

City of Ishpeming

Capital Improvement Plan (CIP) for 2020 through 2025

Purpose: To obtain Council approval for an updated Capital Improvement Plan (CIP).

Background: The CIP is for the six-year period 2020 to 2025. The requirement for capital budgeting to follow a six fiscal year period is found in the Michigan Planning Enabling Act (Public Act 33 of 2008, as amended). Per the Act, capital investment has two elements: planning and budgeting. The Capital Improvements Plan (CIP) is not limited by financial constraints, and it should include all reasonable projects that the community seeks to obtain. The budgeting is constrained by financial reality. Accordingly, only those desired capital projects that actually are fundable will become part of the annual budget.

The CIP includes known proposed major capital improvement projects with estimated costs and possible methods of financing. After the City Council approves the CIP, the annual budget process (controlled by City Council) will determine available funding for capital projects. The CIP helps staff to track and adjust projects (some of which are multi-year) to changing financial circumstances and ensures that projects are tracked to successful conclusion. However, even with good planning, not all identified capital projects or capital purchases may be funded. Each fiscal year, the projects completed during that year are removed from the plan and an additional year's proposed projects are added the sixth year of the CIP. Also, adjustments to CIP schedule may be made to reflect changing priorities and needs of the City.

Benefits from the CIP include:

1. Identify long-term capital needs of the City
2. Help balance needs with financial reality
3. Facilitate decision making on priorities
4. Create a framework and context for specific projects
5. Provide information to assist in decisions making regarding tax levies
6. Providing time for planning and engineering of proposed projects
7. Ensuring the maximum benefit to the community from the monies expended
8. Permitting municipal construction activities to be coordinated with planned activities of other agencies (utilities, schools, etc.) within the community
9. It is required by State law and considered a best practice for local government

City of Ishpeming

Capital Improvement Plan (CIP) for 2020 through 2025

Capital improvement planning and budgeting allow officials and citizens to set priorities for capital expenditures and ensure maximum benefit for a minimum capital expenditure through an orderly process of project development, scheduling, and implementation. Capital expenses include construction, major equipment purchases, and other items to serve the City for a long period of time. Below are general examples of typical capital investments:

- Street Repairs and reconstruction
- Sidewalk repairs
- Utility Infrastructure
- City Buildings
- Public Works Vehicles and specialized equipment
- Fire Trucks
- Park Improvements and Trails
- Computers, software, and other equipment needed to run automated operations
- Security systems
- Police vehicles and equipment

Many factors go into the selection of and timing for capital expenditures. Listed below are general criteria to consider in the review of potential projects:

1. Required to fill any federal or state judicial administrative requirements
2. Relationship to source and availability of funds
3. Impact on annual operating and maintenance costs
4. Relationship to overall fiscal policy and capabilities
5. Project's readiness for implementation
6. Relationship to overall community needs
7. Relationship to other projects

8. Distribution of projects throughout the community
9. Relationship to other community plans
10. Potential economic benefit, including increases to the tax base

These factors and potentially many other considerations, are all relevant and should be part of the decision-making process in order to ensure that the best quality of service is delivered to our residents in the most fiscally prudent manner.

Per the Michigan Planning Enabling Act, the proposed list of capital projects should reflect the overall goals and vision of the community's Master Plan. The CIP should be realistic and achievable. **Most importantly, Ishpeming's CIP should reflect a consensus of the elected officials of the community.**

THE FOLLOWING CODES ARE USED THROUGHOUT THE DOCUMENT TO INDICATE THE SOURCE OF FUNDING FOR THE POSSIBLE PROJECTS

BRA – Brownfield Redevelopment Authority
DDA – Downtown Development Authority
DO – Donations
EF – Equipment Fund (new in 2018)
FG – Federal Grant
GF – General Fund
GO – General Obligation Bonds
LB – Land Bank
LF – Library Fund
LS – Local Street Fund
LG – Local Grant
MS – Major Street Fund
LS – Local Street Fund
PD – Private Developer
PIF – Public Improvement Fund
SA – Special Assessment
SF – Sewer Fund
SG – State Grant
SM – Special Millage
UTB – Unlimited Tax Bonds
USB -- USDA-RD Bonds
WF – Water Fund

City of Ishpeming

2020-2025 Fiscal Year

CAPITAL IMPROVEMENT PLAN – EXECUTIVE SUMMARY (MAJOR ITEMS)

2020 Fiscal Year		
Project	Cost	Funding Source
MERS Corrective Action Plan	\$8,000,000	GO
New Senior Center	\$2,500,000	SG, DO
Small Urban Grant (streets)	\$500,000	SG, MS
Police Vehicle (2 st yr. of lease)	\$30,000	PIF

2021 Fiscal Year		
Project	Cost	Funding Source
Senior Center Project (cont.)	Remaining portion from 2020	SG, DO
New Police Vehicle (3 rd yr.)	\$30,000	PIF
Sewer System Improvements	\$5,000,000	USB, SF
Tennis Court and Trail Project	\$505,000	DNR, DO

2022 Fiscal Year		
Project	Cost	Funding Source
Third Street Reconstruction	\$1,500,000	SG, MS
City Building Improvements	\$300,000	SG, DO
Blight/Demo (with Land Bank)	\$200,000	LB, DO, PIF

2023 Fiscal Year		
Project	Cost	Funding Source
Street Improvements	\$500,000	SG, MS, LS
Water System Improvements	\$5,000,000	USB, WF
Police Vehicle (lease?)	\$50,000	PIF

2024 Fiscal Year		
Project	Cost	Funding Source
Fire Truck	\$750,000	USB, PIF, GF
Street Improvements	\$500,000	SG, MS, LS
DPW Vehicle Purchases	\$250,000	USB, EF

2025 Fiscal Year		
Project	Cost	Funding Source
New Storage for DPW	\$500,000	USB, EF, PIF
Blight/Demo (with Land Bank)	\$200,000	LB, DO, PIF
DPW Vehicle Purchase	\$250,000	USB, EF

City of Ishpeming Goals for 2020

Key Staff and Department Goals:

Assessing:

- Maintain status as AMAR approved
- Continue to update property assessments until all are current (currently 80%)

Treasurer:

- Improve the Utility Billing Policy
- Improve record retention
- Train Deputy Treasurer on payroll
- Install permanent signage for Treasurer's Office

Finance Director:

- Begin the transition to BS&A and sustain existing financial system until BS&A up and running
- Provide secure email
- Monitor and implement Act 202 Corrective Action Plan

Clerk:

- Obtain a replacement City Clerk and/or front office assistant
- Continue conducting elections in accordance with law
- Improve use of new election equipment and train election workers on it
- Relocate Precinct #2 to a new location
- Continue to cross train staff on required duties.
- If available, educate and train an intern

Manager:

- Make a smooth transition for the new manager
- Continue to improve the City's financial position
- Streamline the committee structure to facilitate improvement in the City

Planning Commission:

- Educate the public on the new Zoning Ordinance
- Begin the update of the City's Master Plan

Downtown Development Authority: Continue making improvements in the business climate in the downtown. Help to eliminate blight. Continue and improve downtown beautification efforts.

Code Enforcement/Rental Inspections: Reduce blight! Work toward a self-sustaining financial stability through adjustment to fees. Improve the conditions for tenants via a fair and impartial rental inspection program. Improve the appearance of the community. Maintain staffing level via hiring a replacement for Don Peterman.

Library: Continue on-going programs and complete improvement projects. Sustain Library funding and staff.

Fire Department (FD): The FD has an on-going goal to continue to apply for competitive FEMA AFG grants, helping to keep pace with worn-out, outdated equipment. The FD will continue seeking improvements to all aspects of the Fire Hall. We're implementing an online training program with the goal of improving the FD's ISO rating and Firefighter safety. Giving Firefighter's online access to the cities and FD policies/procedures, and the latest safety and compliance requirements.

Police Department (PD): Number one goal is to maintain the current level of service to the public. Also, we need to replace three Police Officer positions. Another goal is to maintain good pay and benefits to help retain the current group of excellent officers. Also, the PD wants to reduce liability with appropriate annual training. An additional goal is to sustain or even increase code enforcement and maintain UPSET funding. The building continues to need improvement with a long-term goal of obtaining a new Police building. Acquire and put into service the two new leased patrol vehicles. The PD needs new computers and strong virus protection. In addition, the PD recommends converting the City Ordinance book to electronic format. The PD needs to maintain and upgrade technology, including virus protection software and in-car computers. Finally, the PD intends to continue the Department accreditation process and improve records management.

Department of Public Works (DPW): Top priority for DPW is to complete the USDA upgrade to the water system. Second priority is to complete the SAW grant and begin to use the new GIS database system. Continue operations of the Motor Pool (Equipment fund). Continue program of inspection and maintenance of the water and sewer systems. Improve the City Streets. In the cemetery, a new computer database is needed to efficiently maintain and use the burial records. In the Parks, the primary goal is to maintain the existing parks and begin operation of the new Lake Bancroft pavilion (when completed). DPW also wants to replace some important equipment: alley plow, salter/sander, and Sno-go. We would like to maintain good pay and benefits to help retain the current group of excellent DPW staff. In order to accomplish all of the above, we would need to add more staff.

Compiled by MDS/5/2/2019; Presented to City Council 5/8/2019

City of Ishpeming Goals for 2019

Report on Progress on City Goals

Key Staff Department Goals:

Assessing:

- Maintain status as AMAR approved --done
- Update property assessments until all are current -- completed 80%

Treasurer:

- Continue to improve Personal and Real Property Tax Collection -- in progress
- Amend Ordinances for debt collection and Utility Billing -- in progress
- Train Deputy Treasurer on payroll -- in progress
- Install signage for new Finance/Treasurer Office -- temporary sign installed

Finance Director:

- Obtained permission to acquire BS&A and planning transition
- Provide secure email -- in work
- Act 202 Corrective Action Plan submitted

Clerk:

- Clerk resigned. Seeking guidance from Council on new hire.
- Successfully conducting elections in accordance with law
- Trained election workers on new election equipment
- Cross trained staff on required front office duties
- Educated and trained intern Adrianna Reader

Manager:

- Council accepted Manager's resignation, seeking new Manager
- Reported City's financial position was weakening
- Sustained the work of the various committees to facilitate improvement in the City
- Submitted Tennis Court and Trail grant to DNR

Planning Commission:

- Completed the new Zoning Ordinance
- Planning to update the City's Master Plan

Downtown Development Authority: Continued making improvements in the business climate in the downtown. Helped to eliminate blight. Continued downtown beautification efforts.

Report on Progress on City Goals (continued)

Code Enforcement/Rental Inspections: Established Blight Committee. The City increased increase code enforcement/rental staff by one part-time position. However, staff is in transitioning: Mike Tall resigned at the end of 2018 and Russ Kilgren was hired in 2019. Also, Don Peterman announced his resignation and a replacement is being located. In 2019, the City adopted increases in inspection fees to help create a self-sustaining operation. Continued to improve conditions for tenants via a fair and impartial rental inspection program. Improved the appearance of the community.

Library: Continued on-going programs and completed improvement projects. Sustained Library staff level.

Fire Department (FD): Sustained training for certified firefighter. The FD used all available resources to motivate the fire fighters and retain them in the Department. Firefighter team remained stable. The FD obtained grants and donations to support the community. The FD continued making improvements to the Fire Hall.

Police Department (PD): Despite resignations of Officers, the Department is maintaining the current level of service to the public. The PD is reducing liability with appropriate training and is working toward Department Certification. The Department maintained UPSET funding. Needed improvement were completed in Department offices. The PD investigated and continues planning for new computers and improved virus protection.

Department of Public Works (DPW): Despite limited staff, DPW continued to successfully sustain/maintain basic public services, including the water system, sewer system, municipal streets, City parks, the cemetery, the motor pool, and other City facilities. Also, the DPW supported the USDA Water System upgrade and the SAW grant. The DPW implemented the first full year of the new Motor Pool (Equipment fund). Jeff Steede became the new Chief Mechanic in the Motor Pool. In addition the DPW successfully coped with record snow melt and storm water issues in early 2019.

Compiled by MDS, 5/2/2019