



REPLY TO
ATTENTION OF

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

January 2024

Capital Improvement Plan (CIP) for 2024 through 2029

Purpose. Define the City Council Approved Six-Year Capital Improvement Plan (CIP).

What is the 6-Year Capital Improvement Program?

The program aids in the development of a plan representing the City's Six-Year Capital Improvement. In it, projects have been identified which should be addressed over the next six fiscal years as conditions and budget allows. The program serves as a crucial planning component within the City's overall operational management structure. Since its inception, many projects undertaken within the City have come through this planning document. The program provides important information that aids in maintaining the City's critical infrastructure as well as the equipment needed to carry out the delivery of services to the community.

Participants of Committees, Commissions, Boards and the City Council.

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? Is this sustainable over time?
- How does this support the overall fiscal policy and municipal capabilities?
- Is this project ready and is the timing enough 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 in the year it is established.***

What is a Capital Project?

For the purposes of the Capital Improvement Program, a capital project has been identified by the city as any project that exceeds the City Manager's purchasing threshold of and has an estimated useful life of greater than one year. Some examples of what a capital project may include are Emergency and / or Public works vehicles (police cars, fire trucks, parks maintenance equipment, snowplows, street sweepers), roadway improvements, infrastructure (i.e. water & sewer) or other construction projects, to name a few. This program identifies those projects that meet the criteria above that will be addressed in the next six years.

Additionally, the City often apply for grants or loans which aid in reducing the overall cost for the City lowering the overall impact on the budget or spreading costs to reduce the immediate impact over periods of years. Each of these strategies have a cost with respect to matching funds or interests on loans. The City Council may find these methods to be useful, or not sustainable and are considered on a case-by-case basis, analyzing the associated terms and conditions which would apply. However, failing to recognize nor employ these options, as appropriate, would likely reduce the rate of success in accomplishing our goals / strategy for improvements.

How is the program developed?

The program is developed in the Financial Services Department using project information submitted by departments of the City, analyzing recommendations and plans by the Planning, Zoning, Parks & Rec, Library and other Boards or Commissions as appropriate. Once all project requests have been received, the requests are reviewed and added to the program / Fund where appropriate. Projects identified in previous programs remain in the current program unless a different priority or strategy makes it unnecessary to do so. Once a final proposed document has been completed, the program is distributed to the City Council and is also made available for the public to review. The Council holds work sessions to discuss the program, and citizen input is sought through both the work session and through a public hearing process. Once the public hearing has been completed, the program is finalized and adopted by Council.

How is the 6-Year Capital Improvement Program organized?

The program is developed on a departmental basis. Summaries for the overall program are listed by Funds (of the total budget) to help analyze the impact to each fund within the City. The summaries that follow on the next several pages will highlight the annual cost of projects per year, as well as summarize the sources of funding that have been identified each year to support the related slate of projects. Keep in mind that not all projects identified in this document will be completed. Over the next six years, priorities may change, and funding sources may be eliminated making completion of the project imprudent or impossible.

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

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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

Program Summary

The following tables indicate how projects and funds could be allocated to achieve the list of projects for the full Six-Year Plan (Year 1 – 2024 through Year 6 – 2029) which are also assigned by municipal fund:

City of Ishpeming
 Capital Improvement Program
 For the fiscal years ending December 31, 2024 - 2029

Fund	Year 1: 2024	Year 2: 2025	Year 3: 2026	Year 4: 2027	Year 5: 2028	Year 6: 2029
Public Improvement Fund	738,000.00	429,750.00	543,000.00	556,000.00	573,000.00	591,000.00
Sewer Fund	11,398,000.00	4,000,000.00				
Water Fund	420,000.00	700,000.00	14,450,000.00	4,810,200.00		
Motor Pool Fund	285,000.00	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00
Major Streets	300,000.00	481,250.00				
	\$ 13,141,000.00	\$ 5,761,000.00	\$ 15,143,000.00	\$ 5,516,200.00	\$ 723,000.00	\$ 741,000.00

Source of Funds

It is also important to identify the sources of funding that will be used to fund each year’s projects. This helps to determine the viability of each year’s requests and serves as a critical planning tool for current and future operating budgets. For the current 6-year program, the following sources of funding have been identified by fiscal year:

Capital Improvement Program
 Summary of Major Funding Sources for 2024 - 2029

Capital Improvement Funding Sources						
Source of Funds	Year 1: 2024	Year 2: 2025	Year 3: 2026	Year 4: 2027	Year 5: 2028	Year 6: 2029
Public Improvement Tax Revenues	1,038,000.00	526,000.00	543,000.00	556,000.00	573,000.00	591,000.00
Metered Water Sales	420,000.00					
Vehicle and Equipment Rental Revenue	285,000.00	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00
CWSRF Grant	8,025,000.00					
DWSRF Grant		650,000.00	9,896,800.00			
CWSRF Bond	3,373,000.00	4,000,000.00				
DWSRF Bond		50,000.00	4,553,200.00	4,810,200.00		
MDOTSmall Urban Grant		385,000.00				481,250.00
	\$ 13,141,000.00	\$ 5,761,000.00	\$ 15,143,000.00	\$ 5,516,200.00	\$ 723,000.00	\$ 741,000.00

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Projects by Fiscal Year

The following tables identify specific projects that have been requested for the approved 2024 Annual Budget, Projected 2025 and where further analysis of the 2024 five-year Recreation Plan, recent zoning updates and other inputs will restructure the remaining four years. The summary that follows lists who has identified the department best aligned to the request, the name of the project, the estimated cost. Costs are projections which may change over time and adjust with inflation and other economic impacts, they are for planning only. The first year (2024), is used in the development of the Plans and costs. Annual review of the plan may be used for adjusting the cost projections and to identify any significant changes (e.g. New Grant Funding Source(s)). The purpose of a six-year projection is to stabilize the execution of the plan and not have an annual re-writing or significant changes due to a new election of Council. Tying the plan strategically to the Master Plan and other plans supports the community and places more value on the residential engagement a process from which these plans were developed. Costs and programming for the year of execution will be reviewed and updated as appropriate for the development of the annual budget.

Capital Improvement Program
Annual Planned Execution 2024 - 2029

Year 1 - 2024		
Public Improvement Fund	City Hall handicap ramp replacement	200,000.00
Public Improvement Fund	Parking lot and alley	100,000.00
Public Improvement Fund	GIS System	46,000.00
Public Improvement Fund	2 new columbarium's	60,000.00
Public Improvement Fund	Backhoe	160,000.00
Public Improvement Fund	Roof for lodge	110,000.00
Public Improvement Fund	ADA Compliant Bathroom	50,000.00
Public Improvement Fund	Breakroom remodel	12,000.00
Public Improvement Fund	Additional Funding for Road Repairs	300,000.00
Sewer Fund	CWSRF Project (estimated 2024 work)	11,398,000.00
Water Fund	Repair low manhole covers on Third St.	50,000.00
Water Fund	Radio meter installations, supplies and contracted services	370,000.00
Motor Pool Fund	New Truck	40,000.00
Motor Pool Fund	New Sidewalk Plow	245,000.00
Total		\$ 13,141,000.00

Year 2 - 2025		
Public Improvement Fund	Playground Updates (Rec Plan)	250,000.00
Public Improvement Fund	Dog Park (Rec Plan)	60,000.00
Public Improvement Fund	Ice Rink Improvements (Rec Plan)	60,000.00
Public Improvement Fund	Amphitheater (Rec Plan)	59,750.00
Sewer Fund	CWSRF Project (estimated 2025 work)	4,000,000.00
Water Fund	DWSRF Project (estimated 2025 work)	700,000.00
Motor Pool Fund	Replace two DPW trucks	150,000.00
Major Streets	Repairs to Division, Washington, Greenwood, Third, and Second	481,250.00
Total		\$ 5,761,000.00

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Year 3 - 2026		
Public Improvement Fund	Rec Plan Improvements	543,000.00
Water Fund	DWSRF Project (estimated 2025 work)	14,450,000.00
Motor Pool Fund	DPW Vehicle Updates	150,000.00
Total		\$ 15,143,000.00

Year 4 - 2027		
Public Improvement Fund	Rec Plan Improvements	556,000.00
Water Fund	DWSRF Project (estimated 2025 work)	4,810,200.00
Motor Pool Fund	DPW Vehicle Updates	150,000.00
Total		\$ 5,516,200.00

Year 5 - 2028		
Public Improvement Fund	Rec Plan Improvements	573,000.00
Motor Pool Fund	DPW Vehicle Updates	150,000.00
Total		\$ 723,000.00

Year 6 - 2029		
Public Improvement Fund	Rec Plan Improvements	591,000.00
Motor Pool Fund	DPW Vehicle Updates	150,000.00
Major Streets	MDOT Small Urban	481,250.00
Total		\$ 1,222,250.00

Following these summary pages are the details for the projects included in this Capital Improvement Program. The details are intended to link the project to a City department best associated but in few cases could be associated to a Board or Commission (e.g. Downtown Development Authority). A departmental summary page will be first, followed by a project summary page for each project included in the program. This Capital Improvement Plan provides the reader insight into the capital needs that the City will face over the next six years. If you have any questions pertaining to this report or would like additional information, please direct your request to the City, Director of Finance, 100 E. Division, St, Ishpeming, MI, 49849, or call the Financial Services Department at (906) 485-1091.

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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.

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