Village of Algonquin
Committee of the Whole
February 3, 2026
7:40 PM
Ganek Municipal Center
2200 Harnish Drive, Algonquin

Trustee Brehmer – Chairperson
Trustee Auger
Trustee Spella
Trustee Glogowski
Trustee Dianis
Trustee Smith
President Sosine

1. **Roll Call - Establish a Quorum**
2. **Public Comment - Audience Participation**
   (Persons wishing to address the Committee must register with the Chairperson prior to roll call.)
3. **Presentation of Capital Budget for 2025/2026**

   A.
      a. Proposed Water and Sewer Improvement and Construction Fund
      b. Proposed MFT and Street Improvement Funds
      c. Proposed Park Improvement Fund
      d. Proposed Natural Area and Drainage Improvement Fund

4. **Executive Session - Personnel Matters**
5. **Adjournment**

VILLAGE OF ALGONQUIN
GENERAL SERVICES ADMINISTRATION

– M E M O R A N D U M –

DATE: January 29, 2026

TO: Committee of the Whole

FROM: Tim Schloneger, Village Manager

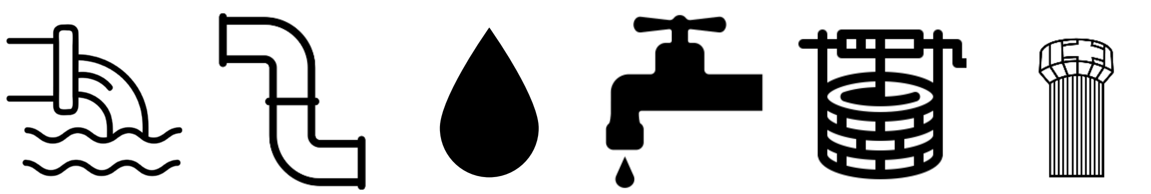
SUBJECT: Proposed Capital Budget – 2026/2027 Water & Sewer Improvement Fund

OVERVIEW

Attached is the proposed Water and Sewer Improvement and Construction Fund budget. This fund is intended for larger capital improvements, such as expanding water and sewer treatment plants and distribution systems, and for smaller expenditures to improve or enhance the existing water and sewer distribution systems overall. The Water and Sewer Improvement and Construction Fund is a capital account with cash reserves that can be accumulated yearly.

The revenue estimated for this fiscal year is $7,810,000 (including a transfer of $6,450,000 from the Water & Sewer Operating Fund), and expenses are budgeted at $13,480,000. A planned drawdown on cash reserves will balance the fund.

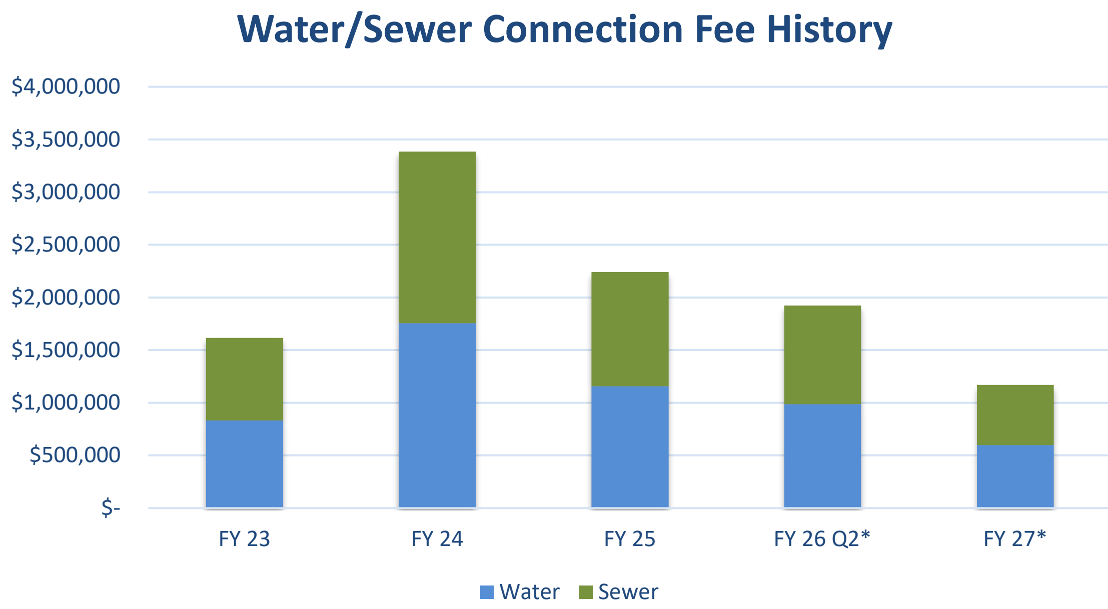
Village of Algonquin Water and Sewer System



1	**139**	**3**	**169**	**9**	**7**
Wastewater Treatment Facility	Miles of Sanitary Sewer	Water Treatment Plants	Miles of Water Main	Water Wells	Water Storage Tanks

REVENUES - $7,810,000

Maintaining safe drinking water and environmentally sound sewer services is one of the most important responsibilities of the Village of Algonquin. As providing water and sewer services becomes more expensive, the village faces the constant challenge of balancing our interest in offering a fundamental public health service at an affordable price against the necessity of managing our systems financially sustainably. Water, sewers, and all other utilities are businesses, regardless of who owns them. The village's water and sewer utilities are government-owned businesses.



EXPENSES - $13,180,000

ACCOUNT 42230 - LEGAL SERVICES—$10,000—This line item covers legal services required for water and sewer improvement projects.

ACCOUNT 42232 - ENGINEERING - $1,315,000 - This line item provides payment for engineering services for the design, construction oversight, and inspection of projects planned in this fund. Projects include the following:

- Algonquin Shores Lift Station & Force Main – $60,000 is allocated to continue and complete construction oversight for upgrades to the Algonquin Shores Lift Station, as identified in the 2022 assessment and the 2023 Wastewater Master Plan. Improvements include replacing pumps that have exceeded their useful life, adding bypass pumping capability, improving access to the grinder hatch, and completing electrical and mechanical upgrades to support the new equipment. The project also replaces the backflow preventer to bring the station into compliance and includes site improvements, such as installing a site security fence and extending the access driveway.

- Annual Water Main Replacement Program – $95,000 is allocated for this annual program, which aims to replace aging water mains throughout the Village and eliminate critical dead ends to improve fire protection, system reliability, and redundancy. The program will also focus on areas with frequent water main breaks to reduce maintenance costs. For this year, funds are recommended to begin design engineering for a future water main along Longmeadow Parkway, from Boyer Road to the Northpoint Development. This connection will close an existing dead end and provide a straightforward connection for future development north of Longmeadow Parkway.

- Biosolids Handling – $210,000 is budgeted to continue and complete construction oversight for this project. The work includes replacing the existing belt press with two centrifuges to significantly reduce biosolids volume and disposal costs, which have increased by more than 30% over the past two years. The new equipment is expected to reduce biosolids volume by over 30%, saving nearly $100 per ton in disposal and hauling costs, or approximately $3.3 million over the 20-year life of the centrifuges. Due to long equipment lead times, this project spans multiple fiscal years and is expected to be completed in the fall of 2026.

- Boyer Road Improvements – $160,000 is budgeted to complete construction oversight for the installation of a 12-inch water main along Boyer Road from County Line Road to Longmeadow Parkway. This work will occur concurrently with roadway improvements. The new water main will improve water system reliability on the west side of the Village, provide a connection point for future development, and loop existing dead ends along the route to improve water quality. Construction is scheduled to be completed with the roadway project in 2026.

- Dixie Briggs Fromm Sewer Easement - In 2004, the Village installed a 24" sewer interceptor with a connection to the Braewood Lift Station due to capacity needs. The northern portion of the sewer was installed outside of the existing 30-foot easement within the Dixie Briggs Fromm Natural Area Preserve owned by the Kane County Forest Preserve. $35,000 is budgeted to survey the existing area and re-establish a permanent easement for the sanitary sewer.

- High Hill Sanitary Sewer Relocation – Phase 1 – $25,000 is budgeted for construction oversight for Phase 1 of this two-phase project. The existing sanitary sewer main follows Ratt Creek and is frequently underwater, making maintenance difficult and unsafe. The current alignment also allows a significant amount of inflow and infiltration into the system, increasing unnecessary flows to the wastewater treatment plant. Phase 1 work is required in advance of planned creek restoration efforts along this section of Ratt Creek.

- Janaks Subdivision Improvements – $160,000 is provided to begin Phase 1 engineering for improvements throughout the Janak's Subdivision. The project area includes remaining local roads east of the Fox River, south of Algonquin Road, west of Longwood Drive, and the section north of Algonquin Road near Eastgate Manor. Phase 1 work includes topographic surveying, geotechnical analysis, and condition assessments of water mains and sanitary sewers to determine whether replacement, relocation, or lining is needed. The scope also includes smoke testing to identify sources of inflow and infiltration from private service lines.

- McHenry County/Algonquin Public Works Yard Improvements – The Village has partnered with the McHenry County Division of Transportation to improve the Public Works facility to support shared winter operations. Planned improvements include construction of a larger salt dome, expanded salt brine storage tanks, new material storage bins, pavement improvements in the rear yard and front parking areas, and drainage upgrades. $200,000 is budgeted for construction in the coming fiscal year and are split evenly between the Street and Water & Sewer funds. An intergovernmental agreement is being prepared to outline cost-sharing and maintenance responsibilities.

- Neubert Water Main Replacement – Staff has identified replacing the undersized water main at Huntington Drive and Harnish Drive that feeds Neubert Elementary School. The fire flows and overall reliability around the school and in the neighborhood are in need of improvements based on the data collected in the Water Master Plan. Additionally, this project will close two dead ends to improve reliability for the school and local residents. $35,000 is budgeted to continue and complete design engineering.

- Wecks Subdivision Improvements – $120,000 is allocated to begin Phase 1 engineering services for Weck's Subdivision. The project area includes the entire road network south of Algonquin Road, east of Longwood Drive (including Longwood Drive), and south to Washtenaw Lane. Phase 1 work includes evaluating the existing water mains, developing a replacement plan, and studying the feasibility of relocating rear-yard sanitary sewers into the public right-of-way. The scope also includes smoke testing to identify inflow and infiltration from private service lines.

- Willoughby Farms Subdivision Section 3 – Staff has identified and prioritized water main dead ends throughout the Village. A high-priority dead end exists along Notting Hill Road, a 1,000-foot section where the roadway terminates at the Kane County Forest Preserve, preventing any future water main extension. The existing water main currently serves 21 single-family homes. Looping this water main will eliminate the dead end and significantly improve system reliability and redundancy within the subdivision. $60,000 is budgeted for construction engineering to complete this project concurrently with the roadway improvements.

- Woods Creek Force Main Replacement – The existing 3,330-foot, 10-inch force main carries wastewater from the Woods Creek lift station south of Algonquin Road to Stonegate Road, where flows continue by gravity to the wastewater treatment plant. Two breaks occurred on this main between summer 2023 and fall 2024. Geotechnical investigations determined that the surrounding soils are corrosive to the existing ductile iron pipe. As a result, the force main is programmed for replacement with a non-corrosive PVC pipe. $100,000 is budgeted to continue design engineering and begin construction oversight in late fall or winter of 2026.

- Contract Engineer – $55,000 is provided to contract for onsite engineering support to assist Public Works staff with managing the increased number of requests for proposals and contracts anticipated over the next several years. Duties may include preparing RFPs, reviewing plans, coordinating correspondence, providing customer service support, and assisting with contract administration under the direction of the Village Engineer. This budget has been significantly reduced in recent years due to the addition of in-house engineering staff, with current funding approximately half of FY23/24 levels and nearly 75% lower than in 2022.

ACCOUNT 43370 – INFRASTRUCTURE MAINTENANCE - $0

ACCOUNT 44416 – COLLECTION SYSTEM MAINTENANCE - $110,000

- Sanitary Collection System Flow Monitoring - $110,000 is budgeted to monitor flows from the major sewer interceptors that feed the Waste Water Treatment Plant for a period of six months. Performing this initial flow monitoring at the plant will help identify the collection routes that may be contributing to inflow and infiltration (I&I). Additional flow monitoring will be required to identify specific distribution lines for repair, lining, or replacement to continue reducing I&I in the system. The budgeted amount includes an option to purchase flow monitoring equipment after 6 months to enable in-house flow monitoring.

ACCOUNT 44470 – INFRASTRUCTURE MAINTENANCE - $1,100,000

- Lakewood Water Tower Repair & Maintenance - $1,100,000 is allocated for this program that starts with a complete renovation of the tower to bring it to a “baseline condition”. Once the tank is in a “baseline condition,” a maintenance program is implemented that involves annual draining, cleaning, and inspections. Next fiscal year, the Lakewood Water Tower will be renovated and receive a new mixer along with exterior painting. Due to the unknown age of the water main in this area, contingency is included in this line item to cover any repairs to the main or boosters.

ACCOUNT 45520 – WATER TREATMENT PLANT - $0

ACCOUNT 45526 – WASTEWATER COLLECTION - $2,975,000

- Algonquin Shores Lift Station & Force Main - $550,000 is allocated to continue and complete construction to upgrade the Algonquin Shores Lift Station as identified in the assessment completed in 2022 and the WW Master Plan in 2023. This project includes replacing 25-year-old pumps beyond their useful life, installing bypass pumping capability, access improvements to the grinder hatch, electrical and mechanical upgrades to support new pumps and bypass, replacing the backflow preventer to bring the station up to compliance, and site improvements, including installation of a site security fence and access driveway extension.

- High Hill Sanitary Sewer Relocation - Phase 1 - $2,3000,000 is budgeted for the construction of phase 1 of this two-phase project. Due to the existing location of the main, the manholes are often underwater. When maintenance is required for these pipes and structures, access is extremely difficult because the main line follows the creek and is often underwater. Additionally, a significant amount of inflow and infiltration (I&I) enters this section of the main, increasing unwanted flows to the treatment plant. This work must occur prior to the future creek restoration along this section of Ratt Creek.

- Woods Creek Force Main Replacement - The 3,330-foot 10-inch ductile iron pressurized main carries sewage from the lift station on the south side of Algonquin Road to Stonegate Road, which is gravity-fed to the WWTP. Within 14 months between summer 2023 and fall 2024, two breaks occurred on this main. Geotechnical reports determined that the soils along the main's route are corrosive to the ductile-iron pressurized main and therefore are being programmed for replacement with non-corrosive PVC pipe. $125,000 is budgeted to begin construction in the late fall/winter of 2026.

ACCOUNT 45565 – WATER MAIN - $2,470,000

- Willoughby Farms Subdivision Section 3 – Staff has identified and prioritized water main dead ends throughout the Village. A high-priority dead end exists along Notting Hill Road, a 1,000-foot section where the roadway terminates at the Kane County Forest Preserve, preventing any future water main extension. The existing water main currently serves 21 single-family homes. Looping this water main will eliminate the dead end and significantly improve system reliability and redundancy within the subdivision. $670,000 is budgeted for construction to complete this project concurrently with the roadway improvements.

- Boyer Road Improvements- $1,800,000 is budgeted to complete construction for the 12-inch water main on Boyer Road from County Line Road to Longmeadow Parkway, which will occur concurrently with the roadway improvements. The water main will improve overall reliability on the west side of the Village and help attract future development along Boyer Road, providing a water-source tie-in. Additionally, the main will loop two dead ends along the route, improving water quality. The construction of the water main will be completed at the same time as the roadway project in 2026.

ACCOUNT 45570 – WASTEWATER TREATMENT FACILITY - $2,700,000

- Biosolids Handling - $2,700,000 is budgeted to continue and complete construction of this project. The project scope includes replacing the belt press with two centrifuges to significantly reduce waste disposal/hauling costs, which have increased by over 30% in the last two years. The centrifuge technology will reduce biosolid waste by over 30%, saving nearly $100 per ton in disposal and hauling costs (or $3.3 million over the 20-year life of the centrifuges). Due to extremely long lead times, this project is entering its second fiscal year of construction but is expected to be completed in the fall of 2026.

ACCOUNT 45593 – CAPITAL IMPROVEMENTS - $2,500,000

- McHenry County/Algonquin Public Works Yard Improvements - The Village has partnered with the McHenry County Division of Transportation to upgrade the Village's Public Works facility to support shared winter operations with the county. The improvements will include construction of a larger salt dome, an increased salt brine storage tank farm, constructing new material storage bins, new pavement in the rear yard and front parking lots, and drainage improvements. $2,5000,000 is budgeted for construction this coming fiscal year. Funds are split 50/50 between the Street and Water & Sewer funds. An IGA is being drafted with McHenry County to split construction and maintenance costs/responsibilities.

SUMMARY OF WATER AND SEWER CAPITAL IMPROVEMENT BUDGET

The projects covered in this memo for water and sewer improvements are recommended for approval based on the continued implementation of the multi-year Water/Sewer Capital Improvement Plan. These recommended expenditures continue the implementation of our capital utility planning and enhance the reliability of the village's water and sewer system for residents.

Attachment

			FY 22/23 Actual	FY 23/24 Actual	FY 24/25 Actual	FY 25/26 Q2	FY 25/26 Budget	FY 26/27 Budget
12000400	33035	Donations - Operating W&S	$ -	$ -	$ 280.00	$ -	$ -	$ -
12000400	33055	Donations - Capital W&S	70,884.00	63,261.00	76,934.70	84,414.18	40,000.00	
12000400	34800	Water Tap-On Fees	832,680.00	1,755,820.00	1,156,861.00	988,869.00	800,000.00	600,000.00
12000400	34810	Sewer Tap-On Fees	783,450.00	1,628,282.00	1,085,280.80	932,983.00	760,000.00	570,000.00
12000500	36001	Interest	127.56	155.44	12,225.23	57,579.65	-	25,000.00
12000500	36020	Interest - Investment Pools	38,230.40	265,454.34	231,179.21	92,658.01	175,000.00	165,000.00
12000500	38007	Transfer from W&S Operating	4,525,043.68	1,372,049.81	4,944,286.76	733,344.24	3,244,150.00	6,450,000.00
Water & Sewer Imp. & Const. Fund Total			**$ 6,250,415.64**	**$ 5,085,022.59**	**$ 7,507,047.70**	**$ 2,889,848.08**	**$ 5,019,150.00**	**$ 7,810,000.00**

Water and Sewer Improvement and Construction Fund

Expenses

			FY 22/23 Actual	FY 23/24 Actual	FY 24/25 Actual	FY 25/26 Q2	FY 25/26 Budget	FY 26/27 Dept.	FY 26/27 Manager	FY 26/27 Budget
Nondepartmental										
12900400	42230	Legal Services	$ 1,156.25	$ 1,341.25	$ 3,200.00	$ -	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ -
12900400	42232	Engineering Services	156,313.03	240,664.16	91,338.50	356,004.12	1,420,000.00	1,315,000.00	1,315,000.00	-
12900400	43370	Infrastructure Maintenance	5,900.00	1,202,152.00	10,200.00	-	-	-	-	-
12900400	44416	Collection System Maintenance	140,995.72	-	535,505.63	31,544.12	350,000.00	110,000.00	110,000.00	-
12900400	44470	Infrastructure Maintenance	-	-	-	22,115.54	1,105,000.00	1,100,000.00	1,100,000.00	-
Subtotal			$ 304,365.00	$ 1,444,157.41	$ 640,244.13	$ 409,663.78	$ 2,885,000.00	$ 2,535,000.00	$ 2,535,000.00	$ -
Capital Expenditures										
12900400	45520	Water Treatment Plant	$ -	$ -	$ -	$ 798,113.70	$ 1,500,000.00	$ -	$ -	$ -
12900400	45526	Wastewater Collection	-	-	-	406,756.80	1,440,000.00	2,975,000.00	2,975,000.00	-
12900400	45565	Water Main	-	260,223.82	344,513.97	205,725.32	1,545,000.00	2,470,000.00	2,470,000.00	-
12900400	45570	Wastewater Treatment Facility	-	-	-	474,876.00	2,110,000.00	3,000,000.00	2,700,000.00	-
12900400	45593	Capital Improvements	-	-	-	-	-	2,500,000.00	2,500,000.00	-
Subtotal			$ -	$ 260,223.82	$ 344,513.97	$ 1,885,471.82	$ 6,595,000.00	$ 10,945,000.00	$ 10,645,000.00	$ -
Water & Sewer Imp. & Const. Fund Total			**$ 304,365.00**	**$ 1,704,381.23**	**$ 984,758.10**	**$ 2,295,135.60**	**$ 9,480,000.00**	**$ 13,480,000.00**	**$ 13,180,000.00**	**$ -**
Balance Sheet Adjustment										
12	18000	Advance to W/S Capital	$ -	$ -	$ -		$ -	$ -	$ -	$ -
Subtotal			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Water & Sewer Imp. & Const. Fund Total (Adjusted)			**$ 304,365.00**	**$ 1,704,381.23**	**$ 984,758.10**	**$ 2,295,135.60**	**$ 9,480,000.00**	**$ 13,480,000.00**	**$ 13,180,000.00**	**$ -**
Actual figures have been adjusted to reflect capitalization of fixed assets, per auditor.										
Capital expenditures are transferred to and capitalized in the Water & Sewer Operating Fund.										

VILLAGE OF ALGONQUIN
GENERAL SERVICES ADMINISTRATION

– M E M O R A N D U M –

DATE: January 28, 2026

TO: Committee of the Whole

FROM: Tim Schloneger, Village Manager

SUBJECT: Proposed Capital Budgets – 2026/2027 – Motor Fuel Tax (MFT)

OVERVIEW

Attached are the proposed fiscal year 2026/2027 budgets for the Motor Fuel Tax (MFT) Fund. The recommended projects and programs continue the Village's commitment to maintaining, repairing, and rehabilitating existing infrastructure. Preventive maintenance is key to controlling long-term costs.

MFT FUND REVENUES - $1,400,000

Under the MFT Fund, the primary revenue sources are Motor Fuel Tax allotments from the State of Illinois and interest income on accumulated cash reserves.

MFT FUND EXPENDITURES - $1,900,000

As part of a comprehensive procurement review of materials and infrastructure maintenance, Public Works has recommended that the Village no longer purchase these items through the MFT program and instead source them through our regular operating expenditures. Accordingly, many of the routine maintenance items below will not have budgeted expenditures in this year's budget and will now be reflected in the General Operating Fund (Public Works General Services).

ACCOUNT 42232 - ENGINEERING/DESIGN - $0

ACCOUNT 43309 - MATERIALS - $0

ACCOUNT 43370 - INFRASTRUCTURE MAINTENANCE - $0

ACCOUNT 44427 – MAINTENANCE – CURB/SIDEWALK - $400,000

- Concrete Replacement Program - $400,000 is budgeted to remove and replace the concrete curb and sidewalk. We inspect approximately 1/5 of the Village's sidewalks and curbs annually for deviations, drainage issues, or structural defects. A contractor is hired to remove and replace any items identified in our inspections. Unit pricing for concrete is expected to rise by about 30% next fiscal year due to labor rate and material increases. Due to rising costs, staff recommends increasing the program budget to continue covering approximately 1/5 of the Village each year.

ACCOUNT 44428 – MAINTENANCE – STREETS - $0

- Pavement Marking, Street Sweeping, and Crack Sealing expenses moved to the General Fund.

ACCOUNT 44429 – MAINTENANCE – STREET LIGHTS - $0

- Street Light Maintenance expenses moved to the General Fund.

ACCOUNT 44431 – MAINTENANCE – STORM SEWER - $0

- Storm Sewer Maintenance moved to the General Fund.

ACCOUNT 44470 – INFRASTRUCTURE MAINTENANCE - $1,500,000

- <u>Pavement Management Program</u> - $1,500,000 is budgeted for the pavement management program. This annual program will identify streets that are good candidates for roadway resurfacing or asphalt pavement replacement if the existing pavement structure is sub-standard. Next fiscal year, staff proposes using these funds to replace the asphalt pavement in the Gaslight Terrace North Subdivision (1.30 miles). The streets in this subdivision were constructed in the late 1970s and are in poor to very poor condition. The pavement structure is substandard relative to current code requirements and will be upgraded to meet current standards. Outside of surface patching and pothole repairs, these streets have never received capital improvements. Additional improvements include selective curb and gutter replacement and drainage improvements as laid out in the Stormwater Master Plan. Additionally, the asphalt patching and multi-use path repair annual programs will be absorbed into this fund. Patching locations include various subdivisions. Multi-use path repair consists of replacing the interior paths within Spella Park.

ACCOUNT 45593 – CAPITAL IMPROVEMENTS – $0

Attachments

Motor Fuel Tax Fund

Revenues

			FY 22/23 Actual	FY 23/24 Actual	FY 24/25 Actual	FY 25/26 Q2	FY 25/26 Budget	FY 26/27 Budget
03000300	33015	MFT Allotments	$ 677,009.06	$ 674,053.07	$ 666,253.07	$ 328,270.28	$ 650,000.00	$ 640,000.00
03000300	33018	MFT Transportation Renewal	539,991.96	630,366.15	676,146.34	355,124.69	670,000.00	710,000.00
03000300	33016	MFT Capital Program	330,024.94	-	-	-	-	
03000300	33017	High Growth Allotment	21,404.40	-	-	-	-	-
03000300	33052	Donations - Capital	-	-	-	-	-	
03000500	36020	Interest - Investment Pools	97,230.83	137,610.11	93,737.43	42,348.33	60,000.00	50,000.00
Motor Fuel Tax Fund Total			**$ 1,665,661.19**	**$ 1,442,029.33**	**$ 1,436,136.84**	**$ 725,743.30**	**$ 1,380,000.00**	**$ 1,400,000.00**

Expenditures

			FY 22/23 Actual	FY 23/24 Actual	FY 24/25 Actual	FY 25/26 Q2	FY 25/26 Budget	FY 26/27 Dept.	FY 26/27 Manager	FY 26/27 Budget
03900300	42232	Engineering/Design Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
03900300	43309	Materials	108,374.30	227,847.14	24,299.60	-	-	-	-	-
03900300	43370	Infrastructure Maintenance	283,419.72	217,235.79	337,525.60	-	-	-	-	-
03900300	44427	Maintenance - Curb/Sidewalk	450,699.75	338,159.50	341,316.50	419,370.10	500,000.00	400,000.00	400,000.00	-
03900300	44428	Maintenance - Streets	193,372.00	193,013.41	188,563.86	-	-	-	-	-
03900300	44429	Maintenance - Street Lights	224,766.19	227,697.26	216,309.93	-	-	-	-	-
03900300	44431	Maintenance - Storm Sewer	200,000.00	115,500.00	115,675.00	-	-	-	-	-
03900300	44470	Infrastructure Maintenance	-	-	-	373,451.62	1,600,000.00	1,500,000.00	1,500,000.00	-
03900300	45593	Capital Improvements	-	1,454,922.61	525,227.03	-	-	-	-	-
Motor Fuel Tax Fund Total			**$ 1,460,631.96**	**$ 2,774,375.71**	**$ 1,748,917.52**	**$ 792,821.72**	**$ 2,274,000.00**	**$ 1,900,000.00**	**$ 1,900,000.00**	**$ -**

VILLAGE OF ALGONQUIN
GENERAL SERVICES ADMINISTRATION

– M E M O R A N D U M –

DATE: January 27, 2026

TO: Committee of the Whole

FROM: Tim Schloneger, Village Manager

SUBJECT: Proposed Capital Budget – 2026/2027 - Street Improvement Funds

OVERVIEW

The proposed fiscal year 2026/2027 budgets for the Street Improvement Fund are attached. The recommended projects continue the village's commitment to implementing the multi-year street improvement program.

The Street Improvement Funds budget assumes carryover projects from the current fiscal year, outstanding amounts due to the state of Illinois for previously completed projects, a drawdown of cash reserves, grants, and future tax increment financing (TIF) fund reimbursements. These factors will result in road project expenditures exceeding revenues by $1,064,000. The projected current-year revenue totals $10,600,000, and the proposed engineering, road construction, and maintenance expenditures total $11,664,000.

CAPITAL IMPROVEMENT PLANNING

A Capital Improvement Plan (CIP) is a multi-year plan identifying capital projects to be funded during the planning period. The CIP identifies each proposed capital project, the year the assets will be acquired or the project will start, the amount of funds expected to be expended in each year of the CIP, and the funding source for each expenditure. A CIP is not a static document. It is reviewed annually to reflect changing priorities, unexpected events, and opportunities. A CIP includes the maintenance, repair, and rehabilitation of existing infrastructure and the construction of new infrastructure. The Village's updated CIP will be presented to the Committee of the Whole on February 17, 2026.

There are three (3) basic methods of financing capital requirements:

1. funding from current revenues/grants
2. funding from fund balance/working capital
3. funding through the issuance of debt

When possible, the Village uses cash for capital improvements within each fund's financial affordability, rather than issuing debt. Debt financing is used when the capital assets or projects cannot be funded prudently from current revenues or fund balances. Debt financing is also utilized to ensure inter-generational equity by spreading payments for assets and infrastructure over their useful lives. This is similar to taking out a mortgage to purchase a home you intend to live in for a long time, rather than emptying your savings to pay cash. When debt financing is being considered as a tool for implementing the CIP, the time horizon of the CIP must be adjusted to match the debt repayment period of the note(s) to ensure adequate financial capacity in future years.

Infrastructure deterioration continues constantly, regardless of revenues or economic conditions. All roads eventually reach the end of their useful life. As the asset's physical condition declines, deferring maintenance and/or replacement increases long-term costs and liabilities. Our goal is to manage the village's roads to minimize the total cost of ownership and maintenance while consistently delivering the standard the community expects.

Preventive maintenance is key to controlling long-term costs. It costs less in the long run to have good roads than bad roads--if you continuously keep up with preventive maintenance. Deferred maintenance increases long-term costs and shortens the rehabilitation cycle, which is four times as costly. Deferred rehabilitation compounds the problem, often leading to pavement failure and requiring reconstruction of the entire roadbed at 10 times the cost.

Continued investment in village infrastructure is critical to avoid major structural failures in our road and drainage network in the near future. The capital expenditures for roads and drainage proposed in these funds continue to address the community's aging, deteriorating infrastructure.

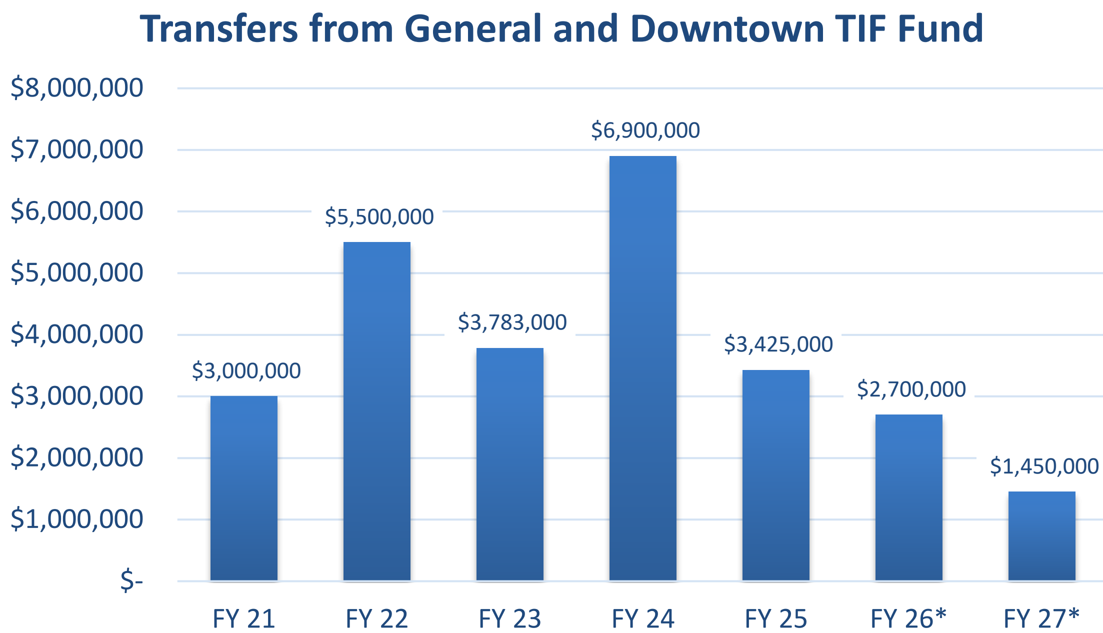
PAVEMENT CONDITION INDEX (PCI) RATING UPDATE

Pavement management is the planning and maintenance of a network of roads and other paved facilities to optimize pavement conditions across the entire network. The process of pavement management includes creating a network inventory, measuring the condition of each roadway, defining treatment strategies, establishing models to predict performance over time, and performing analyses to forecast budget requirements and develop a work plan that optimizes resource use to achieve agency goals. Pavement management supports accountable, performance-based, goal-oriented decision-making and the clear and effective presentation of information to stakeholders. Pavement management enables the Village to shift from worst-first, reactive planning to proactive, performance-based planning, making the most effective use of available funds over time.

The Village road network includes about 134 centerline miles (over 19.6 million square feet) of roads, divided into 1,605 pavement management sections. The network primarily consists of asphalt concrete (99.25 percent), with very small sections of gravel, brick, and Portland cement concrete (PCC) roads. The network is divided into three functional classes: Major Arterials (1 percent of the area), Minor Arterials and Collectors (36 percent), and Local roads (63 percent of the road surface area).

STREET IMPROVEMENT FUND REVENUES - $10,600,000

The estimated revenues for the Street Improvement Fund include 55% of home rule sales taxes, telecommunications tax and utility tax receipts, grants, interest estimated for this fiscal year, and drawdowns on the fund balance. In the seven years shown below, approximately $26,758,000 of one-time transfers have been made available to finance projects in the Street Improvement Fund.



STREET IMPROVEMENT FUND EXPENDITURES - $11,664,000

ACCOUNT 42230 - LEGAL SERVICES—$20,000—This line item covers legal services associated with street improvement projects, such as right-of-way and easement research. Additional monies are budgeted for permanent easement acquisition within this fiscal year.

ACCOUNT 42232 - ENGINEERING DESIGN SERVICES – $2,162,000 - The professional services anticipated in this item include construction oversight and inspection services for projects to be built during the next three (3) years:

- Algonquin Lakes Pedestrian Improvements - $28,000 is allocated to begin design engineering for the pedestrian crossing and intersection improvements on Compton Drive and Lake Gillilan Way/Algonquin Lake Elementary School entrance. The proposed design will include ADA sidewalk and path ramp upgrades, installation of a median refuge, signage and striping improvements, and improved visibility for students and pedestrians traveling to and from Algonquin Lake Elementary School and the park. A Safe Routes to School grant application was submitted in the fall of 2025 for this project, requesting funding assistance for construction.

- Arbor Hill Subdivision Improvements - $215,000 is allocated for Phase 1 and 2 engineering to continue and complete roadway improvements in the 1.9 miles of the Arbor Hills Subdivision. Arbor Hills is located just north of Huntington Drive, south of Algonquin Road, and east of the Kapers Business Center. All streets were constructed between 1995 and 1998 and have received no treatment beyond surface patching and maintenance. Based on the most recent pavement assessment, the streets are in poor to very poor condition, and the bases of many of them have been compromised. Due to the base failure, many streets will receive full-depth reclamation (FDR) and pavement replacement. On low-volume streets and cul-de-sacs, staff will evaluate resurfacing as an option to reduce the overall project cost. Additional work will include selective sidewalk and curb replacement, drainage adjustments, and landscape restoration.

- <u>Boyer Road Improvements</u> - $260,000 is allocated for this project, which has significant issues related to geometric, drainage, and pedestrian access to meet State/Federal ADA regulations. Funds are budgeted for construction oversight of this project, scheduled for the February 2026 State bid letting. Improvements include roadway reconstruction, spot curb and gutter replacement, and a new multi-use path installation from County Line Road to Longmeadow Parkway encompassing 0.75 miles of village-owned roadways. Additionally, future utility improvements, including a key 12-inch water main identified in the Water System Master Plan, are required to extend south on Boyer Road to Longmeadow Parkway. The water main improvements will be budgeted in the water/sewer fund. Boyer Road is currently funded through the McHenry County Council of Mayors (MCCOM) for $1.45 million in federal funds to help offset construction costs. Boyer Road also requires land acquisition from private property owners, and an IGA with Dundee Township is needed. Additional funds have been added to the 45595 Land Acquisition fund.

- <u>Brittany Hills Subdivision Improvements</u> - $4,000 is budgeted for construction oversight to complete the remaining punch list items in the spring/summer and to complete project closeout following the 12-month maintenance period.

- <u>Clarendale Multi-Use Path</u> - $42,000 is budgeted for construction oversight for the installation of a multi-use path from Oakleaf Drive to Clarendale of Algonquin along the south side of Algonquin Road. The path will provide a pedestrian connection to local trails and the commercial district along Randall Road. McHenry County has verbally agreed to contribute 33% of the construction and construction oversight costs for this project.

- <u>County Line Road Improvements</u> - $75,000 in local funds will be used to complete the Phase 2 design for this project. The work will involve improvements on County Line Road from Boyer Road to Hanson Road, covering 1.5 miles of roadway, sidewalk, and multi-use path. Data from the most recent pavement assessment indicate that the base material is in strong condition, allowing the improvement to consist largely of major roadway resurfacing rather than FDR or reconstruction. Additional improvements include spot curb-and-gutter and sidewalk repairs, and multi-use path replacement in most areas. A small amount of right-of-way acquisition is needed west of Randall Road, where the existing path is located on private property. Design is expected to be completed in FY2026/27, and construction is anticipated in FY2027/28.

- <u>Downtown Streetscape Main Street</u> - IL 62 to Edward St - $75,000 is allocated for this project, which is the final phase of the Downtown Streetscape multi-phased plan. The limits of this project will be from IL-62 (south limits) to north of Edward Street to match the south limits of the roundabout project. The scope includes roadway rehabilitation, curb and gutter, and sidewalk replacement, roadway lighting, and decorative landscape restoration in the parkway. This project secured $1.5 million in STP-L funding through the McHenry County Council of Mayors for construction in 2028. Funds are budgeted for Phase 2 design engineering next fiscal year.

- <u>Gaslight Terrace North Subdivision Improvements</u> – $155,000 is allocated for this project, which is located near the central part of the Village, east of Hanson Road and north of Edgewood Drive. Funds are requested to complete phase 2 design engineering in the spring and for construction oversight in the summer/fall. This project will utilize MFT funds for construction and is expected to improve nearly 1.5 miles of 45-year-old streets in the Gaslight Terrace North Subdivision. Existing drainage issues and deficiencies will be included in the project scope.

- Huntington Drive from Hanson to Circle & High Hill Unit 10 - $160,000 is allocated for this project, which is located near the central part of the Village and includes 2.0 miles of local and collector streets. This section of Huntington underwent roadway reconstruction in 2002 and 2007; while the base is in good condition, the surface is poor. Staff recommends resurfacing this section of Huntington because the existing 8-inch asphalt thickness provides better structural stability than local/low-volume streets. Additional improvements will likely include spot pavement patching, sidewalk and curb replacements, drainage improvements, and an evaluation of on-street bike lanes. Funds are requested to continue with Phase 2 design engineering and applications for grant funding, such as STP-L, ITEP, and/or CMAP

- Janaks Subdivision - $130,000 is allocated for Phase 1 engineering of the entire Janak's Subdivision, which encompasses all of the remaining local roads that are east of the Fox River, south of Algonquin Road, and west of Longwood Drive. The scope of the project will comprise a topographical survey, geotechnical analysis of subbase conditions, select curb and gutter removal and replacement, sidewalk repair (per the Public Works Department survey results), multi-use path replacement, storm structure assessment and repair/replacement, and subbase repair and new asphalt driving surface on 2.8 miles of roadway. Staff will also take a deep dive into the sidewalk configuration in the subdivision directly behind the curb, which creates significant difficulties for winter snow clearing and safe pedestrian passage. Funds are also requested in the Water and Sewer Fund to develop solutions to the aging underground infrastructure in the subdivision.

- Public Works Yard Improvements - $200,000 is allocated of the Village’s partnership with the McHenry County Division of Transportation to upgrade the Village's Public Works facility to support shared winter operations with the county. The improvements will include construction of a larger salt dome, an increased salt brine storage tank farm, constructing new material storage bins, new pavement in the rear yard and front parking lots, and drainage improvements. Funds are budgeted for construction this coming fiscal year. Funds are split 50/50 between the Street and Water & Sewer funds. An IGA is being drafted with McHenry County to split construction and maintenance costs/responsibilities.

- Sandbloom Road Improvements - $200,000 is allocated for this project, which includes 1.2 miles of roadway rehabilitation, drainage improvements, modernizing the roadway cross-section with curb and gutter and a closed drainage system, extension of the multi-use path from Souwanas Trail to IL-62, and the replacement of a failing culvert where Souwanas Creek passes under Sandbloom Road. The project has successfully been awarded $1.2 million from the Illinois Transportation Enhancements Program (ITEP) for the path extension, added pedestrian crossing at IL-62, and sidewalk improvements. Staff is currently seeking additional grant funding for the roadway and drainage improvements through the MCCOM for STP-L. The funds are budgeted to continue Phase 2 design engineering and to complete any remaining funding applications. Phase 2 engineering is expected to take two fiscal years to complete.

- Spella Retaining Wall Replacement - $5,000 is budgeted to complete punch list items in the spring and project closeout in the fall, following the 12-month warranty period.

- Square Barn Road Improvements - $220,000 is allocated to begin preliminary design on Square Barn Road from Huntley Road to Algonquin Road, including final scoping. Square Barn Road is in very poor condition and carries the highest daily traffic volume of any local road within the Village. Additional development on the west side of the Village will increase traffic volumes, further deteriorating the 1.6 miles of Village-owned roadway. The potential improvements include roadway rehabilitation; replacement and extension of multi-use paths; possible intersection and signal upgrades at Algonquin Road; a new traffic signal at Bunker Hill Drive; drainage improvements; and sidewalk/path improvements. Coordination with McHenry County and Rutland Township is required to complete the full extent of the scope. Depending on the extent of the proposed intersection improvements at Algonquin Road and Square Barn Road, the Village may seek contributions from McDOT. Additional funding sources, including STP-L, ITEP, and CMAQ, will be pursued to help offset the Village's Street fund costs.

- Village-wide Pavement Assessment - $8,000 is allocated to maintain and update the software from IMS, which completed the Village-wide Pavement Assessment in FY2025/26.

- Weck's Subdivision Improvements - $75,000 is allocated for Phase 1 design services for Weck's Subdivision. The proposed area is the entire road network of Weck's Subdivision, south of Algonquin Road, east of Longwood Drive, and south to Washtenaw Lane, including Longwood Drive. These road sections were last improved 29 years ago and are in extremely poor condition. The scope of the project will comprise of a topographical survey, geotechnical analysis of subbase conditions, select curb and gutter removal and replacement, sidewalk repair (per the Public Works Department survey results), storm structure assessment and repair/replacement, and subbase repair and new asphalt driving surface on 1.9 miles of roadway. Funds are also requested in the Water and Sewer Fund to develop solutions to the aging underground infrastructure in the subdivision. This comprehensive engineering project will be integrated with the Janaks subdivision and completed in multiple phases.

- Willoughby Farms Section 2 - $5,000 is allocated for construction oversight to complete the remaining punch list items in the spring and to complete project closeout following the 12-month maintenance period.

- Willoughby Farms Section 3 - $250,000 is allocated for construction oversight for Willoughby Farms Section 3. The area proposed to be constructed is the area of the Willoughby Farms subdivision north of Longmeadow Pkwy, east of Sleepy Hollow Road, and directly south of Section 2. This section of Willoughby Farms was constructed in 1996 and 2000 with a total length of 3.0 miles. The project scope will include Full-Depth Reclamation (FDR) with low-volume courts receiving roadway resurfacing and spot patching. Additional work will include selective sidewalk and curb-and-gutter replacement, drainage improvements, and landscape restoration. Looping the dead-end water main on Notting Hill Road is included in the project scope and is shown in the Water & Sewer Fund.

- Contract Engineer - $55,000 is allocated to a contract for on-site engineering services to assist staff in managing the large number of RFPs and contracts flowing through the Public Works Administration offices over the next several years. The scope of services for this individual may include generating RFPs for design and field services, plan reviews and comments, customer service and correspondence, contract administration, private utility permit reviews, and assistance with grant funding applications. The contract engineer will be under the direction of the Village Engineer. The budget for this line item has been reduced by 75% due to the addition of two in-house engineer positions.

ACCOUNT 43370 – INFRASTRUCTURE MAINTENANCE - $50,000 – The anticipated projects include the following:

- Route 62 Bridge Deck - When IDOT patched and repaired the bridge deck several years ago, the Village paid to replace and paint the decorative railings. Since this was an IDOT project, the Village is awaiting the final invoice of approximately $50,000, which typically takes up to 5 years to receive. Staff expect to receive the final invoice this fiscal year.

ACCOUNT 44470 – INFRASTRUCTURE MAINTENANCE - $965,000 – The anticipated projects include the following:

- Clarendale Multi-Use Path - $370,000 is budgeted for construction to install a multi-use path from Oakleaf Drive to Clarendale of Algonquin along the south side of Algonquin Road. Staff is coordinating with McHenry County on this project and will develop an IGA to cost-share the improvements.

- Old Town Improvements - $325,000 is budgeted for general maintenance and repairs to Village-owned property in the Old Town District.

- Reclamite Treatment - After asphalt is placed, the binder immediately begins to oxidize, losing essential oils, causing the surface to stiffen and become brittle. Reclamite counteracts this process by penetrating the pavement and restoring those oils, keeping the asphalt flexible and resistant to cracking and extending pavement life. We apply this product to all our roads within a year of construction. This treatment is also performed after years 5 and 10 to extend pavement life. $170,000 is budgeted to complete this treatment on all streets improved in FY25/26 and on streets improved 5 and 10 years ago.

- Retaining Wall Maintenance - $100,000 is budgeted for in-house maintenance on several smaller retaining walls that need attention. Materials will be purchased using this line item. Additionally, an updated condition assessment on major retaining walls, including the Huntington Drive wall, Gaslight Park wall, and the walls along IL-62, will be performed next fiscal year.

ACCOUNT 45593 – CAPITAL IMPROVEMENTS - $7,835,000 – the anticipated projects include the following:

- Boyer Road Improvements - $2,6000,000 is allocated for the construction of Boyer Road from County Line Road to Longmeadow Parkway and is scheduled for the February 2026 State bid letting. The corridor has significant issues with geometry, drainage, and pedestrian access that must be addressed to meet State/Federal ADA regulations. Improvements include roadway reconstruction, spot curb and gutter replacement, and a new multi-use path installation from County Line Road to Longmeadow Parkway encompassing 0.75 miles of village-owned roadways. Additionally, future utility improvements, including a key 12-inch water main identified in the Water System Master Plan, are required to extend south on Boyer Road to Longmeadow Parkway. The water main improvements will be budgeted in the water/sewer fund. Boyer Road is currently funded through the McHenry County Council of Mayors (MCCOM) for $1.45 million in federal funds to help offset construction costs. Boyer Road also requires land acquisition from private property owners, and an IGA with Dundee Township is needed. Additional funds have been added to the 45595 Land Acquisition fund.

- Brittany Hills Subdivision Improvements - $40,000 is budgeted for retainage, which will be paid out following the 12-month warranty period.

- Public Works Yard Improvements - The Village has partnered with the McHenry County Division of Transportation to upgrade the Village's Public Works facility to support shared winter operations with the county. The improvements will include construction of a larger salt dome, an increased salt brine storage tank farm, constructing new material storage bins, new pavement in the rear yard and front parking lots, and drainage improvements. $2,500,000 is budgeted for construction this coming fiscal year. Funds are split 50/50 between the Street and Water & Sewer funds. An IGA is being drafted with McHenry County to split construction and maintenance costs/responsibilities.

- Willoughby Farms Section 2 - $45,000 is budgeted for retainage, which will be paid out following the 12-month warranty period.

- Willoughby Farms Section 3 - $2,650,000 is budgeted for construction for Willoughby Farms Section 3. The area proposed to be constructed is the area of the Willoughby Farms subdivision north of Longmeadow Pkwy, east of Sleepy Hollow Road, and directly south of Section 2. This section of Willoughby Farms was constructed in 1996 and 2000 with a total length of 3.0 miles. The project scope will include Full-Depth Reclamation (FDR) with low-volume courts receiving roadway resurfacing and spot patching. Additional work will include selective sidewalk and curb-and-gutter replacement, drainage improvements, and landscape restoration. Looping the dead-end water main on Notting Hill Road is included in the project scope and is shown in the Water & Sewer Fund.

ACCOUNT 45595 – LAND ACQUISITION - $95,000 – the anticipated projects include the following:

- Boyer Road Improvements - $40,000 is budgeted to begin right-of-way coordination and survey for future land acquisition required in advance of the Boyer Road

Improvements project. Land acquisition will be required from Dundee Township and private property owners to complete the project in 2026.

- Downtown Streetscape - N. Main Street - $25,000 is budgeted to begin right-of-way coordination and survey for future land acquisition required in advance of the North Main Street Improvement project. Land acquisition will be required for grading on adjacent properties to complete sidewalk improvements on the west side of N. Main Street.

- County Line Road Improvements - The multi-use path on the south side of County Line Road along the north frontage of the Algonquin Commons property was installed on private property without legal easements. The Village is responsible access and maintenance of this path. $20,000 is budgeted to acquire permanent easements along these properties.

- Sandbloom Road Improvements - $10,000 is budgeted for a temporary easement, which will be required for grading and drainage improvements. Staff will be seeking this easement in advance of the roadway and path improvements for Sandbloom Road.

ACCOUNT 48099 – TRANSFER TO DEBT SERVICE FUND - $537,000

- $537,000 is budgeted for Principal and Interest payments on 2024 bonds.

SUMMARY OF STREET IMPROVEMENT BUDGET

Implementing the Street Improvement Budget will enable the village to continue major road improvements across many areas. Planning and engineering future road projects and preparing for additional grant funding will help meet the growing road infrastructure needs over the next several years.

Attachments

			FY 22/23 Actual	FY 23/24 Actual	FY 24/25 Actual	FY 25/26 Q2	FY 25/26 Budget	FY 26/27 Budget
04000500	31011	Home Rule Sales Tax	$ 4,663,268.18	$ 5,042,110.14	$ 5,141,582.07	$ 2,126,495.45	$ 3,870,000.00	$ 4,890,000.00
04000500	31190	Telecommunications Tax	162,658.56	147,960.57	141,813.86	69,880.76	135,000.00	137,500.00
04000500	31495	Utility Tax Receipts	890,198.30	872,890.33	892,791.55	450,500.94	890,000.00	900,000.00
04000500	33012	Intergovernmental Agreement	-	-	681,052.08	72,954.30	-	1,620,500.00
04000300	33032	Donations - Operating - PW	-	3,500.00	-	-	-	-
04000300	33052	Donations - Capital - PW	20,000.00	240,225.00	1,005.00	-	-	-
04000300	33252	Grants - Capital - PW	419,706.15	1,093,890.60	-	-	-	1,550,000.00
04000500	36001	Interest	139.55	151.24	5,163.16	28,571.78	-	-
04000500	36020	Interest - Investment Pools	133,609.98	317,876.97	256,435.59	60,805.17	105,000.00	52,000.00
04000500	37910	Bond Proceeds	-	-	5,076,572.66	-	-	-
04000500	38001	Transfer - General Fund	3,317,607.44	5,200,000.00	2,325,000.00	-	1,000,000.00	-
04000500	38016	Transfer - Special Reveune Fund	-	-	-	-	-	-
04000500	38060	Transfer - Special Service Area	-	-	-	-	-	-
Street Improvement Fund Total			**$ 9,607,188.16**	**$ 12,918,604.85**	**$ 14,521,415.97**	**$ 2,809,208.40**	**$ 6,000,000.00**	**$ 9,150,000.00**
Balance Sheet Adjustement								
04	18000	Advance From Street Impr.	$ -	$ -	$ -	$ -	$ 1,700,000.00	$ 1,450,000.00
Street Improvement Fund Total			**$ 9,607,188.16**	**$ 12,918,604.85**	**$ 14,521,415.97**	**$ 2,809,208.40**	**$ 7,700,000.00**	**$ 10,600,000.00**

Notes: Ordinance 2022-O-05 amended the home rule retailers' occupation tax and service occupation tax to a rate of one percent (1.00%). Allocations in FY 26/27 for home rule sales tax are as follows: 21% to the General Fund; 55% to the Street Improvement Fund; 13% to the Park Improvement Fund; and 11% to the Natural Area and Improvement Fund.

Utility tax receipts are based on use tax charges on energy usage for natural gas (Nicor) and electricity (ComEd). ComEd is based on kilowatt (KW) hours, and Nicor is based on therms.

Street Improvement Fund

Expenditures

			FY 22/23 Actual	FY 23/24 Actual	FY 24/25 Actual	FY 25/26 Q2	FY 25/26 Budget	FY 26/27 Dept.	FY 26/27 Manager	FY 26/27 Budget
04900300	42230	Legal Services	$ 10,806.75	$ 18,018.93	$ 25,169.31	$ 4,750.00	$ 15,000.00	$ 20,000.00	$ 20,000.00	$ -
04900300	42232	Engineering/Design Services	983,672.41	1,192,888.50	1,748,412.53	967,748.50	2,671,000.00	2,161,500.00	2,162,000.00	-
04900300	43370	Infrastructure Maintenance	2,837,186.80	1,168,419.95	838,112.95	178,783.05	660,000.00	50,000.00	50,000.00	-
04900300	44470	Infrastructure Maintenance	-	-	-	-	50,000.00	965,000.00	965,000.00	-
04900300	45593	Capital Improvements	2,823,986.57	5,477,869.49	9,172,895.97	3,373,077.59	7,580,000.00	7,835,000.00	7,835,000.00	-
04900300	45595	Land Acquisition	-	115,420.91	84,392.57	7,749.27	50,000.00	95,000.00	95,000.00	-
04900300	46685	Bond Issuance Costs	-	-	52,524.90	-	-	-	-	-
04900300	47769	Miscellaneous Expense	-	-	1,400.00	-	-	-	-	-
04900500	48026	Transfer to Nat. Area/Drainage Fu	-	-		-	-	-	-	-
04900500	48099	Transfer to Debt Service Fund	-	-		229,359.34	536,980.00	537,150.00	537,000.00	
Street Improvement Fund Total			**$ 6,655,652.53**	**$ 7,972,617.78**	**$ 11,922,908.23**	**$ 4,761,467.75**	**$ 11,562,980.00**	**$ 11,663,650.00**	**$ 11,664,000.00**	**$ -**
Balance Sheet Adjustment										
04	18000	Advance to Street Improvement	$ 6,025,769.55	$ 4,134,783.25	$ 6,094,627.32	$ -	$ -	$ -	$ -	
Subtotal			$ 6,025,769.55	$ 4,134,783.25	$ 6,094,627.32	$ -	$ -	$ -	$ -	$ -
Street Improvement Fund Total (Adjusted)			**$ 12,681,422.08**	**$ 12,107,401.03**	**$ 18,017,535.55**	**$ 4,761,467.75**	**$ 11,562,980.00**	**$ 11,663,650.00**	**$ 11,664,000.00**	**$ -**

VILLAGE OF ALGONQUIN
GENERAL SERVICES ADMINISTRATION

– M E M O R A N D U M –

DATE: January 27, 2026

TO: Committee of the Whole

FROM: Tim Schloneger, Village Manager

SUBJECT: Proposed Capital Budget – 2026/2027 – Park Improvement Fund

OVERVIEW

The Park Improvement Fund is used for the acquisition, development, and improvement of parklands. Through it, the village provides a comprehensive park system that provides recreational opportunities for all residents while protecting assets, natural resources, and open space for the benefit of present and future generations.

During the high growth years, park impact fees, paid by developers, financed many new park developments and other enhancements. With the evolving market for new construction, revenue from park impact fees has become less predictable and more variable.

Furthermore, the recreational improvements built during the growth years are substantial and require systematic maintenance. Therefore, the Village has dedicated four recurring revenue streams to protect and preserve the standards of excellence the community expects. First, video gaming revenue received via the state (5% of net terminal income) is deposited into the Park Improvement Fund. Second, "push tax" revenue payable by Video Gaming Terminal Operators, as the designated tax collector, is allocated here. Third, a portion (2.25% tax rate) of the village's telecommunications tax revenue is also dedicated to the fund. Finally, 13% of the revenue from the Village's home rule retailers' occupation and service occupation taxes is dedicated to finance scheduled improvements.

PARK IMPROVEMENT FUND REVENUES - $4,418,000

Revenues include $1,150,000 from Home Rule Sales Tax, $185,000 in video gaming terminal tax receipts, $200,000 from the Video Gaming Push Tax, $168,000 from the dedicated portion of the telecommunications tax, $200,000 in DCEO grants for park development, $15,000 in investment interest, and a $2,500,000 transfer from the General Fund.

PARK IMPROVEMENT FUND EXPENDITURES - $5,503,200

ACCOUNT 42232 – ENGINEERING AND DESIGN - $255,000

- Willoughby Farms Park Reconstruction - $75,000 is budgeted to perform construction engineering oversight of the park reconstruction. The scope includes demolition of the existing park; drainage improvements; replacement of the nature-themed playground; replacement of sports fields; pickleball courts; a prefabricated restroom/shelter; a splash pad; parking and pedestrian improvements; and a naturalized area around the pond.

- High Hill Park Reconstruction - $180,000 is budgeted to perform design engineering of the park reconstruction. The scope includes demolition of the existing playground, drainage improvements, a new and expanded playground, a new shelter building, additional seating areas, a water foundation, and resurfacing of the parking lot.

ACCOUNT 43370 – INFRASTRUCTURE MAINTENANCE - $0

ACCOUNT 44402 – REFORESTATION - $100,000

- Funding is provided for the reforestation of parkway planting areas within the Village without a tree. This funding is provided by the reforestation fee assessed to developers to mitigate tree loss during development as prescribed in Chapter 5, Section 15 of the Algonquin Municipal Code.

ACCOUNT 44408 – WETLAND MITIGATION - $0

- No projects are planned this fiscal year.

ACCOUNT 44425 – MAINTENANCE – OPEN SPACE - $0

- No projects are planned this fiscal year.

ACCOUNT 44470 – INFRASTRUCTURE MAINTENANCE – PARK - $125,000

- Various Park Dumpster & Storage Additions - Following the reconstruction of Towne and Presidential Parks, the increased popularity has provided a need for additional permanent dumpster enclosures and storage locations for maintenance equipment. $125,000 is allocated for this project, which will focus on completing a design-build for a permanent dumpster enclosure in both Towne and Presidential Parks, along with a storage shed and electric gate at Towne Park. These improvements will help reduce staff time spent on trash cleanup and equipment mobilization at each site.

ACCOUNT 45593 – PARK DEVELOPMENT - $3,850,000

- Willoughby Farms Park Reconstruction - $3,850,000 is budgeted to begin construction of the park improvements. The scope includes demolition of the existing park and facilities; drainage improvements; replacement of the nature-themed playground; replacement of sports fields; pickleball courts; a prefabricated restroom/shelter; a small splash pad; parking and pedestrian improvements; and a naturalized area around the pond. The staff secured a $600,000 OSLAD grant for the construction of this project. Additional contributions of approximately $1.25 million from the Algonquin Meadows Subdivision will also be put toward the park reconstruction. Construction is expected to span two fiscal years, with completion anticipated in June 2027.

ACCOUNT 48099 – TRANSFER TO DEBT SERVICE FUND - $1,173,200

- $1,173,200 is budgeted to pay debt service on the bonds that were used to fund improvements to Presidential Park and Towne Park.

Attachment

			FY 22/23 Actual	FY 23/24 Actual	FY 24/25 Actual	FY 25/26 Q2	FY 25/26 Budget	FY 26/27 Budget
06000500	31011	Home Rule Sales Tax	$ 838,153.26	$ 840,351.70	$ 925,464.50	$ 502,626.20	$ 910,000.00	$ 1,150,000.00
06000500	31175	Video Gaming Terminal Tax	192,415.31	188,202.19	180,729.38	95,979.05	170,000.00	185,000.00
06000500	31176	Video Gaming Push Tax	-	-	-	-	200,000.00	200,000.00
06000500	31190	Telecommunications Tax	133,111.20	136,423.74	173,328.05	85,409.82	165,000.00	168,000.00
06000300	33052	Donation - Capital - PW	2,823.44	188,674.17	294,177.18	539,242.82	-	-
06000300	33150	Donation - Ecosystem Maint.	-	-	-	-	-	-
06000300	33152	Donation - Reforestation	118,550.00	-	3,877.66	-	-	-
06000300	33153	Donation - Watershed	(590.00)	-	-	-	-	-
06000300	33155	Donation - Wetland Mitigation	-	-	-	-	-	-
06000300	33232	Grants - Operating - PW	-	-	-	-	-	-
06000300	33252	Grants - Capital - PW	-	385,064.41	593,735.59	-	1,000,000.00	200,000.00
06000500	36001	Interest	166.60	2,883.53	6,151.16	12,054.63	-	-
06000500	36020	Interest - Investment Pools	26,159.15	64,305.32	187,640.31	11,945.79	25,000.00	15,000.00
06000500	37910	Bond Proceeds	-	-	11,090,702.49	-	-	-
06000500	38001	Transfer - General Fund	1,162,000.00	-	-	1,000,000.00	1,800,000.00	2,500,000.00
06000500	38026	Transfer - Natural Area Fund	-	69,573.81	-	-	-	-
Park Improvement Fund Total			**$ 2,472,788.96**	**$ 1,875,478.87**	**$ 13,455,806.32**	**$ 2,247,258.31**	**$ 4,270,000.00**	**$ 4,418,000.00**

Notes: Ordinance 2022-O-05 amended the home rule retailers' occupation tax and service occupation tax to a rate of one percent (1.00%). Allocations in FY 26/27 for home rule sales tax are as follows: 21% to the General Fund; 55% to the Street Improvement Fund; 13% to the Park Improvement Fund; and 11% to the Natural Area and Improvement Fund.

Park Improvement Fund

Expenditures

			FY 22/23 Actual	FY 23/24 Actual	FY 24/25 Actual	FY 25/26 Q2	FY 25/26 Budget	FY 26/27 Dept.	FY 26/27 Manager	FY 26/27 Budget
06900300	42232	Engineering Services	$ 248,799.11	$ 599,362.25	$ 616,576.49	$ 48,483.54	$ 425,000.00	$ 255,000.00	$ 255,000.00	$ -
06900300	42234	Professional Services	-	-	50.00	-	-	-	-	-
06900300	43370	Infrastructure Maintenance	-	-	102,773.00	-	-	-	-	-
06900300	44402	Reforestation[1]	63,710.00	93,400.00	145,085.00	54,690.00	100,000.00	100,000.00	100,000.00	-
06900300	44470	Infrastructure Maintenance	-	-	-	-	-	125,000.00	125,000.00	-
06900300	45593	Capital Improvements	1,022,089.93	1,819,045.61	11,017,253.54	2,388,843.72	1,635,000.00	3,850,000.00	3,850,000.00	-
06900300	45595	Land Acquisition	-	-	-	-	-	-	-	-
06900300	46685	Bond Issuance Costs	-	-	114,750.25	-	-			
06900500	48026	Transfer to Nat. Area/Drainage Fun	-	-	-	-	-	-	-	-
06900500	48099	Transfer to Debt Service Fund	-	-	-	501,084.41	1,173,120.00	1,173,150.00	1,173,200.00	
Park Improvement Fund Total			**$ 571,118.70**	**$ 1,334,599.04**	**$ 11,996,488.28**	**$ 2,993,101.67**	**$ 3,333,120.00**	**$ 5,503,150.00**	**$ 5,503,200.00**	**$ -**

[1] - Restricted Funds

VILLAGE OF ALGONQUIN
GENERAL SERVICES ADMINISTRATION

– M E M O R A N D U M –

DATE: January 27, 2026

TO: Committee of the Whole

FROM: Tim Schloneger, Village Manager

SUBJECT: Proposed Capital Budget – 2026/2027 – Natural Area & Drainage Improvement Fund

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OVERVIEW

The Natural Area and Drainage Improvement Fund is used to improve water quality through refined stormwater management, flood reduction, enhanced natural area management, groundwater recharge protection, the use of green infrastructure, and control of invasive species. The goal is to enhance ecosystem benefits within the Village's watersheds and, ultimately, the Fox River.

NATURAL AREA & DRAINAGE FUND REVENUES - $995,000

Revenues include $975,000 in Home Rule Sales Tax and $20,000 in investment interest.

NATURAL AREA & DRAINAGE FUND EXPENDITURES - $2,745,000

ACCOUNT 42232 – ENGINEERING AND DESIGN - $260,000

- <u>Surrey Lane Reach 2 Creek Restoration</u> - $10,000 is allocated for this project, which is a continuation of the design engineering that continued last fiscal year. This project involves the restoration of the creek and riparian corridor from the Surrey Lane preserve to Surrey Lane. This is the portion upstream from the recently restored Surrey Lane Preserve project. This project will address the major erosion of the creek banks behind the Surry Ct and Zange Drive homes. This erosion is causing sediment buildup in the newly dredged detention pond at the Surrey Lane Preserve, so we want to stabilize the entire creek section. This fee includes land acquisition and coordination with property owners. Due to the priority of higher-profile projects and budgetary constraints, the construction of this project is being deferred to FY27/28.

- <u>Woods Creek Headwaters Restoration</u> - $55,000 is allocated for construction oversight of the Woods Creek Headwaters, which is located just south of Spella Park and Spella Wetlands and west of Boyer Road. The headwater areas were partially restored as part of the Algonquin Corporate Campus between 2006 and 2008, but were not completed in accordance with the Village's current naturalization standards. Additionally, once Woods Creek Reach 8 Restoration is complete, all downstream reaches will have been fully restored, leaving only the headwaters. The Village has received $300,000 in DCEO funds to complete the project. Money is budgeted for oversight of this project.

- Woods Creek Reach 8 Restoration - $140,000 is budgeted for construction oversight of this project next fiscal year, as design engineering was completed this winter, as well as updating the Army Corps permit scheduled to expire in the spring of 2026. This project involves the restoration of the creek and riparian corridor in the northern section of the Woods Creek Riparian Corridor between Bunker Hill Drive and Algonquin Road. This project will correct major erosion of the creek banks and restore a high-quality fen and detention area. Provided the 319 grant is successful, this project is recommended to move forward in the coming FY.

- Contract Consultant - $55,000 is budgeted for consulting support related to the Village's Ecological program. With the merger of Parks/Forestry and Ecology, full-time management of the ecological program was reduced from 1 FTE to 0.5 FTEs. Due to the program's scope, staff will budget $55,000 for a retainer agreement with an ecological consultant to ensure proper management of the ecological sites and to support the Parks and Ecology Supervisor. This is an existing annual program that was previously budgeted at $10,000/year and is being increased to support operations.

ACCOUNT 44408 – WETLAND MITIGATION - $225,000

- CarMax/Huntington Detention/Arbor Hills Nature Preserve Naturalization - $40,000 is allocated for this project, which uses the mitigation funds collected from the CarMax and Westview Crossing Developments to restore and naturalize a green corridor on these parcels. This project enters its 3rd and final year of the required 3-year maintenance cycle. Going forward, maintenance for this site will be included in the annual maintenance line item in the operations/maintenance budget.

- Northpoint Natural Area - $60,000 is allocated for this project, which uses the mitigation funds collected from the Northpoint Developer to pay for the establishment period maintenance of this 24-acre site. The Village accepted the donation of the parcels early, and the developer prepaid us for the maintenance so that the Village could manage the maintenance contract. This project enters the final year of a 3-year maintenance cycle. Going forward, maintenance for this site will be included in the annual maintenance line item in the operations/maintenance budget.

- Coves Detention Basin - $125,000 is allocated for the Coves Detention Basin project, which will ecologically restore one of the last remaining basins owned by the Village of Algonquin that has not restored. The 2.8-acre site will have invasive woody and herbaceous material removed and a mix of native vegetation installed, which will open sight lines, improve stormwater performance, and prevent encroachment onto private property. All items that have generated resident complaints from this site over the past few years. This site is connected to the Woods Creek corridor. Our restricted wetland fund will fund this project.

ACCOUNT 44470 – INFRASTRUCTURE MAINTENANCE - $210,000

- Dixie Creek Reach 3 Restoration - $25,000 is allocated for year three and final establishment period maintenance of the 9-acre creek and riparian buffer area that was restored in 2023. In future years, this area will be added to the annual natural area maintenance program in the general fund

- Dixie Creek Reach 5 Restoration - $15,000 is allocated for year two establishment period maintenance of the 3-year maintenance cycle that includes the 1.6 acres of creek that was restored in 2024.

- Randall Road Wetland Complex - $50,000 is allocated for year three establishment maintenance for this 27-acre wetland naturalization project. Due to the complexity of this site, a 5-year maintenance cycle is required before adding the annual natural area maintenance contract.

- Spella Southwest Fen - $30,000 is allocated for the final year of the 3-year establishment period includes maintenance of the 10.3-acre naturalization area that was restored in 2023. In future years, this area will be added to the annual natural area maintenance program in the general fund.

- Storm Sewer Lining - $50,000 is allocated to contract storm sewer lining and storm manhole lining to rehabilitate some areas in the drainage system that present problems or failures. Proposed lining locations typically come up throughout the year when a sinkhole forms on a property or in the road. Areas for this coming fiscal year have not yet been determined; therefore, the staff recommends reducing this line item by $75,000. Significant investments in storm sewer lining in recent years are being included in subdivision improvements, including the three Willoughby Farms subdivisions, the Brittany Hills subdivision, and Gaslight Terrace North, in FY 26/27. Lining provides 50-70 year protection with minimal surface disturbance and restoration.

- Woods Creek Reach 6/7 Restoration - $30,000 is allocated for this project, which is entering Year two of the three-year maintenance period and includes stabilizing over 3,400 feet of main line creek and tributary.

- Wynnfield Detention - $10,000 is allocated for year three of the establishment period for this 4-acre restoration project. This is the final establishment period for this project. In future years, this area will be added to the annual natural area maintenance program in the general fund.

ACCOUNT 45593 – CAPITAL IMPROVEMENTS - $2,050,000

- Woods Creek Headwaters Restoration - $600,000 is allocated for the Woods Creek Headwaters, which is located just south of Spella Park and Spella Wetlands and west of Boyer Road. The headwater areas were partially restored as part of the Algonquin Corporate Campus between 2006 and 2008, but were not completed in accordance with the Village's current naturalization standards. Additionally, once Woods Creek Reach 8 Restoration is complete, all downstream reaches will have been fully restored, leaving only the headwaters. $300,000 in DCEO funding has been allocated to this project.

- Woods Creek Reach 8 Restoration - $1,450,000 is allocated for construction of this project next fiscal year, as design engineering was completed this winter. This project involves restoration of the creek and riparian corridor in the northern section of the Woods Creek Riparian Corridor between Bunker Hill Drive and Rt 62. This project will address significant erosion of the creek banks and restore a high-quality fen and detention area. This project has been submitted for a 319 grant through the IEPA, requesting more than $550,000 in funding assistance. Provided the grant is approved, this project is recommended to move forward in the coming FY.

Attachment

			FY 22/23 Actual	FY 23/24 Actual	FY 24/25 Actual	FY 25/26 Q2	FY 25/26 Budget	FY 26/27 Budget
26000500	31011	Home Rule Sales Tax	$ 838,153.26	$ 840,351.70	$ 889,707.57	$ 425,299.11	$ 775,000.00	$ 975,000.00
26000300	33032	Donations - Operating - PW	-	-	-	-	-	-
26000300	33153	Donation - Watershed	203,144.85	18,307.00	22,500.00	28,850.00	10,000.00	-
26000300	33155	Donation - Wetland Mitigation	106,900.00	215,695.20	191,388.50	-	-	-
26000300	33252	Grants - Capital - PW	-	10,000.00	-	-	1,140,000.00	-
26000500	36001	Interest	297.85	5,918.32	8,159.94	1,507.14	-	-
26000500	36020	Interest - Investment Pools	36,974.53	83,507.43	45,394.64	18,990.87	35,000.00	20,000.00
26000500	38004	Transfer - Street Imp. Fund	-	-	-	-	-	-
26000500	38001	Transfer- General Fund	1,325,000.00	-	385,000.00	-	-	-
26000500	38006	Transfer - Park Imp. Fund	-	-	-	-	-	-
Natural Area and Drainage Improvement Fund Total			**$ 2,510,470.49**	**$ 1,173,779.65**	**$ 1,542,150.65**	**$ 474,647.12**	**$ 1,960,000.00**	**$ 995,000.00**

Notes: Ordinance 2022-O-05 amended the home rule retailers' occupation tax and service occupation tax to a rate of one percent (1.00%). Allocations in FY 26/27 for home rule sales tax are as follows: 21% to the General Fund; 55% to the Street Improvement Fund; 13% to the Park Improvement Fund; and 11% to the Natural Area and Improvement Fund.

Natural Area and Drainage Improvement Fund

Expenditures

			FY 22/23 Actual	FY 23/24 Actual	FY 24/25 Actual	FY 25/26 Q2	FY 25/26 Budget	FY 26/27 Dept.	FY 26/27 Manager	FY 26/27 Budget
26900300	42232	Engineering Services	$ 366,016.46	$ 408,652.51	$ 299,687.90	$ 18,332.24	$ 257,000.00	$ 260,000.00	$ 260,000.00	$ -
26900300	43370	Infrastructure Maintenance	219,442.71	383,587.71	245,137.80	-	-	-	-	-
26900300	44408	Wetland Mitigation[1]	-	62,328.41	181,282.50	65,046.25	180,000.00	225,000.00	225,000.00	-
26900300	44425	Maintenance-Open Space[1]	23,800.00	198,966.48	175,000.00	-	-	-	-	-
26900300	44470	Infrastructure Maintenance	-	-	-	39,887.50	258,000.00	210,000.00	210,000.00	-
26900300	45593	Capital Improvements	155,729.80	558,861.04	1,084,893.31	-	2,010,000.00	2,050,000.00	2,050,000.00	-
26900300	45595	Land Acquisition	-	-	4,875.00	-	-	-	-	-
26900500	48006	Transfer to Park Imp. Fund	-	69,573.81	-	-	-	-	-	-
Natural Area and Drainage Improvement Fund Total			**$ 764,988.97**	**$ 1,681,969.96**	**$ 1,990,876.51**	**$ 123,265.99**	**$ 2,705,000.00**	**$ 2,745,000.00**	**$ 2,745,000.00**	**$ -**

[1] - Restricted Funds