



AGENDA
CITY OF CHARLEVOIX CITY COUNCIL WORK SESSION
Monday, December 18, 2017- 5:00 PM
Council Chambers, 210 State Street, Charlevoix, MI

- 1. Roll Call**
- 2. All Other Actions and Requests**
 - A. Review of 2017 Goals
 - B. Updating Goals
- 3. Adjourn**

The City of Charlevoix will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities at the meeting upon one weeks' notice to the City of Charlevoix. Individuals with disabilities requiring auxiliary aids or services should contact the City of Charlevoix Clerk's Office in writing or calling the following: City Clerk, 210 State Street, Charlevoix, MI 49720 (231) 547-3250.

CHARLEVOIX CITY COUNCIL

All Other Actions and Requests

TITLE: Review of 2017 Goals

DATE: December 18, 2017

PRESENTED BY: Mark L. Heydlauff, City Manager

BACKGROUND:

In January, Council adopted the attached goals for the coming year. In November, I provided Council the attached memo discussing how we had accomplished, made progress on them, or moved on to other priorities. I would suggest we discuss what we have or have not achieved before moving on to discussing our goals for the future.

ATTACHMENTS:

- ▣ 2017 City Goals
- ▣ 2017 Goal Report

City of Charlevoix

2017-2018 City Council Goals

Ensure Charlevoix is environmentally sustainable while also economically viable

Charlevoix should be a leader in using renewable energy to meet the demands of our electric customers and to protect our natural resources. Our built infrastructure should incorporate design standards that protect our waterways, preserve our trees, and encourage healthy living. Recycling, energy optimization, and water conservation will be encouraged.

Action steps:

- Schedule a work session to learn about these topics (Michigan Environmental Council, Tip of the Mitt Watershed Council, and others)
- Set an attainable and economically viable goal of powering all City-owned facilities with renewable energy
- Develop a program for electric customers to cooperate and invest in solar and wind generation projects
- Consider ordinance changes in support of the Lake Charlevoix Watershed Plan and improve storm water effluent
- Improve the availability of recycling receptacles throughout the community- especially downtown
- Plan for non-motorized trails, bike parking, and pedestrian-friendly design in infrastructure projects where appropriate

Include the senior citizen community in all public events and activities

We have a growing senior citizen population and it is important for all members of the community to enjoy the quality of life we offer. Public facilities, especially parks, should have activities available for all ages and ability levels.

Action steps:

- Work with the Charlevoix County Transit Authority to provide shuttles during special events to provide remote parking and ease of transit
- Consider a survey to see what additional activities are desired- especially for senior citizens
- Develop a policy requiring all festivals and special events who use public spaces to provide a statement of inclusion for senior citizens
- Consider adding activities in East Park and Bridge Park like shuffle board and concrete checker and chess boards

Develop and maintain long-term infrastructure plans

As a progressive, year-round community, Charlevoix's infrastructure must be reliable in all weather conditions and should deliver the services required by our population.

Action steps:

- Develop and continually maintain a long-range plan of street and utility upgrades that can be used for planning and capital budget development
- Develop a plan for implementing city-wide Wi-Fi and other technological benefits for our permanent residents, visitors, and seasonal residents
- Obtain more information about and explore professional consultation for adding heated sidewalks in the downtown
- Improve the snow and ice clearing from sidewalks throughout the community by working with property owners

Provide strong stewardship of public resources and promote good governance

We will seek collaboration with other entities around the area and look for ways to efficiently provide the quality services the community expects. Charlevoix government should be organized around gathering public input and effectively giving staff and Council good recommendations for public policy.

Action steps:

- Assess our committees, boards, and commission to determine continued need and whether restructuring is appropriate
- Consider amending the Shade Tree Ordinance to expand the mission of the Shade Tree Commission to protect the long-term condition of our parks
- Draft a charter amendment to increase the protections for all of our parks while ensuring local enjoyment of these resources in perpetuity
- Provide appropriate fire protection for the community that recognizes pro-active fire prevention measures and collaboration with neighboring municipalities
- Improve the City's website and include more information for those seeking to live, visit, and build a business in Charlevoix; include ways for residents to keep in contact with the City through electronic methods

Enhance and showcase the outstanding quality of life in Charlevoix

Charlevoix is well known as one of the premiere resort communities on the Great Lakes but of equal importance is that it is home to our residents. We cannot lose sight of our community being "home." One of our strongest attributes is the many activities and amenities offered; we should support these and build upon them.

Action steps:

- Recognize the role of our cultural corridor institutions (Charlevoix Public Library, Circle of Arts, and Historical Society) and build on their programming
- Encourage more outdoor dining and placemaking settings that showcase the unique geography, architecture, and programming of Charlevoix
- Collaborate with Charlevoix Township on the development of a dog park and a dog beach to help residents enjoy public spaces with their four-legged friends
- Enhance existing recreation options by opening the pier for jumping at Ferry Beach and considering tubing at Mt. McSaub



Memo

TO: The Honorable Mayor Luther Kurtz and the Charlevoix City Council

FROM: Mark L. Heydlauff, City Manager

RE: Progress on City Goals

DATE: November 16, 2017

As I ask Department Heads to begin preparation of proposed budgets and we think about the plans for the next budget, I think it is an appropriate time for us to consider the status and progress on goals Council set in January. I believe Council wisely set five areas of focus for the City and then outlined potential action steps to explore. I've listed each goal below followed by actions we've taken toward that area and then some thoughts on how we can continue to work toward action in that area.

Ensure Charlevoix is environmentally sustainable while also economically viable

Progress areas:

- The Tip of the Mitt Watershed Council has been organizing a loose group of leaders in Northwest Michigan to talk about environmental sustainability and how joint efforts might make these viable in the region. While there are no concrete steps, it has been informative to hear how other peer communities, specifically Petoskey and Traverse City, have been considering sustainability matters, especially in power generation and distribution. Since Petoskey, Harbor Springs, Traverse City and Charlevoix are municipal power companies, we have good opportunities to think collectively about these matters.
- As a member of the Michigan Public Power Agency (MPPA), we are provided a variety of services and options to help us stay abreast of changing State regulations. As you know, earlier this year we purchased a stake in a wind generation facility in the thumb to help us continue meeting our green energy requirements already enshrined in State law.
- MPPA has recently begun work on a program that would allow our customers to opt-in to paying rates designed to make their energy entirely renewable. This grows out of State law but we believe it is a good way to balance the goals of environmental sustainability with the economics of energy production.
- Our Solid Waste Ad-Hoc Committee, being led with the insight of our Staff Planner Sarah Lucas, is working on thinking through our community's waste from a holistic perspective - large item collection, garbage, recycling, and yard waste. I think a well-constructed plan implemented in the years ahead could be a good way to address a variety of issues related to recycling especially.

Future considerations:

- Much of the focus in this area is on green energy but I think we could also think more about ways to improve our waterways. This could include continued efforts on cleaning the effluent of storm water into the lakes and diverting it to alternative sources (like rain gardens). Water conservation is also an item to consider since it has the effect of helping residents reduce their water bill and lower the volume of water we treat.
- I believe Council would benefit from more education on these topics and I would still like to plan some kind of work session targeted around these topics.

Include the senior community in all public events and activities

Progress areas:

- In May, we teamed with Munson Healthcare Charlevoix Hospital and the Charlevoix District Library to host a Senior Forum. This was a way to gather input from our senior population on a range of issues based on the Age Friendly Communities guidelines from the World Health Organization. We do have a baseline of information now from this forum but we have not actively taken steps to implement these things.
- We have had many conversations with Charlevoix County Transit on creating a bus shuttle system for the summer and targeting special events. Staffing challenges for them did not make this possible during the summer, but we did have a shuttle in place during Apple Fest this year. It was arranged at the last minute but we did see nearly 200 people take advantage of the service, primarily on Friday and Saturday of the Festival. I think this is a good basis for future growth, especially with more planning and consideration for improvement in future years.

Future considerations:

- One topic that has come up occasionally is to provide priority parking spaces for seniors. This could be done without making more handicap spaces but simply by installing signage designating them. Compliance would likely be on the honor system much like some retailers will have “expectant mother” parking, but it is an acknowledgment that, as a community, we value our older residents and want to create a convenient experience for them.
- While not specifically age related, I think we should pursue opportunities to make our beaches and parks more accessible. Installing a mat on the sand at Michigan Beach would allow those with mobility challenges better access to the water and beach. Similarly, devices can also be installed that make it easier for those with mobility challenges to use paddle sports like kayaks.

Develop and maintain long-term infrastructure plans

Progress areas:

- The installation of a new WiFi at the Marina and East Park was an accomplishment for the year but it was not seamless. I believe it will take some more time to work with our vendor to adjust capacity issues. We also added full-service public WiFi in City Hall which is a strong benefit toward making meeting packets available to the public during Council meetings with some members of the public using their own devices to access your meeting packets, while the meeting is underway. We are further exploring how to make a hard-wire connection to the Merit Fiber network at the County Building. Doing this will open up greater opportunities to connect our various sites and thus build the backbone of a larger community network. I believe this is still the right path to pursue since it extends fiber service around the community and will make our internal operations more efficient. I did, however, hear a cautionary tale at the 2017 ICMA Convention that many communities, who set out to create their own public broadband

networks, ended up turning them over to private companies because they found local government was not well suited for operating a network like this. We should continue to study this as we move forward. On a related note, we have now completed the fiber build-out in the business park. This will open the door for those businesses to connect to fiber networks as well which is a critical competitive advantage for modern technology.

- We have made significant strides on improving our infrastructure over the past couple of years. Combining investments at our Water Plant, in-ground utility upgrades, and street improvements, we have spent over \$5 million to strengthen our infrastructure but more work is needed. I would suggest we have a work session in the next couple of months to review future plans.

Future considerations:

- Recent natural disasters and even smaller-scale, regional challenges show the need to evaluate the redundancy of systems. I think it would be prudent for us to explore our external power connection, water intake, and other key points of infrastructure. We are also exploring increasing the redundancy of some of our channel crossings. None of these infrastructure items are in immediate risk but it is important to think about costs if some of these connections were damaged or lost for a period of time and how we would react.
- Early in December, we plan to have Northwest Design Group present to Council their findings on a combined public services facility. I think moving forward on this will be a good way to protect the investment we have made in equipment and also to be more efficient in how we support our resources. I look forward to the prospect of moving forward on this within the next couple of years.

Provide strong stewardship of government resources and promote good governance

Progress areas:

- We made two strong areas of progress for this goal in 2017 with the merging of our Fire Department with Charlevoix Township. I believe this partnership has been a major accomplishment of this Council and applaud your willingness to break down barriers with our neighbors for the benefit of our taxpayers. We will continue to evaluate our resources to right-size our fleet in light of our joint resources. Furthermore, our citizens approved a Charter amendment regarding the protection of our parks. Again, I applaud Council on your willingness to find a way to collaboratively respond to concerns about our parks for the future.
- Similarly, I believe we're making good progress toward enhancing our website. An RFP is out currently for the redesign of the site and we have already moved forward toward rebranding it as Charlevoixmi.gov along with a new email system. We are also in the process of digitizing and recodifying our City Code and having it available on the website. The switch to paperless packets has increased our transparency and helped residents see the same documents you consider when making decisions. I applaud Council on your openness and willingness to try new technologies. While it takes sometime to get familiar, I believe we are in a better shape for the long-run. Just recently, we have also engaged Munetrix, a firm specializing in performance reporting, to help us improve the performance dashboards and financial reports we include on our website. I believe they will help Council and residents better understand how public resources are used.

Future considerations:

- The longer I have been in Charlevoix, the more I have recognized the lack of staff capacity we have. The Department of Public Works is down several staff members from 15 years ago; we have reduced our Planning/Zoning Department staff; and, we frequently rely on our partners at the Chamber of Commerce and Convention and Visitors Bureau for assistance with Main Street and economic development related priorities. I believe these choices have been correct to deal with funding situations but I also believe there are technological advances we can also make to increase the efficiency of our staff. I would like to pursue a greater role for GIS software, productivity software, and also a greater role for our employees to suggest and implement their own ways to improve our services. We have, I believe, successfully engaged outside vendors like Networks Northwest to provide critical services. I expect arrangements like this to continue as available but it does not replace the critical role our staff play. Additionally, I'd like to see us learn from our peers by benchmarking our service delivery indicators with those of other communities in Michigan and across the country. This is made possible by an ICMA benchmarking program that tracks 80 measures of municipal performance. We need to ultimately strive for what's right for our community but we ought to also consider how we can improve performance.

Enhance and showcase the outstanding quality of life in Charlevoix

Progress areas:

- As Council is well aware, we are currently discussing how best to enhance our recreational options by exploring pier jumping either from Michigan Beach or Ferry Beach. We have included the restoration of the Ferry Beach pier in our Capital Improvement Plan and thus could include it in the FY 2019 Budget, if Council so desired. I look forward to our Public Hearing on November 20 for more community input.
- By my count, our downtown has five more restaurants now than one year ago. Vacancies are low and we continue to have people interested in starting or expanding their business in Charlevoix.
- Lindsey Dotson has been a great addition to our Main Street program and I believe she is doing a good job coordinating volunteers for growth in our downtown which is infectious for the rest of the community.

Future considerations:

- I would recommend we continue pursuing collaboration with Charlevoix Township on various projects including a dog park along with joint zoning changes that might make it easier whether someone is located in the township or the City.
- Non golf areas of our golf course might make ideal areas for future housing growth to deal with the housing shortage we have in the community. By deed restricting these and controlling some design elements to make them owner occupied, we might be able to create a moderately dense housing community that would be appealing for those at various income and housing needs.
- While not easily solved, I believe our continued growth and prosperity is significantly inhibited by the shortage of housing and, by extension, workers. We are effectively drawing in new guests and seasonal residents but we struggle to provide the workforce needed to service their needs. This is a problem of housing, labor, and skill. This is not easily solved and will take the cooperation of many stakeholders.

I look forward to a conversation with Council on how we can continue improving our government and maintaining Charlevoix's status as a premiere resource community on the Great Lakes. We have significant resources to help our community continue moving forward. To me, it is exciting to think how we have made progress and the ways we can continue improving.

CHARLEVOIX CITY COUNCIL

All Other Actions and Requests

TITLE: Updating Goals

DATE: December 18, 2017

PRESENTED BY: Mark L. Heydlauff, City Manager

BACKGROUND:

As discussed in the previous item, I believe we have made progress toward achieving some of our goals and perhaps our goals have changed to some extent. I would suggest updating our goals going forward by keeping the five broad areas we've identified but perhaps changing the action steps associated with them. I've also attached our Capital Budget Document to highlight items already identified for the future.

ATTACHMENTS:

- ▣ Charlevoix Tomorrow- Capital Budget and Future Plans

Charlevoix Tomorrow

A summary of plans, goals, and opportunities for the future of our community

Introduction

In an effort to constantly stay focused on the future of our community and compile the essence of the direction of Charlevoix City Government, this document is intended to annually summarize the goals of the City Council, the development goals of our Master Plan, and the future capital investments for the long-term sustainability of our community.

2017-2018 City Council Goals

As approved on January 16, 2017, the City Council of the City of Charlevoix has adopted the following five items as goals for the future and has directed City Staff to explore a variety of action steps toward accomplishing these goals.

Ensure Charlevoix is environmentally sustainable while also economically viable

Charlevoix should be a leader in using renewable energy to meet the demands of our electric customers and to protect our natural resources. Our built infrastructure should incorporate design standards that protect our waterways, preserve our trees, and encourage healthy living. Recycling, energy optimization, and water conservation will be encouraged.

Include the senior citizen community in all public events and activities

We have a growing senior citizen population and it is important for all members of the community to enjoy the quality of life we offer. Public facilities, especially parks, should have activities available for all ages and ability level.

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Provide strong stewardship of public resources and promote good governance

We will seek collaboration with other entities around the area and look for ways to efficiently provide the quality services the community expects. Charlevoix government should be organized around gathering public input and effectively giving staff and Council good recommendations for public policy.

Enhance and showcase the outstanding quality of life in Charlevoix

Charlevoix is well known as one of the premiere resort communities on the Great Lakes but of equal importance is that it is home to our residents. We cannot lose sight of our community being "home." One of our strongest attributes is the many activities and amenities offered; we should support these and build upon them.

2016 Land Use Master Plan Vision Statement & Development Strategy

Master Plan Vision Statement

Charlevoix will strive to be the focal point for the region and build on its distinctive character, downtown, and diverse neighborhoods; while respecting its unique setting and environment and creating a foundation for future economic prosperity and personal success.

Development Strategy

- Continue collaboration with the Charlevoix Area Chamber of Commerce, CVB (Convention and Visitors Bureau), local governments, and the business community regarding regional economic development.
- Support efforts to implement the Regional Comprehensive Development Strategy (CEDS) put out by Networks Northwest, designed to retain, grow, and attract new business.
- Pursue goals outlined in the Economic Development Strategy prepared by the Chesapeake Group (2015).
- Aggressively market and provide incentives to businesses in emerging industries.
- Support and promote technological advances, such as high speed internet and fiber optic networks in Charlevoix to encourage economic development.
- Evaluate, and if necessary, amend the Industrial Tax Abatement Program so that Charlevoix remains competitive.
- Coordinate with Charlevoix Township, community leaders, and property owners to plan for and promote future development.
- Work with surrounding townships to identify other suitable areas for economic development; explore 425 agreements where appropriate.
- Explore a program to waive or reduce utility extension, or hookup fees for businesses seeking to expand.
- Continue to support and promote expanding Coast Guard operations in Charlevoix.

The full text of the City of Charlevoix 2016 Land Use Master Plan can be found online at www.cityofcharlevoix.org/city-departments/planning-department.html.

Prime Sites for Future Growth or Redevelopment

In keeping with the Master Plan, the following sites have been identified for their potential as sites of redevelopment or future growth. While these sites are listed, the City welcomes development and redevelopment throughout the community in keeping with the Master Plan and the City of Charlevoix Zoning Code. Except for the Charlevoix Municipal Airport, the City does not own these sites and they are subject to the unique development decisions of their private owners.

<u>Development Site</u>	<u>Current Use</u>	<u>Reuse Prospect(s)</u>
Lodge Hotel (Dixon and Michigan)	Hotel	Mixed use residential, commercial
Vacant land (Hurlbut and State)	Vacant	Mixed use residential, commercial
Ackerman Building (Bridge Street)	Fire Damaged	Mixed use residential, commercial
Trademark Properties (Bridge Street)	Fire Damaged	Mixed use residential, commercial

Prime Sites for Future Growth or Redevelopment (continued)

<u>Development Site</u>	<u>Current Use</u>	<u>Reuse Prospect(s)</u>
Vacant land (Division Street)	Vacant	Single or multi-family residential
Former Destaco Building (Taylor Road)	Former industrial	Light manufacturing
Vacant land (Industrial/Business Park)	Vacant	Light manufacturing, tech industry
Charlevoix Municipal Airport	Airport	Aviation businesses, hangars
Philips Station (Petoskey Avenue)	Private storage	Commercial
Former Roadhouse (Petoskey Avenue)	Former restaurant	Commercial

In most, cases the public infrastructure serving these sites is sufficient for reuse and development prospects identified for them. The Capital Improvement Plans can be amended to accommodate needs identified in specific development or redevelopment circumstances.

Capital Budget & Improvement Plan

Pursuant to the Charlevoix City Charter and the Michigan Planning and Zoning Enabling Act, the City must maintain an annually updated plan for capital improvements in the future. For street and utility work, all utilities and pavement quality will be assessed when performing any kind of repair or upgrade to maximize the efficiency of construction.

2017-2018 Capital Projects (included in Operating Budget)

City Hall Chiller Replacement Estimated cost: \$175,000

Due to age and failing service, the chiller in the City Hall HVAC system should be replaced. This should improve reliability and reduce energy consumption. There are no tax implications for this expenditure and annual costs for utilities will be within existing margins, if not reduced. Payment will be made from existing reserves.

Playground at Lake Michigan Beach Estimated cost: \$92,000

To improve the recreation opportunities for all in the community, an accessible playground will be constructed at Lake Michigan Beach Park. There are no tax implications for this expenditure and annual expenses associated with this playground are not likely to exceed \$1,500. Payment for this project will come from a Michigan Recreation Trust Fund Grant, a Charlevoix County Recreation Millage Grant, and City reserves. Additional funding is being sought from the Charlevoix County Community Foundation and the Health Department of Northwest Michigan.

Tennis/Basketball Court Restoration Estimated cost: \$52,000

In order to improve safety and usability, the tennis courts on Elm Street and basketball courts at Ferry Beach and Mt. McSauba will be resurfaced. Striping of the tennis courts will consider the shared use of these courts with the Charlevoix Township courts on Waller Road for use for both pickle ball and tennis. There are no tax implications for this project and funding will come from existing reserves and the general operating levy appropriated to the Recreation Department.

Taxiway A Rehabilitation Construction Estimated cost: \$1,061,000

As part of ongoing maintenance at the Charlevoix Municipal Airport, Taxiway A will be rehabilitated for long-term viability. There are no tax implications for this project. 90% of the cost will be paid by the Federal Aviation Administration; the Michigan Department of Transportation will pay 5% of the cost with the Airport paying the remaining \$53,050 from operating revenue and reserves. If necessary, Public Improvement Fund #6 will fund any remaining costs.

Taxiway A Lighting Estimated Cost: \$229,000

Taxiway A lighting will improve the quality of light and safety of air traffic at the Charlevoix Municipal Airport. There are no tax implications for this project. 90% of the cost will be paid by the Federal Aviation Administration; the Michigan Department of Transportation will pay 5% of the cost with the Airport paying the remaining \$11,450. Public Improvement Fund #6 will fund any remaining costs.

Runways 9 & 27 REIL Replacement Estimated cost: \$30,000

The Runway End Identifier Lights (REIL) are due for replacement to provide a safe environment for air traffic at the Charlevoix Municipal Airport. There are no tax implications for this project. 90% of the cost will be paid by the Federal Aviation Administration; the Michigan Department of Transportation will pay 5% with the Airport paying the remaining \$1,500 from operating revenue and reserves. If necessary, Public Improvement Fund #6 will fund any remaining costs.

Street Reconstruction Estimated cost: \$1.2 million

Fully rebuild above-ground infrastructure and replace existing utilities under the following streets:

- Hurlbut Street (from Bridge to State)
- Antrim Street (from Bridge to State)
- Prospect Street (from Dixon to Petoskey)

Once complete, these streets will better service the water and sewer needs of adjoining properties and will carry traffic more smoothly. Similar work is being performed on all sites in order to realize economies of scale. The project will be funded with remaining funds from the Series 2016 Charlevoix Infrastructure improvement Bonds. These bonds mature in 15 years and are backed by the taxing authority of the City of Charlevoix. Specifically, the Infrastructure Levy, currently in place, is assumed to provide revenue necessary to make bond payments along with the City portion of the Charlevoix County Road Millage which will provide revenue until 2022. Operating costs are minimal but repair costs for underground utilities should decrease with new piping. Pavement will be maintained using existing asset management practices.

Street Paving Estimated cost: \$400,000

Based on costs, several blocks of city streets will receive partial or full paving overlay treatments to address cosmetic improvements; streets will be chosen based on PASER ratings and expected future underground utility upgrade needs. There are no tax implications for this project and it will be funded from cash on hand in the Public Infrastructure Funds.

Vehicle Replacements

Estimated cost: \$271,300

Annually, we update our fleet as needed based on replacement schedules. This amount is the total anticipated though each vehicle will only be replaced if needed. There are no tax implications and the vehicle purchases will all be made from cash reserves- primarily held in the Motor Pool Fund.

Water Treatment Plant Capital Improvements Estimated cost: \$ 512,000

The Water Treatment Plant is nearly 30 years old and is requiring some extensive capital improvements so that it continues to provide quality water supply and meet ever more stringent environmental standards from the Michigan Department of Environmental Quality. In 2015, Prein & Newhof created a Plant Reliability Study that outlined future replacement plans for the plant. The following projects are planned for 2017-2018:

- Rebuild High Service Pumps \$20,000
- Filter Flocculator Replacement \$350,000
- Control System Replacement \$25,000
- Roof Replacement \$32,000
- Filter Media Replacement \$75,000
- Security improvements \$10,000

There are no tax implications though capital improvements like these are part of the necessity to reevaluate water rates annually.

Water Treatment Plant Back-up Generator Estimated cost: \$320,000

The existing Water Treatment Plant Back-up Generator is a World War II era machine taken as surplus from a military ship and is prone to frequent repairs and does not serve the water system well. It will be replaced with a modern machine capable of fully powering the plant. There are no tax implications though capital improvements like this are part of the necessity to reevaluate water rates annually. Funds for this will come from a loan that will need to be made from the Electric Fund to the Water Fund. Annual payments with interest will be made from Water Capital Replacement. This plan will require a budget amendment once the full-costs are returned.

Electric Capital Improvements

Estimated cost: \$ 225,000

As part of maintaining our electric distribution system, we plan to install various improvements and replacements in the system including 12kv3 upgrades, LED streetlights, and other routine supplies used to maintain the system. There are no tax implications for these projects though it is important to maintain adequate rates to support long-term improvements. Funds will come from operating revenue allocated to capital replacement and some cash reserves.

Remote Communication Upgrades

Estimated cost: \$60,000

In order to improve the reliability of connections, we plan to upgrade the communications between remote assets and the Wastewater Treatment Plant. This will lower operating costs for traditional phone lines and enhance control functions. There are no tax implications though capital improvements like this are part of the necessity to reevaluate sewer rates annually.

Retaining Wall at Ferry and Stover

Estimated cost: \$25,000

This wall will improve the look and stability of soil at this intersection. There are no tax implications and funds for this project will come from the Local Street Fund derived from Gas and Weight Tax Revenue distributed under Act 51.

2018-2019 Capital Projects**Sodium Hypochlorite System for Disinfection**

Estimated cost: \$400,000

This would enhance the disinfection capabilities of the water plant and was recommended in the 2015 Water Plant Reliability Study performed by Prein & Newhof. There are no tax implications for this project since it is funded with revenue derived from water rates and funds will be available in fund reserves by the time the project is launched.

Electric Capital Improvements

Estimated cost: \$ 225,000

As part of maintaining our electric distribution system, we plan to install various improvements and replacements in the system including 12kv3 upgrades, LED streetlights, and other routine supplies used to maintain the system. There are no tax implications for these projects though it is important to maintain adequate rates to support long-term improvements. Funds will come from operating revenue allocated to capital replacement and some cash reserves.

Wastewater Treatment Plant Improvements

Estimated cost: \$292,560

Periodic and routine capital maintenance is necessary to preserve the work that has been done at our Wastewater Treatment Plant. There are no tax implications for this project since the WWTP is funded with wastewater rates. Ongoing maintenance will be minimal, if not reduced, since this is upkeep of existing equipment.

Sewer Collection System/Lift Stations

Estimated cost: \$241,000

This amount is allocated to make capital improvements to the sewer collection system and/or necessary improvements to the lift station system. Currently the City is working with Prein & Newhof on an asset management plan for these systems and that plan will better guide the projects conducted going forward. There are no tax implications for these projects since revenue from Sewer rates pays for expenses like this.

Construct Combined Public Services Facility

Estimated cost: \$TBD

In 2016, the City retained Northwest Design Group to provide conceptual consulting and estimates for a joint public services facility to house the DPW, Water, and Electric crews. They will provide probable costs and a recommended location for a facility designed for these purposes. We have asked them to consider energy efficiency and LEED Design to minimize operating costs. There is currently more than \$1.7 million in reserve for this project; additional funds could be derived from bonds or utility reserve funds. It is unlikely that this project will affect taxes but final determinations would be made once a final plan is developed. Operating costs for a new facility are likely to be equal or less than current costs to run two facilities and new, more efficient fixtures will be included.

Vehicle Replacements

Estimated cost: \$324,700

Annually, we update our fleet as needed based on replacement schedules. This amount is the total anticipated though each vehicle will only be replaced if needed. There are no tax implications and the vehicle purchases will all be made from cash reserves- primarily held in the Motor Pool Fund.

Ferry Beach Pier Improvements

Estimated cost: \$40,000

The City Council felt the addition of jumping into Lake Charlevoix from the Ferry Beach Pier would be a good improvement to our recreational assets. To accomplish this, we would recap the pier with concrete, add rails along the sides of the pier, and dredge the area to make it safe for jumping. This would be accomplished through the General Fund and would have no tax implications.

2019-2020 Capital Projects**High Service Pump Addition**

Estimated cost: \$150,000

The addition of a high service pump at the Water Treatment Plant will improve plant capabilities during peak operation and add extra redundancy to the system with aging pumps. There are no tax implications for this project since it is funded with water rates. Annual operating costs should be minimal since this pump will be cycled among others at the plant.

Electric Capital Improvements

Estimated cost: \$ 225,000

As part of maintaining our electric distribution system, we plan to install various improvements and replacements in the system including 12kv3 upgrades, LED streetlights, and other routine supplies used to maintain the system. There are no tax implications for these projects though it is important to maintain adequate rates to support long-term improvements. Funds will come from operating revenue allocated to capital replacement and some cash reserves.

Sewer Collection System/Lift Stations

Estimated cost: \$241,000

This amount is allocated to make capital improvements to the sewer collection system and/or necessary improvements to the lift station system. Currently the City is working with Prein & Newhof on an asset management plan for these systems and that plan will better guide the projects conducted going forward. There are no tax implications for these projects since revenue from Sewer rates pays for expenses like this.

Vehicle Replacements

Estimated cost: \$277,800

Annually, we update our fleet as needed based on replacement schedules. This amount is the total anticipated though each vehicle will only be replaced if needed. There are no tax implications and the vehicle purchases will all be made from cash reserves- primarily held in the Motor Pool Fund.

Airport Perimeter Fencing

Estimated cost: \$155,000

This improvement would enhance security and keep us compliant with FAA regulations for airfield fencing. Most airport improvement projects like this can be mostly funded with Federal grant funds and tax revenue is not likely to be used.

Replace 2002 Ambulance

Estimated cost: \$180,000

This would be the scheduled replacement time to replace the 2002 Ambulance. Funds for this purchase are derived from EMS fees and set aside in the Fire and Ambulance Capital Fund (PI #1). There are no tax implications for this since the revenue is derived from service fees.

2020-2021 Capital Projects

Electrical Gear Upgrades

Estimated cost: \$350,000

Electrical upgrades at the Water Treatment Plant are anticipated as part of an on-going modernization of the facility. There are no tax implications for this project since improvements are funded with water rates. Improving electrical equipment will likely reduce annual operating costs by installing more energy efficient technology.

Electric Capital Improvements

Estimated cost: \$ 225,000

As part of maintaining our electric distribution system, we plan to install various improvements and replacements in the system including 12kv3 upgrades, LED streetlights, and other routine supplies used to maintain the system. There are no tax implications for these projects though it is important to maintain adequate rates to support long-term improvements. Funds will come from operating revenue allocated to capital replacement and some cash reserves.

Sewer Collection System/Lift Stations

Estimated cost: \$241,000

This amount is allocated to make capital improvements to the sewer collection system and/or necessary improvements to the lift station system. Currently the City is working with Prein & Newhof on an asset management plan for these systems and that plan will better guide the projects conducted going forward. There are no tax implications for these projects since revenue from Sewer rates pays for expenses like this.

Vehicle Replacements

Estimated cost: \$195,000

Annually, we update our fleet as needed based on replacement schedules. This amount is the total anticipated though each vehicle will only be replaced if needed. There are no tax implications and the vehicle purchases will all be made from cash reserves- primarily held in the Motor Pool Fund.

2021-2022 Capital Projects

Low & High Service Pump Upgrades

Estimated Cost: \$150,000

This work will restore and maintain the pumps at the Water Treatment Plant and this project focuses on heavy maintenance of existing equipment to extend the life. There are no tax implications for this project since improvements are funded with water rates. Updating and maintaining equipment like this should reduce sudden emergency maintenance costs by rehabbing multiple pieces of equipment simultaneously.

Electric Capital Improvements

Estimated cost: \$ 225,000

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Sewer Collection System/Lift Stations Estimated cost: \$241,000

This amount is allocated to make capital improvements to the sewer collection system and/or necessary improvements to the lift station system. Currently the City is working with Prein & Newhof on an asset management plan for these systems and that plan will better guide the projects conducted going forward. There are no tax implications for these projects since revenue from Sewer rates pays for expenses like this.

Vehicle Replacements Estimated cost: \$150,000

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T Hangar Construction Estimated cost: \$350,000

Constructing a new T Hangar at the airport would encourage more air traffic and provide a source of revenue to the airport for ongoing operations. Funds for construction would likely come from MDOT Entitlement Grants and would not use local tax revenue. Maintenance costs would be funded by lease revenue from those hangaring their planes in the space.

2022-2023 Capital Projects

Electric Capital Improvements Estimated cost: \$ 225,000

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Sewer Collection System/Lift Stations Estimated cost: \$241,000

This amount is allocated to make capital improvements to the sewer collection system and/or necessary improvements to the lift station system. Currently the City is working with Prein & Newhof on an asset management plan for these systems and that plan will better guide the projects conducted going forward. There are no tax implications for these projects since revenue from Sewer rates pays for expenses like this.

Vehicle Replacements Estimated cost: \$150,000

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Replace 2004 Ambulance Estimated cost: \$180,000

This would be the scheduled replacement time to replace the 2004 Ambulance. Funds for this purchase are derived from EMS fees and set aside in the Fire and Ambulance Capital Fund (PI #1). There are no tax implications for this since the revenue is derived from service fees.

2023-2024 Capital Projects

Electric Capital Improvements Estimated cost: \$ 225,000

As part of maintaining our electric distribution system, we plan to install various improvements and replacements in the system including 12kv3 upgrades, LED streetlights, and other routine supplies used to maintain the system. There are no tax implications for these projects though it is important to maintain adequate rates to support long-term improvements. Funds will come from operating revenue allocated to capital replacement and some cash reserves.

Sewer Collection System/Lift Stations Estimated cost: \$241,000

This amount is allocated to make capital improvements to the sewer collection system and/or necessary improvements to the lift station system. Currently the City is working with Prein & Newhof on an asset management plan for these systems and that plan will better guide the projects conducted going forward. There are no tax implications for these projects since revenue from Sewer rates pays for expenses like this.

Vehicle Replacements Estimated cost: \$150,000

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[2024-2025 Capital Projects](#)

Construct Second Raw Water Intake Estimated cost: \$1 million

The installation of a second raw water intake line under Lake Michigan may be necessary if plant output grows or if more detailed review shows the necessity of having a redundant water source at the Water Treatment Plant. There are no tax implications for this project since improvements are funded with water rates. Annual maintenance costs are minimal and could be combined with the costs for the existing water intake line.

Electric Capital Improvements Estimated cost: \$ 225,000

As part of maintaining our electric distribution system, we plan to install various improvements and replacements in the system including 12kv3 upgrades, LED streetlights, and other routine supplies used to maintain the system. There are no tax implications for these projects though it is important to maintain adequate rates to support long-term improvements. Funds will come from operating revenue allocated to capital replacement and some cash reserves.

Sewer Collection System/Lift Stations Estimated cost: \$241,000

This amount is allocated to make capital improvements to the sewer collection system and/or necessary improvements to the lift station system. Currently the City is working with Prein & Newhof on an asset management plan for these systems and that plan will better guide the projects conducted going forward. There are no tax implications for these projects since revenue from Sewer rates pays for expenses like this.

Vehicle Replacements Estimated cost: \$150,000

Annually, we update our fleet as needed based on replacement schedules. This amount is the total anticipated though each vehicle will only be replaced if needed. There are no tax implications and the vehicle purchases will all be made from cash reserves- primarily held in the Motor Pool Fund.