**MEMORANDUM**

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**To:** Interim Village Manager Jim Hawkins
**From:** Chief Financial Officer Steve Drazner
**Date:** 2026-11-10
**Subject:** Fiscal Year (FY) 2028-2032 Five-Year Capital Improvement Plan

**Overview**
The Capital Improvement Plan (CIP) is a long-range planning document designed to inform anticipated capital needs in the Village including infrastructure improvements and capital purchases where funding will be requested in the applicable fiscal year budget presented for adoption in April in advance of the May 1 fiscal year start date. The FY 2028-2032 CIP includes projects and cost projections for May 1, 2027 through April 30, 2032.

**Fiscal Impact**
The FY 2028-2032 Capital Improvement Plan proposes $215,790,588 in capital expenses over the five year period for all Funds which appropriate capital projects. Of this amount, $43,885,905 may be proposed by staff for appropriation in FY28. The allocation by Fund for the proposed FY28 capital expenditures are as follows:

- Infrastructure Capital Project Fund: $4,634,335
- Stormwater Fund: $1,099,010
- Water Fund: $10,462,155
- Sanitary Sewer Fund: $164,645
- General Fund: $3,823,490
- Facility Capital Projects Fund: $20,950,000
- Motor Fuel Fund: $2,045,415
- Parking Fund: $120,000
- Senior Housing Fund: $586,855

The proposed capital expenditures by Fund for the full five year plan is summarized on page 4 (within the Executive Summary) of the CIP document.

For the FY28 possible capital expenditures of $43.9 million, the funding breakdown to pay for capital costs is summarized below. However, it is important to note that between now and when the FY 2028 budget is adopted in April, Village staff and the Board may materially modify and/or refine some of the numbers over the coming months.

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| Grant proceeds | $25,000 |
| Operating revenues | $1,690,825 |
| MFT allotment | $1,503,236 |

| | |
|---|---|
| Debt proceeds | $18,535,484 |
| Drawdown of reserves | $22,081,360 |
| Other | $50,000 |

**Recommendation**
While no formal action is requested or required, staff would like feedback on the FY 2028 requests, as these projects will be recommended for appropriation in the FY 2028 operating budget for adoption in April 2027, subject to the total revenue and expenditure requests for the fiscal year.

**Strategic Priority**
Infrastructure: Maintain consistent high-quality of life through capital investment, continued focus on sustainability, and facilities that meet operational needs.

**Background**
At the Committee of the Whole, Village Staff will present a synopsis of the Five-Year Capital Improvement Plan (CIP) including:

- The status of FY 2027 projects;
- A general overview of the five-year funding requests; and
- A review of the projects proposed in FY 2028.

The Capital Improvement Plan (CIP) is a long-range planning document designed to inform anticipated capital needs in the Village including infrastructure improvements and capital purchases where funding will be requested in the applicable fiscal year budget presented for adoption each April in advance of the May 1 start of each fiscal year. Ultimately, the CIP's goal is to ensure that the Village's infrastructure can meet both the service demands of the public and operational needs of the organization. As one of the Village's core planning documents, it is updated annually and focuses on the five fiscal years following the current year.

The FY 2028-2032 CIP includes projects and cost projections for May 1, 2027 to April 30, 2032. As in prior years, the plan provides a significant level of detail for FY 2028 with slightly less detail in the following years in order to develop a long-term perspective while maintaining flexibility as new needs or technologies arise. For this reason, the CIP should be viewed as a general roadmap on large dollar value capital costs that staff currently recommend to maintain the high quality of life and infrastructure that residents are accustomed to having. Costs and projects may change every subsequent year this CIP document is updated.

Each fiscal year of the CIP includes a summary highlighting single-year projected expenditures by fund, detailed project pages with pictures/maps (when available), justifications, and cost projections.

The CIP document is divided into two separate sections:

1. The first section organizes and sorts the five years of CIP projects by the Fund responsible for paying the costs of the projects (i.e. General, Facilities, Infrastructure, Water, etc.)
2. The second section organizes and sorts the CIP projects for all Funds by fiscal year.

In addition to the CIP document itself, staff also prepared a CIP Presentation to provide a high level overview of major projects.

As background, the CIP is historically developed and presented as follows:

- Each November, the Five-Year CIP is presented at a Committee of the Whole and Year 1 of the CIP only includes those expenditures which staff anticipates will be appropriated in the annual budget; and
- In March annually, the Finance and Administration Committee of the Village Board meets to review the recommended Annual Budget; and
- In April annually, the Village Board adopts the Annual Budget; and
- On May 1 annual, the appropriation of funds pursuant to the Budget are legally in effect.

It is important to realize that while this CIP plan serves as an important tool for strategic planning and understanding some of the largest expenses the village will face in a near-term horizon, only the adoption of Operating Budget serves as the legal spending authority for the village in any given year. It is also noted that during the time between the November presentation of the CIP and the April adoption of the FY28 Budget, staff, in some limited instances, may begin the preliminary engineering, bidding and related project work prior to the legal adoption of appropriations by the Board becoming effective in May.

Over the last several years, capital expenditures have grown as a percentage of the adopted budget as follows:

- In FY24, capital expenditures totaled 18.8% of the adopted budget.
- In FY24, actual capital expenditures totaled 11.5% of the total expenditures.
- In FY25, capital expenditures totaled 22.1% of the adopted budget.
- In FY25, actual capital expenditures totaled 20.8% of the total expenditures.
- In FY26, capital expenditures total 31.4% of the adopted budget
- In FY26, actual capital expenditures total 9.6% of the total expenditures.

Although the CIP is a long-range planning document designed to review the Village's anticipated capital needs, infrastructure improvements, and capital purchases, the capital expenditures identified for FY28 in the FY2028- FY2032 CIP will be reviewed against the projected funding in the FY28 Annual Budget which is in process of being developed for presentation to the Administration and Finance Committee. As such, Departments are aware that Year 1 as presented in this five-year CIP is subject to modification to align with funding capacity in the upcoming FY28 Annual Budget as weighed against the priorities in the adopted

Strategic Plan. Department Directors have also been advised that engineering, bidding, and related project work by staff and consultants may not begin prior to Annual Budget adoption in April 2027 with appropriations effective May 1, 2027 for new capital activities. Work related to already authorized projects, such as facilities, will continue within current appropriations.

FY28-32 CIP Presentation
FY28-32 CIP Document