



CAPITAL IMPROVEMENT PLAN

FY 2024-2028

Section 2: Asset Management Summary

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Asset Valuation

The City of Urbana classifies its public infrastructure assets into eight categories. The assets are valued by the total current reconstruction value (CRV). By far, the City’s largest asset by valuation is pavement, comprising 44% of the asset value. Together with sidewalks, bridges, lights, signals, and signs, all transportation-related assets represent 58% of total asset value. Sanitary sewers and stormwater infrastructure represent 13% and 23% of assets, respectively.

Figure 1. Percentage of Current Reconstruction Value by Asset Class

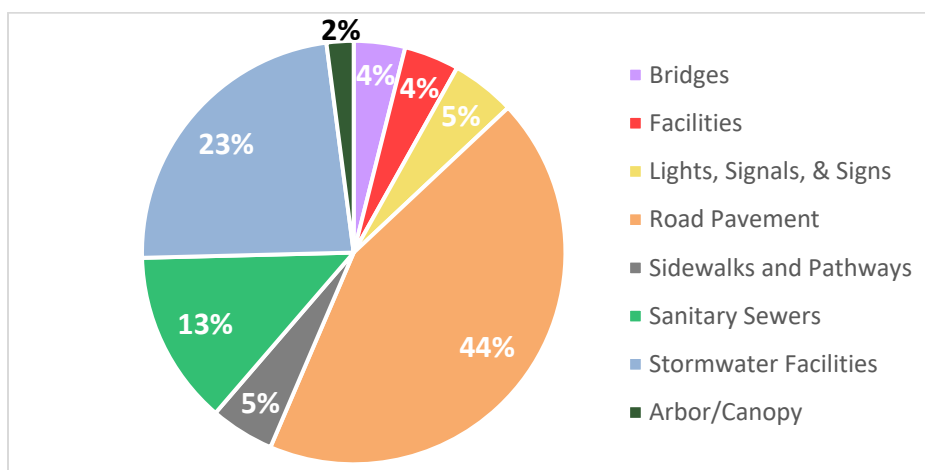


Figure 2. Estimates for Public Infrastructure Asset Valuations

ASSET CLASS	2021 CRV	2023 CRV ¹
Bridges	\$40,300,000	\$59,000,000
Facilities	\$43,200,000	\$63,000,000
Lights, Signals, & Signs	\$49,800,000	\$73,000,000
Road Pavement	\$445,500,000	\$651,000,000
Sidewalks and Pathways	\$50,000,000	\$73,000,000
Sanitary Sewers	\$136,600,000	\$200,000,000
Stormwater Facilities	\$239,600,000	\$350,000,000
Arbor/Canopy	\$21,400,000	\$31,000,000
Totals	\$1,026,400,000	\$1,500,000,000

1. 2021 estimates have been inflated based on latest available National Highway Construction Cost Index (NHCCI) - 2022 Q3

CRV estimates for assets were developed using rough metrics that rely heavily on assumptions. For example, the CRV for Road Pavement was calculated by taking the square yards of pavement multiplied by regional averages for reconstruction by type of pavement. This is a rudimentary valuation, but provides a workable estimate. The tradeoff with this method is that it does not reflect all of the nuances that affect depreciation of assets. A more robust method of valuation, such as life cycle assessment requires more time, expertise, cost, and data than currently available. The City is working on developing asset management plans that will further refine these estimates in the future. Relatedly, given that valuations are for the reconstruction value, infrastructure can also be thought of as a liability for the City, because they represent future expenses that the City will need to incur.

Revenue Summary

Capital replacement and investment (CR&I) and operation and maintenance (O&M) have diversified revenue streams. Stormwater Facilities and Sanitary Sewers have their own funds that are supported by dedicated taxes and user fees; these fees fund both CR&I and O&M expenses. Transportation projects are funded by a combination of local motor fuel tax, state motor fuel tax, and state/federal transportation grants. Large transportation capital projects are primarily directed to road pavement but often include other assets in the right-of-way. Motor fuel and transportation grants generally have restrictions on what they can be used for and can have extensive documentation requirements.

The remaining funds for Capital Improvement Plan (CIP) projects come from the City of Urbana General Fund. O&M expenses such as staff time, vehicles, engineering, upkeep, etc. for each asset are typically part of the Public Works Department and are included in the annual budget. The General Fund also transfers money to the CR&I Fund (Fund 200), which can be used on specific capital projects or programs.

Over the long term, the average amount of revenue equals the average amount of expenditures. In the short term, there is variation based on project timing, grants, and fund balance. Each revenue stream has its own respective long term outlook.

Motor Fuel Taxes

Revenue for Local MFT comes from the local gas tax ordinance, last updated July 1, 2011. Funds are used for transportation capital projects and maintenance. State MFT is apportioned to Illinois municipalities proportionate to their populations. In the past few years, the MFT funds have been negatively impacted by the pandemic and the resulting implications. Previous years accrued less revenue compared to pre-pandemic expectations and the long-term impact of a lower Census count is a reduction in revenue of \$115,000 per year. Furthermore, future year revenue estimates are less certain due to the increasing size of the electric vehicle market. In recent years, comparable metropolitan areas, like Danville, Bloomington, and Normal have increased their local gas taxes to help close the funding gap for transportation needs; their tax rates are nearly double Urbana's current rate of \$0.05/gallon. Similar to the local gas tax increases, in 2019, the State of Illinois implemented a substantial adjustment by doubling its base gas tax rate from \$0.19/gallon to \$0.38/gallon. The City should seriously consider reviewing and adjusting its local gas tax in the coming fiscal year with an overwhelming amount of unfunded transportation improvement needs.

Grants

Grants are highly volatile and unpredictable. The proposed CIP assumes that the City will receive approximately \$33M in grants over the next 5 years. Approximately \$9.4M of those grant funds have already been awarded/allocated/programmed. The remaining grants pending award are primarily for three (3) major projects as follows:

\$6.0M	STBG/STPU	Lincoln Avenue (Green Street to Florida Avenue) Construction
\$10.1M	RAISE	Florida Avenue (Wright Street to Hillcrest Street) Construction
\$7.3M	SS4A	Lincoln Avenue (Wascher Street to Killarney Street) Construction

If the City does not receive grants for these high priority projects, they are still likely to occur, but on a delayed schedule through construction phasing, scope reductions, or at the cost of other projects.

Bond Issuance

The CIP incorporates \$12M of debt issuance for implementation of Facility Master Plan projects. Currently, the City is nearly debt free; the Windsor Road Reconstruction debt will retire in FY 24. The lack of debt provides the City the fiscal flexibility to issue significant amount of debt to meet its infrastructure needs. Neighboring central Illinois communities have general obligation debts between \$48M and \$166M, or between \$550 and \$1,900 per capita. The proposed \$12M in debt for Urbana would equate to \$313 per capita. Additional bonding could be considered for other priority projects in the future.

Sewer Benefit Tax

The Sanitary Sewer Fund derives its revenue from the sewer tax, which is reserved for sewer improvements and is stable. Asset management planning for our sanitary sewer system has just begun and should better inform areas of improvement and potential revenue adjustments but as the fund reports show, the majority of this money is spent on operations/maintenance with a small percentage for sewer lining rehabilitation and no capacity for major capital replacement at this point.

Stormwater Utility Fee

The Stormwater Utility Fund derives its revenue from the stormwater utility fee, which is reserved for storm sewers and stormwater-related improvements. As the fund reports show, the majority of this money is spent on operations/maintenance with a small percentage for sewer lining rehabilitation and no capacity for capital replacement at this point. With the Stormwater Asset Management Plan wrapping up in early FY 2024, the pre-final findings suggest a need for revenue increases.

General Fund

In addition to O&M expenses paid directly out of the General Fund, the CR&I Fund is replenished by transfers from the General Fund. The CR&I Fund supports any and all capital projects with insufficient dedicated funding sources or without dedicated funding sources. Historically, the amount of transfers has fluctuated. This year’s CIP has included an additional \$1.5M transfer annually over the next 5 years to help fund our overwhelming infrastructure needs. In FY 22 there was an increase of \$2M to fund Equity and Quality of Life (EQL) projects which are now underway. This year’s CIP has included an additional \$1M for another round of EQL projects in FY25-26.

Figure 3. Revenue Sources for CIP

Fund Types	FY24 Plan	FY25 Plan	FY26 Plan	FY27 Plan	FY28 Plan	Average
General Fund Ops	\$1,245,667	\$1,455,000	\$1,065,000	\$25,000	\$25,000	\$763,133
Unrestricted CR&I	\$2,410,627	\$2,637,596	\$3,265,367	\$2,493,235	\$2,521,940	\$2,665,753
Bond Proceeds	\$12,000,000	\$0	\$0	\$0	\$0	\$2,400,000
Motor Fuel Taxes	\$2,402,483	\$2,364,940	\$2,408,196	\$2,452,268	\$2,497,170	\$2,425,011
Grants	\$3,840,703	\$3,899,250	\$11,192,630	\$7,669,000	\$6,270,000	\$6,574,317
Sanitary Sewer Fee	\$1,574,032	\$1,591,327	\$1,614,972	\$1,638,972	\$1,663,331	\$1,616,527
Stormwater Fee	\$1,722,089	\$1,742,695	\$1,768,685	\$1,795,066	\$1,821,842	\$1,770,075
Totals	\$25,195,600	\$13,690,808	\$21,314,851	\$16,073,540	\$14,799,282	\$18,214,816

Capital Replacement and Investment Expenditures

Targeted Spending for Capital Replacement and Investment (CR&I)

By using the asset valuation and average lifecycle, a baseline target for annual CR&I expenditures has been calculated as follows.

Figure 4. Targeted Spending for CR&I Based on Average Life Cycles

ASSET CLASS	2023 CRV	AVERAGE LIFE EXPECTANCY	ANNUAL TARGET CR&I
Bridges	\$59,000,000	75	\$786,667
Facilities	\$63,000,000	50	\$1,260,000
Lights, Signals, & Signs	\$73,000,000	40	\$1,825,000
Road Pavement	\$651,000,000	60	\$10,850,000
Sidewalks and Pathways	\$73,000,000	100	\$730,000
Sanitary Sewers	\$200,000,000	100	\$2,000,000
Stormwater Facilities	\$350,000,000	100	\$3,500,000
Arbor/Canopy	\$31,000,000	60	\$516,667
Totals	\$1,500,000,000	70	\$21,468,333

On the whole, the City of Urbana would need to commit \$21.5M a year towards CR&I to replace its infrastructure at the end of its average life expectancy with in-kind quality replacement of existing infrastructure in order to maintain current conditions.

The \$21.5M figure represents a best-case scenario, where that amount has been accrued annually as a reserve for future replacement. In practice, Urbana has habitually under-committed funds for future capital replacement. To illustrate this point, if the City had been accruing reserves for future facilities projects since the last major capital investments in these assets, the City could have upwards of \$22M in reserved funds to undertake the Facility Master Plan. Instead, the City will need to borrow funds and is only proposing to spend \$12M in Facility capital improvements at this time, suggesting that the average quality of our facility assets will continue to decline over time.

Capital Replacement and Investment (CR&I) in this 5-year CIP

Urbana will not meet the spending target discussed above, since the City only averages \$15.2M in capital investment over the 5-year CIP. Over \$23.5M in pending grants, or about ~30% of the total 5-year spend (\$23.5M/\$76M) would need to be granted to allow the City to complete all projects in the 5-year outlay. Chronic underfunding ultimately leads to extending assets beyond their life expectancy, deteriorating conditions, and higher operating and maintenance costs.

Figure 5. Proposed Spending for CR&I in this 5-year CIP

Asset Class	FY24 Plan	FY25 Plan	FY26 Plan	FY27 Plan	FY28 Plan	Average
Bridges	\$497,000	\$280,000	\$0	\$0	\$0	\$155,400
Facilities	\$12,369,456	\$1,650,554	\$1,655,181	\$1,660,275	\$1,666,000	\$3,800,293
Lights, Signals, & Signs	\$1,048,601	\$230,000	\$470,000	\$150,000	\$150,000	\$409,720
Road Pavement	\$6,411,050	\$2,915,000	\$14,280,630	\$9,384,000	\$10,415,000	\$8,681,136
Sidewalks & Pathways	\$1,505,262	\$2,388,250	\$480,000	\$0	\$0	\$874,702
Sanitary Sewers	\$1,163,000	\$1,406,000	\$249,600	\$259,584	\$269,967	\$669,630
Stormwater Facilities	\$1,070,000	\$330,000	\$343,200	\$756,928	\$371,205	\$574,267
Arbor/Canopy	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$24,064,369	\$9,199,804	\$17,478,611	\$12,210,787	\$12,872,172	\$15,165,149

Operation and Maintenance Expenditures

Targeted Spending for Operation and Maintenance (O&M)

In addition to replacement at the end of an asset’s life-cycle, there are also interim operational and maintenance activities that are required to maintain functional condition and life expectancy of an asset. For example, while a road may not need a total replacement for 60 years, over its life there will be ongoing O&M costs of pot-hole filling, crack sealing, pavement patching, etc. that are still required to maintain functionality and achieve the desired life expectancy. Figure 5 below outlines a rudimentary calculation for establishing a baseline O&M spending target. While there is likely more gradation in the maintenance requirements than currently used in the calculations below, the varied type of assets within a class, local nuances, and past deferred maintenance make further refinement more complicated. Further refinement is not expected to provide greater insight since the target figures are representational and would still reflect broad-based averages and assumptions.

Figure 6. Targeted Spending for Annual O&M Cost for Average Asset Life Expectancy

ASSET CLASS	2023 CRV	ESTIMATED O&M REQUIREMENT	Annual O&M
Bridges	\$59,000,000	1.0%	\$590,000
Facilities	\$63,000,000	1.0%	\$630,000
Lights, Signals, & Signs	\$73,000,000	1.0%	\$730,000
Road Pavement	\$651,000,000	1.0%	\$6,510,000
Sidewalks and Pathways	\$73,000,000	1.0%	\$730,000
Sanitary Sewers	\$200,000,000	1.0%	\$2,000,000
Stormwater Facilities	\$350,000,000	1.0%	\$3,500,000
Arbor/Canopy	\$31,000,000	1.0%	\$310,000
Totals	\$1,500,000,000	1.0%	\$15,000,000

Operation and Maintenance

About 40% (\$5.3M) of what the City spends on public infrastructure O&M is completed through the CIP while the other 60% (\$7.9M) is completed by the Public Works Department via their operating budget. The overall spending is below the O&M target, but is generally close to the target, spending an average of \$13.2M a year on O&M for the City’s capital assets. While this is close to the hypothetical target, the target does not incorporate past deferred CR&I and maintenance into the funding goal. The result is that the City is not meeting this target on an ongoing basis, which will result in deteriorating conditions and shorter life expectancies.

Figure 7. Operation and Maintenance Expenditures by City

Asset Class	FY24 Plan	FY25 Plan	FY26 Plan	FY27 Plan	FY28 Plan	Average
Bridges	\$230,232	\$192,994	\$100,836	\$138,760	\$106,769	\$153,918
Facilities	\$1,037,933	\$1,016,583	\$1,046,064	\$1,076,400	\$1,107,616	\$1,056,919
Lights, Signals, & Signs	\$1,481,192	\$1,721,723	\$1,710,284	\$1,446,905	\$1,533,617	\$1,578,744
Road Pavement	\$4,883,450	\$4,764,835	\$4,874,305	\$4,886,950	\$5,002,862	\$4,882,481
Sidewalks & Pathways	\$881,698	\$888,417	\$895,331	\$602,445	\$609,720	\$775,522
Sanitary Sewers	\$1,734,091	\$1,607,177	\$1,656,616	\$1,708,076	\$1,760,970	\$1,693,386
Stormwater Facilities	\$1,714,116	\$1,738,818	\$1,794,402	\$1,851,881	\$1,911,067	\$1,802,057
Arbor/Canopy	\$1,201,860	\$1,236,714	\$1,272,579	\$1,309,483	\$1,347,458	\$1,273,619
Totals	\$13,164,573	\$13,167,260	\$13,350,416	\$13,020,901	\$13,380,079	\$13,216,646

Funding Gap Analysis

\$21.5M	CR&I Targeted Average Annual Spending for average infrastructure life cycle
\$15M	O&M Targeted Average Annual Spending to meet average asset life expectancy
\$36.5M	Total Targeted Average Annual Public Infrastructure Spending
\$15.2M	CR&I Average Annual Spending Projections (next 5 years)
\$13.2M	O&M Average Annual Spending Projections (next 5 years)
\$28.4M	Total Average Annual Spending Projections (next 5 years)
\$6.3M	CR&I Average Annual Funding Gap (next 5 years)
\$1.8M	O&M Average Annual Average Funding Gap (next 5 years)
\$8.1M	Total Average Annual Average Funding Gap (next 5 years)

Urbana is below the annual targets for both CR&I and O&M investment, which is optimistic as this includes \$23.5M in pending grants and \$12M in bonding over the next 5 years. For CR&I, the consequence is infrastructure use well beyond our assets’ reasonably functional lives to a point of critical failure. The consequences for deferred O&M is quicker deterioration of our assets ultimately resulting in shorter life expectancies. The combination of underfunding both of these together exponentially increases the potential for catastrophic failures; in these instances, our options become restricted to abandonment, costly, unplanned emergency expenditures, or acceptance and use of ‘failed’ infrastructure assets.

Sustainable Rates

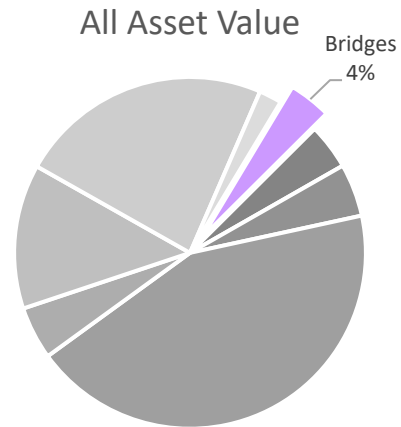
As mentioned previously, the asset valuations and funding targets are developed using benchmark industry standards, which have an inherent degree of imprecision. However, this analysis can be used to begin to identify what new, sustainable tax rates are needed in order for revenue to sufficiently fund the targeted amount of expenditures. For a hypothetical two-car, two-and-a-half person, single-family household, the projected impact would be an increase in taxes and fees of \$479/year. In the upcoming fiscal year, staff plan on exploring this issue in more detail to inform a discussion of sustainable tax rates for the local motor fuel tax, stormwater utility fee, and sewer benefit fee.

Asset Class	Current Rate	Needed Rate Increase	New Rate	Average Annual New	Calculations Notes
Pavement/Major Road	\$0.05	100%	\$0.10	\$33	Per Driver (650 a year)
Other/Unrestricted.		7%	\$0.00	\$68	Total GF Revenue, Per 2.5 person household
Sanitary Sewer	\$0.15	112%	\$0.33	\$118	Rate per 100, assume 100 per day per household
Stormwater	\$5.60	187%	\$16.08	\$126	Per single-family home (year)
Total				\$479	Per household

Bridges

Description: Bridges and Culverts in the City of Urbana used either for pedestrian or vehicular traffic and stormwater conveyance.

Asset Summary Table		
Quantity	25	Bridges
Value	\$59,000,000	Replacement Value (2023)
Life Expectancy	75	Years
Capital Replacement and Investment		
Target CR&I / Year	\$786,667	Straight Line Depreciation
Target CR&I /CIP	\$3,933,335	5-Year CIP
CIP Planned CR&I	\$777,000	
Deferred CR&I in CIP	(\$3,156,335)	
Operations and Maintenance Cost		
Annual O&M Target	\$590,000	Rudimentary 1%
Current Annual Maintenance Expenditures	\$153,918	
Annual Deficit	(\$436,082)	



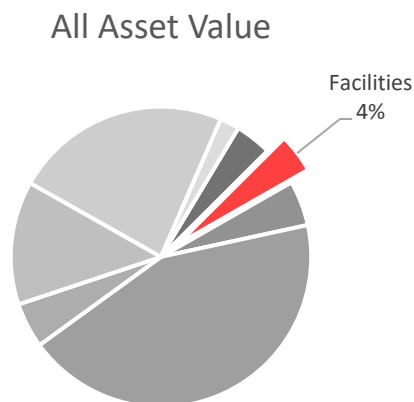
Notes: Washington Street Bridge was load restricted to 12 tons and added in FY 23 as an emergency repair as it is currently causing MTD buses and other heavy vehicles to reroute; construction is slated to begin in FY 24. Annual bridge inspection and other maintenance programs have been added to CIP to better identify and anticipate future bridgework needs.

Asset Plan Documents: No current plan documents.

Public Facilities

Description: Public facilities: four fire stations, pump house, LRC, City Building, Civic Center, Public Works buildings, storage shed, and landfill.

Asset Summary Table		
Quantity	12	Major Public Facilities
Value	\$63,000,000	Replacement Value
Life Expectancy	50	Years
Capital Replacement and Investment		
Target CR&I / Year	\$1,260,000	Straight Line Depreciation
Target CR&I /CIP	\$6,300,000	5-Year CIP
CIP Planned CR&I	\$19,001,466	Debt Payments
Deferred CR&I in CIP	N/A	Implementing Facilities Plan
Operations and Maintenance Cost		
Annual O&M Target	\$630,000	Rudimentary 1%
Current Annual Maintenance Expenditures	\$1,056,919	EST. using operations data
Annual Deficit	N/A	O&M costs includes utilities and other incidentals



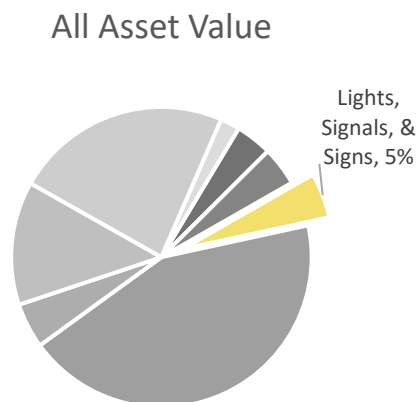
Notes: The City is implementing the vast majority of the Facilities Master Plan. Most of the facility improvements will began in FY 23 and will continue into FY 24 and be funded with debt financing. The surplus capital spending in the CIP reflects years of deferred investment. After the completion of the plan, most facilities would not need major CR&I improvements for several years, with the possible exception of a City Building expansion. Since facilities improvements are occurring in rapid succession, it is important to understand the limitations of the straight line depreciation on replacement value for financial planning. The CR&I expenditures reflect annual debt service payments as they occur.

Asset Plan Documents: [Facilities Master Plan](#)

Lights, Signals, Signs

Description: 48 traffic signal controllers, 96 traffic signal mast arms, 96 traffic signal poles, 98 street light controllers, 4,073 street light poles/luminaires, 512,181 feet of conduit and wiring and 4,516 signs.

Asset Summary Table		
Quantity	4,073	Light Poles
Value	\$73,000,000	Replacement Value
Life Expectancy	40	Years
Capital Replacement and Investment		
Target CR&I / Year	\$1,825,000	Straight Line Depreciation
Target CR&I /CIP	\$9,125,000	5-Year CIP
CIP Planned CR&I	\$2,048,601	(some work included in Projects)
Deferred CR&I in CIP	(\$7,076,399)	
Operations and Maintenance Cost		
Annual O&M Target	\$730,000	Rudimentary 1%
Current Annual Maintenance Expenditures	\$1,578,744	EST. using operations budget
Annual Deficit	N/A	(surplus due to past deferrals)



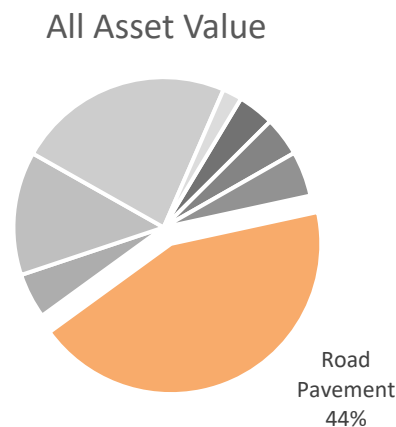
Notes: Goal in this CIP is to develop long-term proactive maintenance and capital investment strategies. Asset management plans for both street lighting and traffic signals were developed in FY 23. Some of the information from the traffic signals asset management plan has been incorporated in this CIP but we are still awaiting the final plan for street lighting. FY 23 included \$2M for Equity and Quality of Life (EQL) projects; based on submitted/selected projects, approximately 40% of this funding is going towards street lighting improvements.

Asset Plan Documents: [Traffic Signal Asset Management Plan](#)

Road Pavement

Description: 2,557,508 square yards of pavement.

Asset Summary Table		
Quantity	2,557,508	Square Yards of Pavement
Value	\$651,000,000	Replacement Value
Life Expectancy	60	Years
Capital Replacement and Investment		
Target CR&I / Year	\$10,850,000	Straight Line Depreciation
Target CR&I / CIP	\$54,250,000	5-Year CIP
CIP Planned CR&I	\$43,405,650	
Deferred CR&I in CIP	(\$10,844,350)	
Operations and Maintenance Cost		
Annual O&M Target	\$6,510,000	Rudimentary 1%
Current Annual Maintenance Expenditures	\$4,882,481	EST. using operations data
Annual Deficit	(\$1,627,519)	



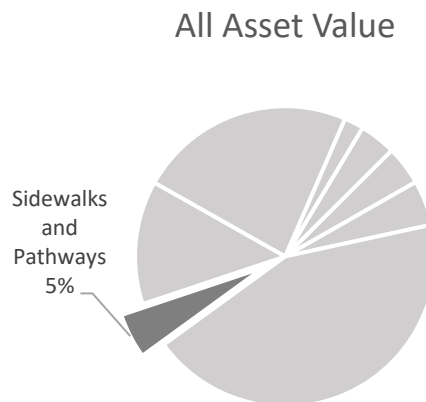
Notes: The City recently initiated pavement condition assessment scanning in FY 19; completed in FY 20. Since then we have been using that information to prioritize transportation capital improvement projects. More detail on the transportation prioritization method can be seen in the Transportation Project Book section of the CIP. Regarding life expectancy, 60 years is the estimated best case scenario right now; for reference IDOT benchmarks roads at a 45-year life expectancy. The construction standards in City code, last updated in 1998, allowed for roads that may not last beyond 20 years, a problem the City is currently paying for now with several subdivisions built in the early 2000’s, including the Savannah Green area, which is in need of rehabilitation in this CIP. Fortunately, new/existing City staff prioritized finalizing the critical updates to the City’s Subdivision and Land Development Code in FY 23. Council reviewed and approved the new Land Development Code along with the associated Manual of Practice and new standards will begin to be enforced at the start of FY 24.

Asset Plan Documents: [Pavement Condition Assessment Study](#)

Sidewalk and Paths

Description: 4.1 million square feet of pavement for sidewalks and pathways in the City rights-of-way.

Asset Summary Table		
Quantity	4,165,040	Square feet
Value	\$73,000,000	Replacement Value
Life Expectancy	100	Years
Capital Replacement and Investment		
Target CR&I / Year	\$730,000	Straight Line Depreciation
Target CR&I /CIP	\$3,650,000	5-Year CIP
CIP Planned CR&I	\$4,373,512	Included in other projects
Deferred CR&I in CIP	N/A	
Operations and Maintenance Cost		
Annual O&M Target	\$730,000	Rudimentary 1%
Current Annual Maintenance Expenditures	\$775,522	Sidewalk and Paths Project
Annual Deficit	N/A	



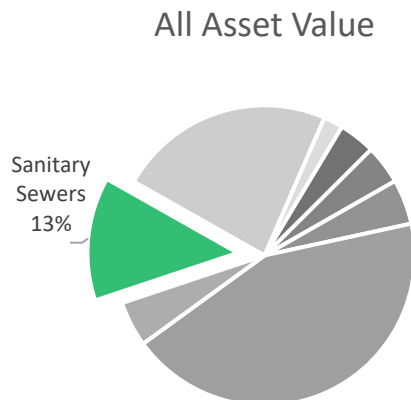
Notes: The Champaign County Regional Planning Commission has a Sidewalk Network Inventory and Assessment which City staff are currently working on translating into an annual CR&I implementation plan. The CIP includes CDBG funds for sidewalk projects. While there are not typically sidewalk specific CR&I projects in the CIP, sidewalks and paths are typically improved in large transportation projects. FY 23 included \$2M for Equity and Quality of Life (EQL) projects; based on submitted/selected projects, approximately 60% of this funding is going towards sidewalk improvements.

Asset Plan Documents: [RPC Sidewalk Inventory and Assessment](#)

Sanitary Sewers

Description: 542,208 feet of pipe (102 miles) of various diameters as well as 2,315 manholes.

Asset Summary Table		
Quantity	542,208	Feet of Pipe
Value	\$200,000,000	Replacement Value
Life Expectancy	100	Years
Capital Replacement and Investment		
Target CR&I / Year	\$2,000,000	Straight Line Depreciation
Target CR&I /CIP	\$10,000,000	5-Year CIP
CIP Planned CR&I	\$3,348,151	
Deferred CR&I in CIP	(\$6,651,849)	
Operations and Maintenance Cost		
Annual O&M Target	\$2,000,000	Rudimentary 1%
Current Annual Maintenance Expenditures	\$1,693,386	EST. using operations data
Annual Deficit	(\$306,614)	



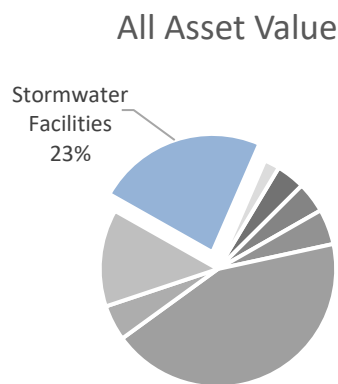
Notes: The City shares ownership of the sanitary sewer system with the Urbana Champaign Sanitary District (UCSD), which owns their own pipes (primarily interceptors) and the Wastewater Treatment Plant. The City owns smaller pipes (typically 6-inch to 15-inch diameter) which convey sanitary sewage to the UCSD interceptors. The Urbana Sewer Use rate is \$0.1540 per 100 gallons. The City has just begun efforts on an asset management plan for our sanitary sewer system which will better inform asset valuation, sustainable funding, and capital improvements. The City provides a number of financial assistance programs for private users with the sanitary sewer fund to help offset large, sometimes inequitable expenses. The City also approved use of \$1.3M of its ARPA funds for a Sanitary Sewer Lateral Lining Pilot Program to encourage homeowners to proactively pursue more affordable rehabilitation methods (primarily sewer lining) for their privately-owned sewer lateral lines. The program will help inform private interest in the program, logistical challenges with it, and economics of supporting similar programs beyond the pilot program. UCSD has an interest in participation in the future pending the outcomes of the Pilot program as it could further eliminate unwanted inflow/infiltration into the sanitary sewer system and the wastewater treatment plant. Additionally, the City is kicking off a major data collection and GIS integration effort at the beginning of FY 24 to drastically improve the data/information available in the City’s GIS which will lead to enhanced forecasting, planning, and modeling capabilities.

Asset Plan Documents: [Annual Sewer Activity Reports](#)

Stormwater Facilities

Description: Stormwater facilities include 763,702 feet (144 miles) of stormwater pipes, wet bottom retention basis, dry bottom detention basins, 8,000 manholes, and the Vine Street pump station.

Asset Summary Table		
Quantity	763,702	Feet of Pipe
Value	\$350,000,000	Replacement Value
Life Expectancy	100	Years
Capital Replacement and Investment		
Target CR&I / Year	\$3,500,000	Straight Line Depreciation
Target CR&I /CIP	\$17,500,000	5-Year CIP
CIP Planned CR&I	\$2,871,333	
Deferred CR&I in CIP	(\$14,628,667)	
Operations and Maintenance Costs		
Annual O&M Target	\$3,500,000	Rudimentary 1%
Current Annual Maintenance Expenditures	\$1,802,057	using operations data
Annual Deficit	(\$1,697,943)	



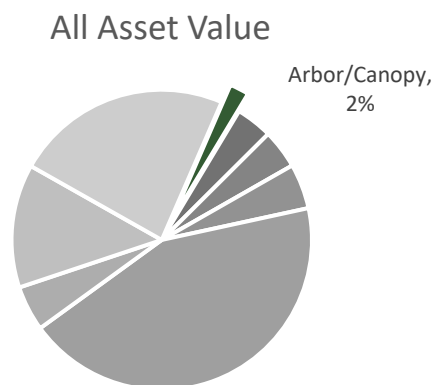
Notes: A Stormwater Asset Management Plan that began in recent years is nearing completion (likely 1st quarter of FY 24). A pre-final plan indicates a need to increase revenues to sustainably maintain the City’s stormwater assets. The City implemented a dedicated stormwater utility fee in 2011 to fund the management of its stormwater facilities and maintain compliance with the National Pollutant Discharge Elimination System (NPDES MS4) Permit program. The fee is charged based on Equivalent Residential Units (ERUs) which was set at 3,100 square feet of impervious area. Additionally, the City is kicking off a major data collection and GIS integration effort at the beginning of FY 24 to drastically improve the data/information available in the City’s GIS which will lead to enhanced forecasting, planning, and modeling capabilities.

Asset Plan Documents: [Stormwater Asset Management Plan](#) (to be completed in FY 2024)

Urban Canopy

Description: Parkway trees, in City owned rights-of-way and City-owned properties.

Asset Summary Table		
Quantity	10,935	City Trees
Value	\$31,000,000	Replacement Value
Life Expectancy	60	Years
Capital Replacement and Investment		
Target CR&I / Year	\$516,667	Straight Line Depreciation
Target CR&I /CIP	\$2,583,335	5-Year CIP
CIP Planned CR&I	0	
Deferred CR&I in CIP	(\$2,583,333)	
Operations and Maintenance Costs		
Annual Maintenance Target	\$310,000	Rudimentary 1%
Current Annual Maintenance Expenditures	\$1,273,619	EST. using operations data (includes landscaping efforts as well)
Annual Deficit	N/A	



Notes: The City has over 10,000 parkway trees planted. In addition to reactive maintenance from wear and weather, trees are proactively trimmed on a multi-year cycle. Industry standards for tree trimming suggest a 7-year cycle for systematic pruning; staff time currently allows for maintaining trees on closer to a 13-year cycle. The annual CR&I figure is the replacement cost of a mature tree. In practice, a 60-year old tree would not be replaced in kind. This figure does not include the cost of adding new trees to vacant sites. It should be noted that planting new trees would come with a corresponding increase in maintenance requirements; without an increase in staff and equipment, the proactive trimming cycle would lengthen, impacting the health of the trees.

Asset Plan: The City is currently reviewing its long-term plans for managing its Urban Canopy. Past practice has been to replace trees as they die. However, this practice, in conjunction with budget constraints, has led to a geographically inequitable distribution of City trees. The City recently received a \$100,000 donation from a private donor to promote a more equitable allocation of street trees. Additional funds beyond this for new plantings have had to be turned down by the City as the pruning maintenance cycle is woefully behind and adding more arbor assets cannot be justified until the City is able to improve its operations to take care of its current assets.