



Capital Improvement Planning Issues

July 10, 2017



2017 Project Status Update

Total funding in 2017 CIP = \$58.3M

As of 7/10/17 (assuming contracts on agenda approved by City Council) = \$29.8M awarded

Major Projects Not Yet Under Contract

Project	Budget	Status
Treated Water Storage Replacement	\$3,000,000 (2017 only)	Coordinating construction issues with NU, est. 4/2018 construction start
Fleetwood – Jourdain HVAC/Electrical	\$1,700,000	Rebidding project in August for winter construction.
Howard Street Theater	\$1,400,000	In design. Bidding this fall for construction in winter.



2017 Project Status Update

- Sheridan Road/Chicago Avenue Improvements
 - Shutdown by IDOT has been revoked
 - Contractor submitting schedule for mobilization
 - Schedule delay likely
 - Chicago Avenue to Lincoln Street complete in 2017, but not by 9/15
 - Lincoln Street to Wilmette complete in 2018
- Emerson/Ridge/Green Bay Road
 - Shutdown by IDOT has been revoked
 - Mast arm signage to be installed in late summer
 - Punch list ongoing



2017 Project Status Update

- **Fountain Square**
 - South of Davis – currently on schedule
 - North of Davis – schedule delays, including long-lead time for equipment and underground utility issues, may result in construction continuing into spring

- **Fleetwood-Jourdain**
 - Restroom Improvement contract awarded with construction set to begin in August.
 - HVAC and electrical contract bid came in over budget with one bidder. Contract to be re-advertised in late July for construction in winter.

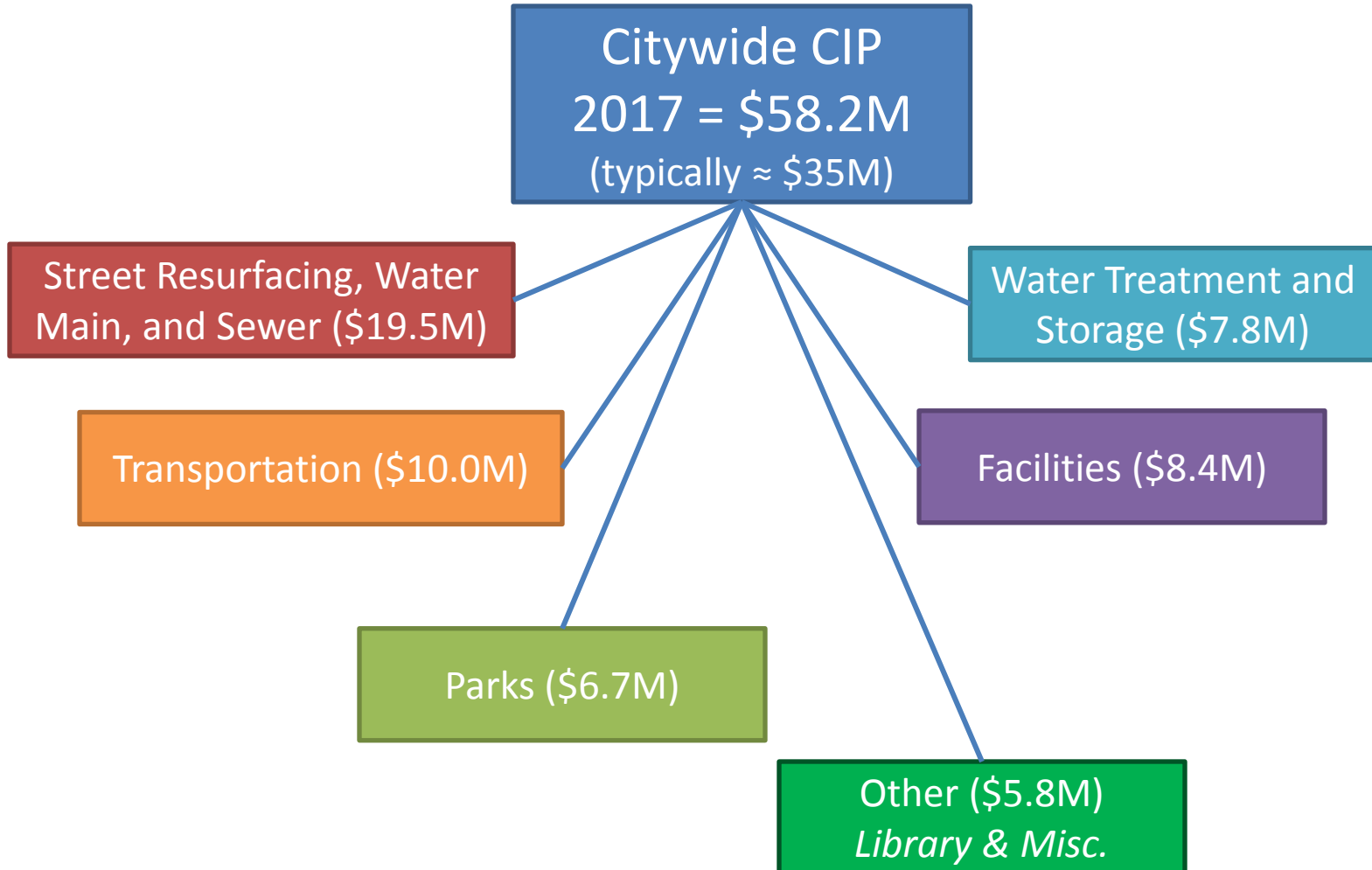


2017 Project Status Update

- Service Center
 - Six areas of structural failure identified and temporarily shored
 - Engineer preparing proposal to complete design of repair
- Treated Water Storage Replacement
 - Coordinating with NU to install shoring by September
 - Advertising for bid in winter for construction start in spring 2018



Capital Improvement Program(CIP) Overview





CIP – Funding Sources

Funding Source	2017 Budget	Limitations
General Obligation Bonds	\$12.3M	None (typically \$7-8M)
Water Fund	\$7.9M	Water treatment plant and distribution system assets only
Sewer Fund	\$ 2.7M	Sewer collection system assets only
Parking Fund	\$ 3.9M	Projects related to parking facilities only
Illinois Environmental Protection Agency Loan	\$ 7.5M	Project-specific Water and sewer projects only
Motor Fuel Tax Funds	\$ 1.4M	Street and transportation projects only
Federal Grants (incl. CDBG)	\$10.9M	Project-specific Require City to match 20-30% of project cost
TIF Funds	\$ 7.1M	Geographic limitations to the boundaries of the specific TIF
SSA Funds	\$ 0.1M	Geographic limitations to the boundaries of the SSA
Carryover from 2016	\$ 4.7M	Previously generated funds



CIP – Funding Match-Up

- As project is developed, funding source is determined
- City-provided funds (GO bonds, TIF) have annual limits
- Projects receiving outside grants get priority funding for their City match
- Any project not in a TIF area or utilizing specialty funding (such as Parking Fund or Water Fund) competes against all other projects for GO bond funding



How Are Projects Determined?

- Consultant Evaluations
 - Pavement Condition Survey (2013)
 - Citywide Roof Assessment (2016)
 - Parks Scorecard (2016)
- In-House Data/Staff Review
 - Alderman/Resident Complaints
 - Street Inspections
 - Water Main Maintenance Records
 - Facility Assessments (Ongoing)



How Are Projects Determined?

- Priority by “Worst First” – not geography
 - Safety issues
 - Likelihood of failure / impact of failure
 - Example – HVAC systems
 - Changing regulations
 - Example – Complete and green streets policies



Streets/Water Main/Sewer/ Other Transportation

Fiscal Year	GO Bonds	Other Funds	Total Annual Funding	Other Fund Sources
2016	\$5.2 M	\$20.3 M	\$25.5 M	Federal grants Water Fund Sewer Fund IEPA Loans MFT TIF Parking Fund
2017	\$6.3 M	\$23.2 M	\$29.5 M	
<i>Annual Estimate of Need 2018 - 2022</i>			<i>\$31.2 M</i>	



Streets/Water Main/Sewer/ Other Transportation

Challenges

- Balance reactive repairs vs. proactive maintenance vs. major reconstructions

Strategies

- Increasing proactive maintenance contracts (street patching, crack sealing, sewer lining)
- Applying for grant funding and low-interest loan for major reconstructions

Long-Term Issues

- Water revenue is not adequate to pay for regular water system maintenance (replacing 1% of system per year)
- Grant funding not keeping up with need for major street and intersection reconstructions



Streets/Water Main/Sewer/ Other Transportation

Proposed 2018 Projects (>\$500,000)

Project	2018 GO Bond	Other Funding	Total Funding	Notes
Sheridan Road/Chicago Ave Improvements	\$2,195,840	\$2,385,000	\$4,580,840	Water Fund Sewer Fund
Main Street, McDaniel to Pitner Construction	\$2,200,000		\$2,200,000	
Main Street, Maple to Hinman, Design	\$380,000	\$120,000	\$500,000	Water Fund
2017 MFT Street Resurfacing		\$1,200,000	\$1,200,000	MFT Funds
30" Downtown Feeder Main Rehabilitation		\$8,000,000		IEPA Loan
2017 Water Main	\$920,000	\$2,320,000	\$3,240,000	Water Fund
Lining Small Diameter Water Main on Private Easements		\$1,300,000		IEPA Loan
Inspection of Large Diameter Water Main		\$650,000		Water Fund



Streets/Water Main/Sewer/ Other Transportation

Proposed 2018 Projects (>\$500,000)

Project	2018 GO Bond	Other Funding	Total Funding	Notes
Large Diameter Sewer Rehab		\$1,700,000	\$1,700,000	IEPA Loan
Streetlight Replacement	\$1,000,000			
Alley Improvement	\$250,000	\$250,000	\$500,000	Special Assessment
Parking Lot Rehabilitation		\$550,000	\$550,000	Parking Fund
Street Patching Program	\$600,000		\$600,000	



Parks

Fiscal Year	GO Bonds	Other Funds	Total Annual Funding	Other Fund Sources
2016	\$1.2 M	\$2.3 M	\$4.5 M	TIF - Fountain Square
2017	\$1.4 M	\$5.3 M	\$6.7 M	
<i>Annual Estimate of Need 2018 - 2022</i>			<i>\$4.4 M</i>	



Parks

Challenges

- Parks improvement has been underfunded for long-term

Strategies

- Parks scorecard to determine worst parks
- Identify specific goals to focus limited funding
 - Playground safety
 - Athletic field supply

Long-Term Issues

- Funding is inadequate to meet identified goals
- Identified goals do not address larger City concerns, such as equity or age-friendly
- Primary funding source is GO Bonds (limited opportunity for increase)



Parks

Proposed 2018 Projects (>\$500,000)

Project	2018 GO Bond	Other Funding	Total Funding	Notes
Church Street Harbor South Pier Reconstruction	\$600,000		\$600,000	
Foster Field – Athletic Field Impr	\$630,000		\$630,000	
Garden Park Renovation	\$500,000		\$500,000	
Larimer Park Renovation	\$680,000		\$680,000	



Facilities

Fiscal Year	GO Bonds	Other Funds	Total Annual Funding	Other Fund Sources
2016	\$2.8 M	\$2.4 M	\$5.2 M	Sewer Fund - Gibbs Morrison Site TIF Fund - Howard St Theater Parking Fund - Parking Garages
2017	\$3.9 M	\$4.5 M	\$8.4 M	
<i>Annual Estimate of Need 2018 - 2022</i>			<i>\$7.7 M</i>	

Note

Future estimate of need does not include funding for Robert Crown Center.



Facilities

Challenges

- Facilities capital improvement has been underfunded for long-term

Strategies

- Completing building assessments with in-house staff to assess need for future capital improvement
- Identify specific goals to focus limited funding
 - Safety issues
 - Addressing building envelope (prevent water leaks)
 - Address aging systems needing replacement before failure

Long-Term Issues

- Funding is inadequate to meet identified goals
- Identified goals do not address larger City concerns, such as equity or age-friendly
- Primary funding source is GO Bonds (limited opportunity for increase)



Facilities

Proposed 2018 Projects (>\$500,000)

Project	2018 GO Bond	Other Funding	Total Funding	Notes
Chandler – Electrical Upgrade	\$680,000		\$680,000	
Fleetwood – HVAC/Electrical Improvements	\$1,100,000	\$900,000	\$2,000,000	Carryover from 2017 GO Bond
Sherman Avenue Garage – Lighting Upgrade		\$700,000	\$700,000	Parking Fund
Sherman Ave Garage – Paint Rehab		\$500,000	\$500,000	Parking Fund

2018 is Proposed to Include Study/Design for Large Projects in 2019

- Chandler HVAC Improvements (\$550,000)
- Noyes HVAC/Electrical Improvements (\$1,200,000)
- Ecology Center Crawlspace and Restroom Renovation (\$500,000)
- Civic Center Boiler/HVAC/Electrical Replacement (\$3,400,000)
- Civic Center Fire Protection Upgrades (\$1,500,000)
- Study to determine Animal Shelter needs for construction in 2019/2020



Water Billing, Treatment, Storage

Fiscal Year	GO Bonds	Other Funds	Total Annual Funding	Other Fund Sources
2016	\$0.0 M	\$19.6 M	\$19.6 M	Water Fund IEPA Loan
2017	\$0.0 M	\$7.8 M	\$7.8 M	
<i>Annual Estimate of Need 2018 - 2022</i>			<i>\$11.6 M</i>	



Water Billing, Treatment and Storage

Challenges

- Aging infrastructure
- Inadequate water revenue to cover recurring project costs, such as annual water main replacement

Strategies

- Generate additional revenue
 - Pursuit of additional wholesale customers
 - Renegotiation of Skokie contract to include fair share of capital costs
 - Gradual water rate increases coupled with sewer rate decreases
- Low-interest loans through IEPA State Revolving Fund program

Long-Term Issues

- Completion of Skokie rate negotiation
- Continued implementation of long-term capital program



Water Treatment and Storage

Proposed 2018 Projects (>\$500,000)

Project	2018 GO Bond	Other Funding	Total Funding	Notes
Emerson Street Water Vault		\$1,500,000		Water Fund
Lead Service Line Replacement		\$1,370,000	\$1,370,000	IEPA Loan
Filter Freight Elevator Replacement		\$500,000	\$500,000	Water Fund
Treated Water Storage Replacement		\$12,450,000	\$12,450,000	2018 funding only
36"/42" Intake Replacement Engineering Services		\$600,000	\$600,000	IEPA Loan



Other Issues

- Limitations in staffing
 - Less in-house design by staff
 - Increase in project size
 - Combine similar projects into one project
 - Project award size will increase