



CAPITAL IMPROVEMENTS PROGRAM

2020 -2026

Administration Summary

Introduction

A Capital Improvement Program is a budgetary tool for planning a community's capital expenditures. It coordinates planning, financial capacity, and physical development, and will be used as a management tool for the budget and planning processes. Upon adoption by the City Council, the CIP becomes a statement of city policy regarding the timing, location, character, and funding of future capital projects. The CIP represents the City's best judgment at that time; future needs, financial constraints, and grant opportunities may result in programmatic changes over the six-year period.

Relationship between CIP and Master Plan

The Master Plan, as a whole, serves as a policy manual for the City. In turn, the CIP is used as a framework for the community to implement the Master Plan. According to the Michigan Planning Enabling Act (Public Act 33 of 2008), "to further the desirable future development of the local unit of government under the master plan, a planning commission, after adoption of a master plan, shall annually prepare a capital improvements program of public structures and improvements, unless the planning commission is exempted from this requirement by charter or otherwise."

Relationship Between CIP and Budget

The CIP makes capital spending more predictable and transparent. The CIP does not address all of the capital expenditures for the City, but provides for large, physical improvements that are permanent in nature or major equipment purchases that have high cost and a longer useful life. Capital planning identifies purchases of physical assets or construction, major repair, reconstruction, or replacement of capital items, such as buildings, utility systems, roadways, bridges, parks, heavy equipment, motor vehicles, and extensive internal office and technology hardware or systems. The intent is to have the first year of the CIP represent the proposed capital budget for the current fiscal year. The remaining years of the CIP serve as a financial plan for capital investments.

Policies

Capital projects and improvements are large expenditures that usual have a long economic life. For the City of River Rouge, the following CIP policies include:

1. Capital Improvements projects will be equal to or greater than \$5,000;
2. Projects will have an economic life greater than 5 years.
3. CIP projects will be focused on supporting the infrastructure needs of the City, such as, water, sewer, streets, and parks and trails.
4. CIP projects will be used in support of, and leverage for, economic development-related projects that provide additional tax base and jobs to the community.

Process

The preparation and adoption of the Capital Improvements Program follows the sequence of activities.

STEP 1: Projects are compiled by the City staff and elected officials, in conjunction with the City's engineering / planning consultants.

STEP 2: The CIP is submitted to the Planning Commission for review and comment.

STEP 3: The Planning Commission submits to the City Council its recommended CIP for City Council consideration.

STEP 4: The City Council, as part of the annual budget process, holds appropriate public hearings and adopts the CIP as part of the municipal budget process.

Timeline

In April 2019, the City initiated the CIP planning process. It was decided by the Mayor since River Rouge had not been in a fiscal position to consider a CIP in the past that a training session with the City administrative team would be beneficial. On April 16, 2019, representatives from Beckett & Raeder, conducted a training session with department heads and explained the benefits of a CIP and the process used to construct one. Project worksheets were distributed for the department heads to prepare their project requests.

Glossary

Capital Budget - The capital budget is the first-year budget of a capital improvements program. The capital budget will be funded in the community's annual budget

Capital Improvement Program - A tool to assess the long-term capital project requirements of a government agency. Capital project improvements are physical facilities which involve a substantial investment and last a long time. Examples include municipal buildings, municipal truck maintenance facility, park pavilion, new bridge, road, sidewalk or sewer line, and large pieces of equipment, like a ladder truck for the fire department.

Capital Outlay - A capital outlay is any non-major capital expenditure having a service life of 2 years or more and a value usually less than \$1,000. Examples include office equipment, small tools, etc.

Capital Project - A capital project is a major capital expenditure at least \$15,000, and having an economic life greater than 5 years, to acquire, develop, improve, and/or maintain a capital asset (such as land, buildings, parks, roads, water and sanitary sewer facilities).

CIP - This is an acronym for Capital Improvement Program.

Operating Expenses - These are normal annual expenditures for such items as pothole repair, gravel, office copy machine, and library books. Operating expenses are not capital improvements.

Administrative Parameters

Categories:

- (AD) Administrative Services
- (PW) Public Works
- (PS) Public Safety
- (SW) Sewer/Water
- (TI) Transportation Infrastructure

Funding Sources:

- General Fund
- Forfeiture Fund
- Water Fund
- Local Street Fund
- State and Federal Grants

Priority:

- (1) High
- (2) Medium
- (3) Low

Timeframe:

- FY 2020 - 2021
- FY 2021 - 2022
- FY 2022 - 2023
- FY 2023 - 2024
- FY 2024 - 2025
- FY 2025 - 2026

CIP Budget and Plan by Department

		1	2	3	4	5	6
		FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY 2025-26
Assessing Department							
Office Renovation	AD	\$ 10,000					
City Clerk							
Election Place	AD	\$ 25,000					
Department of Public Works							
Bobcat	PW		\$ 80,000				
Dump Truck 4 x 4	PW		\$ 37,000				
Pick-Up Trucks (3)	PW		\$ 32,000	\$ 64,000			
Legal Services							
Charter Revision	AD	\$ 25,000					
Public Safety - Fire Divisions							
Fire Truck	PS					\$ 600,000	
Public Safety - Police Division							
Department Renovation	PS	\$ 155,000					
Patrol Fleet			\$ 95,800	\$ 95,800	\$ 95,800		
Water - Sewer Department							
Dump Truck F550	SW	\$ 80,000					
Annual CIP Budget		\$ 295,000	\$ 244,800	\$ 159,800	\$ 95,800	\$ 600,000	\$ -

CIP Budget and Plan by Category

	1	2	3	4	5	6
	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY 2025-26
Adminstrative						
Office Renovation	\$ 10,000					
Election Place	\$ 25,000					
Charter Revision	\$ 25,000					
Subtotal	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -
Public Works						
Bobcat		\$ 80,000				
Dump Truck 4 x 4		\$ 37,000				
Pick-Up Trucks (3)		\$ 32,000	\$ 64,000			
Subtotal	\$ -	\$ 149,000	\$ 64,000	\$ -	\$ -	\$ -
Public Safety						
Fire Truck					\$ 600,000	
Department Renovation	\$ 155,000					
Patrol Fleet		\$ 95,800	\$ 95,800	\$ 95,800		
Subtotal	\$ 155,000	\$ 95,800	\$ 95,800	\$ 95,800	\$ 600,000	\$ -
Sewer/Water						
Dump Truck F550	\$ 80,000					
Subtotal	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -
Annual CIP Budget	\$ 295,000	\$ 244,800	\$ 159,800	\$ 95,800	\$ 600,000	\$ -

Project Summaries

CITY OF RIVER ROUGE
 CAPITAL IMPROVEMENT PROGRAM BUDGET WORKSHEET
 2020- 2025

This form must be completed for each project that is submitted for capital improvement budget consideration. A capital improvement project is defined as any project that is over \$10,000 with a useful life of at least five years.

Department Name	Assessing
Project Title	Office Renovation
Quantity	
Project Useful Life (Years)	10-15 Years
Cost Estimate	\$ 10,000
Project Year (i.e. 2019, 2020)	2021
Source of Funding	General Fund
Purpose of Expenditure	Replace ceiling tiles in front and back office. Purchase of two (2) new file cabinets.
Project Justification	Improve office functionality.
Other Comments	

CITY OF RIVER ROUGE
 CAPITAL IMPROVEMENT PROGRAM BUDGET WORKSHEET
 2020- 2025

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Department Name	City Clerk
Project Title	Election Place – Precincts 1,2, and 3
Quantity	
Project Useful Life (Years)	20 Years
Cost Estimate	\$ 25,000
Project Year (i.e. 2019, 2020)	2020
Source of Funding	
Purpose of Expenditure	Need building to house election precinct. Need space to set-up three (3) precincts. Facility also needs to have restroom, heat and water.
Project Justification	Election Law
Other Comments	Riney Hall is current polling location. Slated for demolition.

CITY OF RIVER ROUGE
 CAPITAL IMPROVEMENT PROGRAM BUDGET WORKSHEET
 2020- 2025

This form must be completed for each project that is submitted for capital improvement budget consideration. A capital improvement project is defined as any project that is over \$10,000 with a useful life of at least five years.

Department Name	Department of Public Works
Project Title	Bobcat
Quantity	1
Project Useful Life (Years)	20 Years
Cost Estimate	\$ 80,000
Project Year (i.e. 2019, 2020)	2021
Source of Funding	
Purpose of Expenditure	Acquire new service vehicle
Project Justification	Needed for maintenance projects
Other Comments	

CITY OF RIVER ROUGE
 CAPITAL IMPROVEMENT PROGRAM BUDGET WORKSHEET
 2020- 2025

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Department Name	Department of Public Works
Project Title	Dump Truck 4 x 4
Quantity	1
Project Useful Life (Years)	20-25 Years
Cost Estimate	\$ 37,000
Project Year (i.e. 2019, 2020)	2021
Source of Funding	
Purpose of Expenditure	Acquire new service vehicle
Project Justification	Current vehicle is functionally obsolete
Other Comments	

CITY OF RIVER ROUGE
 CAPITAL IMPROVEMENT PROGRAM BUDGET WORKSHEET
 2020- 2025

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Department Name	Department of Public Works
Project Title	Pick-Up Trucks
Quantity	3
Project Useful Life (Years)	20 Years
Cost Estimate	\$ 96,000
Project Year (i.e. 2019, 2020)	2020 - 2021
Source of Funding	
Purpose of Expenditure	Replace current equipment. Trucks used for routine maintenance services.
Project Justification	Replace functionally obsolete vehicles.
Other Comments	

CITY OF RIVER ROUGE
 CAPITAL IMPROVEMENT PROGRAM BUDGET WORKSHEET
 2020- 2025

This form must be completed for each project that is submitted for capital improvement budget consideration. A capital improvement project is defined as any project that is over \$10,000 with a useful life of at least five years.

Department Name	Public Safety – Fire Division
Project Title	Fire Truck
Quantity	1
Project Useful Life (Years)	25 Years
Cost Estimate	\$ 600,000
Project Year (i.e. 2019, 2020)	2025
Source of Funding	General Fund / Purchase Installment
Purpose of Expenditure	Purchase of a fire truck due to National Fire Protection Association (NFPA) recommendation. One of our fire trucks is a 2000 KME and will be at end of life in 2025.
Project Justification	NFPA recommends no fire struck should be used after a 25 year life.
Other Comments	

CITY OF RIVER ROUGE
 CAPITAL IMPROVEMENT PROGRAM BUDGET WORKSHEET
 2020- 2025

This form must be completed for each project that is submitted for capital improvement budget consideration. A capital improvement project is defined as any project that is over \$10,000 with a useful life of at least five years.

Department Name	Legal Services
Project Title	Charter Revision
Quantity	1
Project Useful Life (Years)	50 Years
Cost Estimate	\$ 25,000
Project Year (i.e. 2019, 2020)	2020
Source of Funding	General Fund
Purpose of Expenditure	The Charter is currently an obsolete version from the 1950's.
Project Justification	Need to have a Charter that is consistent with the needs of the City.
Other Comments	

CITY OF RIVER ROUGE
 CAPITAL IMPROVEMENT PROGRAM BUDGET WORKSHEET
 2020- 2025

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Department Name	Public Safety – Police Division
Project Title	Public Safety Department
Quantity	1
Project Useful Life (Years)	20 Years
Cost Estimate	\$ 155,000
Project Year (i.e. 2019, 2020)	2019 - 2020
Source of Funding	General Fund / Forfeiture Fund / Grants
Purpose of Expenditure	Public Safety
Project Justification	To provide the City of River Rouge with more efficient and effective police and fire response.
Other Comments	To prepare for possible consolidations of police and fire services with local jurisdictions. \$41,000 for console dispatch and furniture. \$115,000 OSSI services. Dispatch hardware and replacement. Computer asided dispatch equipment.

CITY OF RIVER ROUGE
 CAPITAL IMPROVEMENT PROGRAM BUDGET WORKSHEET
 2020- 2025

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Department Name	Public Safety – Police Division
Project Title	Patrol Fleet
Quantity	8
Project Useful Life (Years)	TBD
Cost Estimate	\$ 385,000
Project Year (i.e. 2019, 2020)	2020-2023
Source of Funding	General Fund / Forfeiture / Grants
Purpose of Expenditure	Public Safety
Project Justification	To properly ensure public safety vehicles for patrol and fire services.
Other Comments	2 police vehicles per year at a yearly rate of \$96,000 8 vehicles: total 2 per year starting the 2020 to 2023. State of Michigan price per vehicle is \$36,500. Radio equipment / lights / computer per vehicle is \$11,400.00

CITY OF RIVER ROUGE
 CAPITAL IMPROVEMENT PROGRAM BUDGET WORKSHEET
 2020- 2025

This form must be completed for each project that is submitted for capital improvement budget consideration. A capital improvement project is defined as any project that is over \$10,000 with a useful life of at least five years.

Department Name	Water / Sewer
Project Title	Dump Truck F550
Quantity	1
Project Useful Life (Years)	20 Years
Cost Estimate	\$ 80,000
Project Year (i.e. 2019, 2020)	2020 - 2021
Source of Funding	Water and Sewer Funds
Purpose of Expenditure	Needed for sewer and water repairs.
Project Justification	Needed badly. Don't have one available at all.
Other Comments	