

City of Hart

Capital Improvement Planning Process Guide



December 19, 2017

Contents

Overview	1
State Law.....	1
Roles.....	1
City Manager.....	1
Department Heads.....	2
Planning Commission.....	2
City Council	2
Project Categories.....	2
Annual Process.....	3
Kickoff	3
Department Head Project List and Forms.....	3
Project Ranking and Justification.....	3
Planning Commission Review	4
City Council Approval.....	4
Funding	4

Overview

This Capital Improvements Plan (CIP) Guide is intended to be used by the City of Hart officials as a guide for a concise, simplified process to follow when developing the list of capital projects. Additionally, in an effort to promote transparency, this guide serves as a resource for the public to consult to better understand how capital improvements such as roads, emergency service vehicles, and other major items are planned for, procured, and financed by the City.

A CIP is the result of the preparation and updating of a plan listing all new major public facilities to be built, substantially remodeled, or purchased in a community within the next six years. Capital improvements are all major physical facility projects over and above annual operating expenses. A CIP establishes a schedule, or program, for each capital improvement project according to its priority in the community. The program also includes cost estimates and the sources of financing for each project. A six-year programming period is utilized in the City of Hart, although the CIP must be updated annually to reflect changing priorities and financial resources in the community.

The CIP plays a significant role in the implementation of the Master Plan by providing the link between planning and budgeting for capital projects. The CIP process precedes the budget process and is used to development capital project portion of the annual budget.

State Law

Article IV, Section 65 of the 2008 Michigan Planning Enabling Act (PA 33) provides the enabling authority for establishing a Capital Improvements Program as shown below:

“The capital improvements program shall show those public structures and improvements, in the general order of their priority, that in the commission's judgment will be needed or desirable and can be undertaken within the ensuing 6-year period. The capital improvements program shall be based upon the requirements of the local unit of government for all types of public structures and improvements. Consequently, each agency or department of the local unit of government with authority for public structures or improvements shall upon request furnish the planning commission with lists, plans, and estimates of time and cost of those public structures and improvements.”

Roles

City Manager

The City Manager serves as the project lead for completing the CIP and is responsible for organizing the department heads, mediating conflicts, and organizing the drafting of the plan to present to the Planning Commission and City Council.

Department Heads

The City department heads develop projects for their respective areas of focus for inclusion into the CIP based on known needs and projections.

- Superintendent, BioPure Treatment Facility
- Superintendent, Hydro Department
- Superintendent, DPW
- Police Chief
- Manager, Main Street Program

Planning Commission

In the City of Hart, the Planning Commission functions in an advisory role. Prior to recommending adoption of the CIP to the City Council, the Planning Commission will host a public meeting to receive input and feedback from citizen. The Planning Commission will provide a recommendation to the City Council regarding the CIP project list and priorities.

City Council

The City Council is the governing body which is given the authority of adopting the CIP into the City's municipal budget. It is customary for the CIP to be adopted just prior to the City's municipal budget being prepared and adopted.

Project Categories

The City's CIP includes nine main categories listed below. As a part of the CIP process, projects are developed by the City Manager and department heads on an annual basis to meet the goals of City Council and Master Plan, improve upon delivery of service, upgrade aging facilities and infrastructure, and to expand public facilities and parks.

1. **Public Works.** Projects under public works include the design, planning, and construction of streets, sidewalks, and general infrastructure for community facilities.
2. **Parks.** The City sets aside funds for improvement projects for all five City parks (Veteran's Memorial Park, Culver Pocket Park, Hart Commons, John Gurney, and Pointe Park) including design, planning, and construction of parking areas, walking paths, bridges, and structures. These capital projects are based on the recommendations of the Parks & Recreation Plan.
3. **Police.** Capital expenditures for the police department primarily include vehicles and equipment. These items are replaced on a rolling schedule (at least one new vehicle every two years).
4. **Hydro Electric.** Improvements to the City's hydro-electric system are necessary to ensure long-term provision of electrical power to area residents and businesses. Expenditures for the hydro-electric system typically include electric improvements, meter reading technology, new vehicles, and the reuse and refurbishment of decommissioned infrastructure.
5. **Water Pumping and Distribution.** In order to ensure the long-term provision of water service to existing and future residents and businesses, expenditures such as meter reading technology, repairs and maintenance, rehabilitation and repairs of wells, construction of water transmission

mains, and the design, planning, and construction of boost stations are needed. These projects are commonly identified in Water System Reliability Studies conducted by the City.

6. Sewer Collection. Similar to the water pumping and distribution system, the City depends on a well-functioning sewer collection system to ensure the health and safety of its residents and businesses. Common expenditure items under this category include the design, planning, and construction of sewer transmission mains, purchase of new equipment, and the construction or repair to lift stations.
7. BioPure Treatment. The BioPure system treats wastewater at the City's sewage treatment facility. Aeration of wastewater at and irrigation are key components of the system process and expenditures will commonly be earmarked for the maintenance and repair to these systems.
8. City Buildings. Intermittent improvements are required to keep City buildings in well-functioning and safe conditions. Expenditures commonly include efficiency improvements such as energy efficient windows, roof and siding maintenance, and the design, planning, and construction of new City buildings.
9. Historic District. The Hart Historic District is listed on both the National and State registries and includes structures dating back to as early as the 1880s. The district includes the areas of State Street (from Lincoln to Main), Washington Street (from Water to Dryden), Main Street (from 222 Main St. to Water), and Courtland Street (from Main to Washington). Due to this area's character and age, infrastructure investments such as sidewalks, curbs, and lighting are the greatest need.

Annual Process

Kickoff

An annual staff kickoff meeting is scheduled to begin the CIP process. The City Manager organizes a formal collaboration of the department heads to develop a project list.

Department Head Project List and Forms

The heads of all applicable City departments are asked to submit a list of projects which is developed in cooperation with City Manager. Capital improvement projects are identified and selected by completing project application forms by the heads of departments. These forms include necessary information such as the project name, estimated cost, description of the project, priority of the project, and justification for the expenditure.

Project Ranking and Justification

When projects are developed, they are prioritized into high and moderate classifications. High priority projects are critical to the delivery of public services. Moderate priority projects are important for long-term community sustainability. These rankings are first ranked by City staff based on priorities and available budget. Priority rankings do not necessarily correspond to funding sequence. A project's funding depends on a number of factors, not only its merit, but also its location, cost, funding source, and logistics.

Capital projects are based on a variety of sources such as the needs and goals outlined in the Master Plan or Parks & Recreation Plan, the common replacement schedule for various equipment and infrastructure, special studies, or other known needs.

Planning Commission Review

Once department heads and the City Manager have reviewed the submitted project forms and compiled the projects, the Planning Commission will review the CIP during a public meeting. Based on the review, the Planning Commission may give input and feedback as well as hear public comment before a recommendation is offered. By recommending the CIP, the Planning Commission acknowledges that these projects represent a reasonable interpretation of the upcoming needs for the community that projects contained in the first year of the plan are suitable for inclusion in the upcoming annual City budget. Once recommended by the Planning Commission, the plan then goes to City Council for final adoption.

City Council Approval

Final adoption of the CIP rests with City Council. City Council uses the CIP as a tool in the adoption of the annual City budget.

Funding

Because capital improvement projects involve the outlay of substantial public funds, numerous funding sources are necessary to provide financing over the life of the project. Most capital funding sources are earmarked for specific purposes and cannot be transferred from one capital program to another. The CIP is prepared with consideration to amount of money available. Below is a summary of the funding sources for projects included in the CIP.

- State contributions
- State revenue sharing
- Contributions from other local governments
- Property taxes
- Licenses and permits
- Other services
- Fines & forfeits
- Interest, rents & royalties
- Other revenue
- Transfers In
- Water, sewer, and electric sales

