



REPLY TO
ATTENTION OF

CITY OF ISHPEMING, MICHIGAN
100 EAST DIVISION STREET
ISHPEMING, MICHIGAN 49849

29 July 2020

Capital Improvement Plan (CIP) for 2021 through 2026

Purpose. Obtain City Council Approval of this updated Capital Investment Plan (CIP).

Background. The CIP is for the six-year period 2021 to 2026. 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) ensuring 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 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.

The process of using CIP to aid in the budgetary process and City Planning has benefits:

1. Identifying the long-term capital needs of the City
2. Aids in balancing the needs within the Fiscal reality
3. Facilitates discussion and supports decision making relevant to priorities
4. Creates a framework and context for identifying / describing specific projects
5. May provide information to assist in decisions making regarding tax levies
6. May provide time for planning, design and engineering of proposed project concepts
7. Aids in maximizing benefit to the community related to the expenditures
8. Amy support municipal budget execution to be coordinated with other non-municipal planned activities or pairing of resources for greater return on investment (utilities, schools, etc.) within the community
9. It is required by State law and considered a best practice for local government

Capital Improvement Plan 2020-2026
Continued

Capital Improvement Plan. Part of the municipal planning, budget and execution process, allows officials and citizens to establish and follow an organized process of project development, scheduling and implementation of capital expenses. Capital expenses include construction, major equipment purchases, and other items to serve the City for a long period of time. These may include:

- 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

Committees, Commissions, Councils and Boards. Decision makers need to be frugal and consistent with proper execution of taxpayers' resources. Good stewards of the budget will take into consideration many factors when deciding what is in the best interest of the City. Some consideration should be given to the following:

- Is the improvement required to meet any federal or state judicial administrative mandates?
- What are the Initial and long-term impact on annual Operations and Maintenance (O&A) costs?
- How does this support the overall fiscal policy and municipal capabilities?
- Is this project ready and is the timing sufficient to implement within the current fiscal year?
- How does this project support the community requirements?
- Is there a relationship to another or other projects(s)?
- Is work being distributed fairly and equally to support local business throughout the community
- How does this project support the long-range planning of the Master Plan?
- Do this project support other community plans?
- What is the potential economic benefit, including increases to the tax base?

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 City of Ishpeming is an equal opportunity provider/employer.
Auxiliary aids and service are available upon request to individuals with disabilities*

Capital Improvement Plan 2020-2026
Continued

The following codes are used throughout the document in order to indicate the preferred source of funding including how grant matching funds would be obtained / supported for each project.

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



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Capital Improvement Plan – Executive Summary (Major Items)

2021 Fiscal Year		
Project		Funding Source
Establish Destination Fund - VolksFest	10	DDA
Establish Destination Fund - Festival of Lights	10	DDA
City Hall Improvements - AV/ IT Chambers	20	PIF / GF
City Hall Improvements - Fiber Connection to Library	10	PIF / GF
Consolidated Lease - Fax/Printer/Copier/Scanner	20	PIF / GF
City Hall Improvement - Front Service Counter Protective	15	PIF / GF
Website Compliance	8	PIF / GF
DPW Clerk Improvement - Front Service Counter Protective Window (non-operable, with drawer, speak-thru)	15	PIF / GF
Empire (3rd to Main) Repaving	470	SG/LS
Replace Salter/Sander Truck Chasis Only	150	BF/PIF
Trail Groomer (Gator)	20	BF/PIF
Sidewalk Plow	100	BF/PIF
Snow-go (Snow Blower loader attachment) D50	200	BF/PIF
Nature Trail / City Park Excelsior Design	10	DDA/PIF
NY Street Campground Design	10	DDA/PIF
City Skate Park Design	12.5	DDA/PIF
Dry Storage in Basement		PIF/GF
Portable Radios	14	PIF/GF
Tower Repair Repayment	55	DDA/PIF/GF
New Tower Repair	100	SG/FG
Apparatus Floor Replacement	200	PIF/SG
New Children's Room / Space Design	10	LF/PG/DO
Match for Rotary Club Grant – N Teal Lake Kayak Launch	5	PIF/DDA/GF

Capital Improvement Plan 2020-2026
Continued

2022 Fiscal Year		
Project	Cost in thousands	Funding Source
City Hall Improvements - Windows	30	PIF/GF
City Hall Improvements - Central AC 2nd Floor	15	PIF/GF
Large Business Radio Meter Replacement	780	SG/FG/PIF/GF
Water Works Truck	45	BF/PIF/GF
Tub Grinder	350	BF/PIF/GF
Nature Trail / City Park Excelsior Build	200	SG/FG/PIF/DDA
City Skate Park Build	125	SG/FG/PIF/DDA
Bullet Proof Vests	10	PIF/GF
Fire Alarm System Fire-Police-DPW Campus	10	PIF/GF
New Fire Station	2000	SG/FG/PIF/GF
New Children's Room / Space Remodel	30	LF/PG/DO
Library Columns Restoration Engineering Design	10	LF/PG/DO

2023 Fiscal Year		
Project	Cost in Thousands	Funding Source
Third Street Reconstruction	1500	SG, MS
City Building Improvements	300	SG, DO
Blight/Demo (with Land Bank)	200	LB, DO, PIF
Roundabout - Hwy 41 Traffic Circle	20	SG/FG/PIF
Tubing Hill (South Ski Hill)	100	PIF/DDA/GF
New Parking Lot Fire Station	500	PIF/GF
Library Column Restoration	30	LF/PG/DO

2024 Fiscal Year		
Project	Cost in Thousands	Funding Source
Street Improvements	\$500	SG, MS, LS
Water System Improvements	\$5000	USB, WF
Garage / Carport Vehicle Protection	60	PIF/GF
New Truck (Pumper)	600	USB, PIF, GF

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Capital Improvement Plan 2020-2026
Continued

2025 Fiscal Year		
Project	Cost in Thousands	Funding Source
Fire Truck	600	USB, PIF, GF
Street Improvements	500	SG, MS, LS
Snow Plow	200	USB, EF

2026 Fiscal Year		
Project	Cost in Thousands	Funding Source
New Storage for DPW	500	USB, EF, PIF
Blight/Demo (with Land Bank)	200	LB, DO, PIF
DPW Vehicle Purchase	250	USB,EF
Firehall Tuck Pointing Repairs	20	PIF/GF

2021-2026 Lifecycle Management Spread		
Project	Cost in Thousands	Funding Source
Computer Lifecycle (1/4 per year + Server in 5th Year)	25	PIF/GF
New Playground Equipment (1 Playground per year)	120	PIF/GF/SG
DPW Pick-up MIDEAL Purchases	100	PIF/GF/BF
Physical Security Camera System upgrade / Increase	50	PIF/GF/PG
Body Cameras Lifecycle	10	PIF/GF/PG
Police Vehicle 1 Lease ('19 Durango) Lifecycle Replacement Program (3 yrs)	45	PIF/GF
Police Vehicle 2 Lease ('20 Durango) Lifecycle Replacement Program (3 yrs)	39	PIF/GF
Police Vehicle (New) Lease ('21 Charger) Lifecycle Replacement Program (3 yrs)	40	PIF/GF
Police Weapon Replacement	15	PIF/GF/PG
Library Facility Carpet / Tile Flooring Upgrades	24	LF/DO/PG

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Capital Improvement Plan – Goals for 2021

- City Manager plans to redesign the process of Budget projections by identifying methods for balancing the budget, focusing resources on Must Fund and Discretionary Line Items where the eb and flow of line item predictions is reduced by new strategies, improved data averaging and closer monitoring of execution.
- Coordination of projects to ensure designs are funded ahead of and supporting the grant writing and budget execution to reduce large gaps from guesses to analytical estimates.
- Ensure that for every projected development, a planned matching fund is prepped and available so that Grants can be executed and not be at risk due to poor planning.
- Staff budget products will be improved to show team prioritization, executable spend plans which provide predictability of obligation and spending. Creatively executing city-wide resourcing, minimizing bench stock through common purchasing.
- Provide improved budget execution reports to the City Council so they fully engage in the discretionary budget decisions while validating the Must Fund Liabilities. Where staff save in estimates and planning or where outside influences can be reduced, the Council will be given opportunity to re-prioritize efforts or lower the funding cut-line to improve the city.
- Project new opportunities to make the City a “Destination” bringing a themed opportunity or venue which will draw people to town and foster increased spending amongst the Ishpeming businesses.
- Identify opportunities to bring new development, resources and increased focus to the cultural and historical landmarks and activities that set Ishpeming apart from its competitors.
- Develop resourcing partnerships that result in cost sharing initiatives for the greater common good of the city, businesses, residential housing and the residents for which we support. Develop strategies that encourage not only two, but multiple organizations to work in tandem for the common good.
- Improve city-wide planning through commissions, committees and councils. Execute relevant training, awareness and utilize all available tools and resources to bear the full spectrum of planning for the future.