provide detailed designs and construction documents for the installation of street lights in the Braeside Subdivision.	\$50,000
TOTAL for this line item	\$86,000

Construction Projects: (FY11/12 Budget - \$940,000) – This line item lists significant non-roadway capital projects expected to be constructed or undertaken in FY11/12.

Project Description	Estimated Cost
a. Lake Ellyn Outfall Channel Rehabilitation (#00505) – East of Riford Road the discharge from Lake Ellyn and other local storm sewers is conveyed to Perry’s Pond via an existing unimproved channel. The channel was damaged and eroded during the September 2008 and July 2010 major rainfalls in addition to being in generally poor repair. The Village has Water Quality Improvement Project funds available through DuPage County for rehabilitation of the channel using a naturalized approach supplemented with engineered erosion prevention devices; the County program will reimburse 20% of eligible project costs, up to \$22,000. The cost shown is the estimate for construction expenses to be incurred in 2011.	\$100,000
b. Nicoll Land Bridge Repairs – The proposed project will consist of various repairs to the pavement, curb, and joints of the structure located on Nicoll Way between Roosevelt Road and DuPage. Estimated construction phase costs including construction oversight. (\$120,000 cost deferred to FY13)	0
c. Braeside Area Lighting Improvements (#01102) – A Community Development Block Grant procured in 2009 in the amount of \$300,000 will help defray construction expenses for the installation of street lights throughout the Braeside subdivision. Costs shown consist of \$600,000 for construction and \$50,000 for project oversight; the CDBG grant will cover one-half of the actual construction cost.	\$650,000
d. Hill Avenue Bridge – Glen Ellyn has agreed to partner with the Village of	\$25,000

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<p>Lombard to replace the existing Hill Avenue bridge over the East Branch of the DuPage River. The Village will invest up to \$300,000 for engineering and construction of the new structure, scheduled for construction in 2013. The expenditure shown is for Glen Ellyn's share of Phase I engineering expenses incurred in FY12. Anticipated future expenditures are \$25,000 for Phase II engineering in FY13 and \$250,000 for construction in FY14.</p>	
<p>e. Braeside Localized Drainage Improvements – In January 2011 an application for IKE-PI disaster funds was made to the IL DCEO for 75% funding of a project to install storm drains in rear yard easements for homes along Brighton, Londonberry and Heather. Total project cost is expected to be \$760,000 with the Village contribution of \$190,000 earmarked primarily for engineering design and oversight. If the application is successful, design engineering would be started in FY12, with construction slated for FY13.</p>	\$50,000
<p>f. Roosevelt Road Street Light Painting – Street light poles along Roosevelt Road are undergoing significant pitting due to action of deposited deicing materials and need to be re-coated. About 130 poles will be rehabilitated.</p>	\$65,000
<p>g. Miscellaneous Storm Sewer Improvements – Funds minor improvements to storm sewers or pavements/curbs to correct drainage deficiencies and protect residences from flooding damages from more severe storms. Work would be performed by staff or contractors, depending on the project scope.</p>	\$25,000
<p>h. Miscellaneous Expenses – This item funds miscellaneous minor engineering and construction project costs for the fiscal year. Potential needs include consultant assistance in the development of a Bicycle Facility Plan.</p>	\$25,000
<p>TOTAL for this line item</p>	\$940,000

11. **Design Engineering:** (FY 10/11 Estimate - \$4,000) – RHMG Consultants provided miscellaneous follow-up services for the proposed drainage project on Essex Ct. prior to the approval of a new contract for detailed design approved in September 2010.
12. **Sidewalk Program:** (FY 10/11 Estimate - \$33,000) – The 2010 sidewalk program included new walk constructed on the north side of Greenfield between Lambert and Kenilworth and on the south side of Ridgewood between Kenilworth and Vine (\$23,000). Also included was the cost for continued engineering by Pavia-Marting for the extension of sidewalk on Crescent Boulevard (Project #11001) east of Roger Road (\$10,000).

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Sidewalk Program: (FY 11/12 Budget - \$50,000) – The Crescent Blvd sidewalk extension (estimated cost of \$190,000 will be deferred until FY13. The annual Village sidewalk installation and replacement program would be funded at a \$50,000 level to repair deteriorated sidewalk or provide new walk at locations throughout the Village as determined by staff.

13. **Street Program: (FY10/11 Estimate - \$5,224,000)** – This line item includes all types of street rehabilitation projects undertaken in the current fiscal year and continuing projects with significant payouts that occurred in this fiscal year.

Project Description	Estimated Actual
a. Park / GE Place / Prairie Project (#00603) – Pending settlement of a dispute with the project contractor, the total shown represents maximum possible final costs for street and storm sewer work – including construction engineering – on this 2009 project. The final costs are anticipated to be reduced once resolution is reached regarding contractor performance and delay issues; an arbitration hearing is being scheduled.	\$450,000
b. 2009 Street Improvements Project (#00901) – Final payments to contractor and engineers, and other miscellaneous payouts, associated with the project to upgrade sections of Taylor, Turner, Montclair, Merton, Lowden, Coolidge, Dawes and South Parkside constructed in 2009 and closed-out in 2010.	\$41,000
c. South Park Boulevard and Lambert Road LAPP (#01016) – Resurfacing of Park Boulevard between Roosevelt Road & Raintree Drive and Lambert Road between Tallgrass & Woodcroft that took place in 2010, with all roadway contractor expenses (final cost estimate of \$571,000, about \$50,000 under the bid price) to be paid from ARRA (federal stimulus package) monies. Costs shown are primarily for construction engineering services provided by Civiltech (\$65,000).	\$66,000
c. Bryant / Thain's Addition Improvements Project (#00904) – The proposed project included the reconstruction of Bryant Avenue (in concrete) from Turner to Walnut and resurfacing of all the roadways and significant drainage improvements in the area essentially bounded by Bryant, Walnut, Whittier and Hillside. A total of 2.2 miles of roadway were rehabilitated in the 2010 project. Total estimated construction, engineering and reimbursement expenses are shown. The total project construction cost of about \$5,150,000 is \$560,000 below the original bid price.	\$3,615,000

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<p>d. Riford Road Reconstruction (#00505) – In conjunction with the DuPage County Division of Transportation, Riford Road between Crescent and St. Charles Road and a portion of St. Charles near Riford, were reconstructed in 2010. Seventy percent of eligible roadway costs were paid for through the federal Surface Transportation Program. The amount shown is the total of local costs (Village + County) plus field engineering services for roadway related items and other miscellaneous costs. The County is expected to reimburse the Village in the amount of \$285,000 for their share of project expenses. Total estimated project construction cost of \$2,370,000 was below the original bid price of \$2,450,000.</p>	<p>\$850,000</p>
<p>e. Crescent Boulevard Corridor Improvements (#11104) – A study on the Crescent Boulevard corridor between Park and Riford to determine appropriate improvements related to traffic flow, pedestrian safety and aesthetics, particularly near Glenbard West High School, was completed in 2010. A principle work product of the concept study was an application for STP funding (which was not successful in 2010; the application will be resubmitted in 2011).</p>	<p>\$40,000</p>
<p>f. Miscellaneous Expenses – Various expenses for items of a general nature related to street improvements and projects:</p> <ul style="list-style-type: none"> ❑ Payment for repairs to parkways in the spring of 2010 where incurred damages were not the responsibility of the project contractor (\$4,000) ❑ Resident reimbursement for deferred parkway improvements (\$4,000) ❑ Miscellaneous engineering consultant expenses (\$2,000) 	<p>\$10,000</p>
<p>g. Design Engineering for Future Projects – Funding to accommodate design engineering for roadway projects slated for construction in 2011 and later. Amounts shown reflect current fiscal year expenditures.</p>	
<p>1. Lambert Road Intersection Improvements (#00506) – Phase II engineering and land acquisition expenses for the project to construct a right turn lane for northbound Lambert at Roosevelt Road.</p>	<p>\$67,000</p>
<p>2. Sunset / Turner Improvements Project (#00902) – Final design phase engineering for the project to reconstruct Sunset between Fairview and Turner, Turner between Newton and Forest and Glenwood between Turner and Hill.</p>	<p>\$40,000</p>

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3. Essex Court / Grand / Lake Improvements Project (#00702) -- Final detailed design costs for the project to alleviate flooding in Essex Court and to reconstruct it and sections of Grand (Oak to Riford) and Lake (south of Oak).	\$45,000
TOTAL for this line item	\$5,224,000

Street Program: (FY11/12 Budget – \$4,450,000) – The FY11 program will be made up of the rehabilitation of various streets as contained in the approved FY12 to FY21 long term street improvement plan. A listing of proposed work corridors is provided in a summary table at the end of this section.

Project Description	Estimated Actual
a. Lambert Road Right-turn Lane at Route 38 (#00506) – Local share of construction and Phase III engineering costs associated with the project to provide a right-turn lane for northbound Lambert Road at Roosevelt Road. The project will receive STP funding in the not-to-exceed amount of \$285,000 for construction contractor costs. The current cost estimate for construction is \$415,000. Project will be delayed until the summer of 2012 (\$180,000 cost)	0
b. Sunset / Turner Improvements Project (#00902) – Approximately 4,400 ft. of roadways will be improved on the project involving the reconstruction of sections of Sunset, Turner and Glenwood. Total project construction cost is currently estimated at \$3,300,000. Expenses related to roadway and storm sewer components, including construction and field engineering, are shown.	\$2,400,000
c. Essex Ct. / Grand / Lake Improvements Project (#00702) – Included in the project will be a major new storm sewer system to alleviate flooding in Essex Court and rehabilitation of 1,600 feet of roadways. Total project construction cost is estimated to be \$2,200,000. Roadway and storm sewer construction and field engineering costs are shown.	\$1,800,000
e. Design Engineering for future projects – Funding to accommodate design engineering for roadway and storm sewer improvements associated with capital projects anticipated in the coming years.	
1. Hawthorne Corridor Improvements – Preliminary and detailed design associated with the reconstruction of the entire length of	\$250,000

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Hawthorne in the Village in 2012.	
2. Park Boulevard Improvements – The section of Park Boulevard between Roosevelt Road and the Union Pacific Railroad tracks was the subject of a successful application for Surface Transportation Program funding in 2010. Between Roosevelt and Fairview, the roadway will be reconstructed; north of Fairview to the RR tracks, the roadway will be resurfaced. Total estimated project cost is about \$2,500,000 with the federal grant covering 70% of eligible roadway expenses in the not-to-exceed amount of \$1,135,000. Start of engineering will be delayed until FY13 (cost of \$80,000)	0
TOTAL for this line item	\$4,450,000

Two levels of resurfacing projects usually are featured in our program, as well as full reconstruction as warranted by existing roadway condition: Type I Resurfacing involves spot curb repairs combined with asphalt removal and resurfacing encompassing **Type IA** projects with very limited curb replacement and **Type IB** projects with more curb replacement required. Type II Resurfacing projects are enhanced roadway repair efforts featuring total curb and driveway approach replacement, a greater level of base repair, and removal and replacement of the asphalt surface. Reconstruction is the complete replacement of all roadway components, including the existing street base. Resurfacing options have been expanded to include a **Type IC** resurfacing – incorporating curb installation or replacement on one side only, base repair, replacement of asphalt surface, and special drainage or construction considerations – and **Type IIA**, an enhanced resurfacing including replacement of the existing roadway base.

The street improvements program is administered by the Public Works Department, with consulting engineer assistance for design and construction. The scope of the work in recent years has led to the incorporation of resurfacing projects into more traditional and comprehensive infrastructure improvement projects with all design work performed by private consulting engineering firms.

Street sections scheduled for improvements in FY-12 are listed below.

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Project	Segment PCI = Pavement Condition Index	Length (ft)	Type of Rehabilitation
Lambert Road Right Turn Lane	Lambert Road at Roosevelt Road	550	Right Turn Lane Construction and Resurfacing
Sunset/Turner Improvements	Sunset: Fairview to Turner	2,000	Reconstruction (Asphalt)
	Turner: Newton to Regent	950	Type IIA Resurfacing
	Turner: Sunset to Main	700	Type IIA Resurfacing
	Turner: Main to Forest	450	Type IIA Resurfacing
	Glenwood: Turner to Hill	400	Type IIA Resurfacing
Essex Court / Grand / Lake Improvements	Essex Court	400	Reconstruction (Asphalt)
	Grand: Oak to Riford	400	Reconstruction (Asphalt)
	Lake, South of Oak	800	Reconstruction (Asphalt)
STREET REHABILITATION TOTAL		6,650	1.25 miles

14. **Utility Undergrounding: (FY 10/11 Estimate - \$57,000)** – The project consisted of the removal of overhead utility wires along Lambert Road south of Roosevelt Road to south of Taft Avenue to accommodate the installation of a right-turn lane for northbound Lambert Road. Also included is the final payment to the contractor for the Pennsylvania Undergrounding project performed in 2007 (\$7,000).
15. **IFT/General Fund Engineering: (\$116,000)** - Transfer to the General Fund as reimbursement for engineering services provided by Public Works staff. Services include design engineering and construction oversight of the street, sidewalk improvement, and concrete roadway programs and oversight of all administrative and technical aspects of capital improvement fund projects.