



CHARTER TOWNSHIP OF KALAMAZOO

CAPITAL IMPROVEMENT PLAN: 2016-2021

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ACKNOWLEDGMENTS

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With the passage of the Michigan Planning Enabling Act (MPEA – PA 33 of 2008, as amended), communities with public water or sewer are required to prepare Capital Improvement Plans (CIPs). More specifically, Planning Commissions are charged with the task of adopting these plans – unless such responsibility was removed by the legislative body – as a method of better connecting the group that establishes the Master Plan for a community with the implementation of that plan.

The 2016-2021 Capital Improvement Plan represents the fifth CIP for the Charter Township of Kalamazoo. It builds upon the work completed by the Planning Commission and a committee of the Planning Commission in previous years, and updates this information to provide a new six year horizon for capital improvements.

The update is based on information provided by the various Township departments about their capital needs and budget priorities. As there were no significant shifts in Township visions, procedures, or budgeting policies, the bulk of the plan was held constant and advanced to the current budget year.

The schedule for the preparation of the CIP has been modified from previous editions. Previously, the CIP was typically prepared at the end of the year and presented to the Township Board around January. However, it was determined that it would be more effective and useful if it was in the hands of the Board at the start of the budget preparation process, which commences in mid to late summer. Thus, a season was skipped, and the current CIP was prepared and presented to the Board according to this new schedule.

In this report, the details of the CIP are described and additional information is provided regarding the process and rationale for the selections. Then, tables are provided detailing the specifics of the CIP for the next six years.

GENERAL OVERVIEW

The purpose of this project is to develop a short-term action plan for achieving key objectives in the community. The Planning Commission created this Plan in compliance with the MPEA in order to further the implementation of the vision identified in the Township's Master Plan.

With a vision, however, come expectations and costs. The Master Plan identifies the vision, but the expectations and costs are left unstated. The CIP assigns costs to the vision, quantifies the expectations, and presents an annual plan for getting closer to that vision. It is in this role that the Planning Commission has prepared this document.

In recent years, the Township has made great strides in setting a new vision for the future and crafting ambitious goals for improvement and revitalization. The reality is, however, not all such goals can be achieved immediately. Limited resources require prioritization and good planning to ensure the resources are used efficiently and effectively for maximum benefit to the community. By scheduling these projects over a six year span and laying them out prior to and during the budgeting process, this should help with the implementation of these priorities, their financing, and Township preparedness for funding opportunities in the future.

In that sense, this really is a PLAN, and it is best viewed in that sense. It is a living document that will be updated each year, and annual projects will be refined as the resources and opportunities for that particular year become clearer. In the event funds are not available to pay for everything provided for in the Plan, the Board will work with Staff to prioritize and make choices, but that is the only consequence.

CAPITAL IMPROVEMENTS IN THE TOWNSHIP

When considering capital improvements in the Township, there are several broad categories within which the vast majority will fit. Organizing them into these categories helps not only for the purposes of developing the list of capital projects but also for considering the funding sources.

- Fire
- Police
- Sanitary Sewer and Water
- Roads
- Parks, Sidewalks, and Trails
- Buildings and Grounds

SOURCES OF FUNDS

Capital improvements for Fire and Police are funded through a separate millage that is collected specifically for this purpose – 1.0 mill for Fire and 0.6 mills for Police. (The Township considered an increase in the Police capital improvement millage in 2011, but ultimately decided not to make a change.) This represents a consistent, annual source of revenue for these departments to spend on vehicles, building maintenance and construction, heavy equipment, and other necessities. Because these are dedicated millages, these funds can only be used for these purposes and cannot be transferred to the general fund to help with other projects. Therefore, the capital improvements for each of these departments have been tracked separately since they are funded by independent sources of money from the other types of projects. As a result, they have the most detailed and well developed budgets and plans of any category because of the consistent funding sources.

Sanitary sewer and water projects are the most complicated. The users of the system and their monthly payments fund regular maintenance and upkeep of the sanitary sewer and water system. Expansions of the system required by new development are paid for by the new development at the time it is required. In theory, neither of these instances results in cost to the Township.

Major expenditures result when a part of the existing infrastructure fails or when the Township seeks an opportunity to expand the existing infrastructure. Often these costs have been paid for through special assessment districts or by seeking grant funds. In some instances, the Township has tapped into its Sewer Fund to offset some of the costs and/or reduce the burden on the special assessment district. The Sewer Fund was created many years ago when the sanitary sewer system was first established, primarily through grant funding and tap-in fees. It has grown over time through investment and additional connection fees. This money is available to be used on sanitary sewer expansion and maintenance projects.

The remaining projects are all funded from the General Fund. Improvement of Local Roads is funded in part by the Township. The Road Commission of Kalamazoo County (RCKC) receives PAR Funds based on use of the roads in the Township. RCKC determines the amount of these funds that will be used on Local Road improvements in the Township, and the Township Board can match that amount (from the General Fund) in order to maximize the improvements to the Local Roads in the Township. Costs for improvement and maintenance of Primary Roads in the Township are borne by the RCKC.

In February 2015, voters in Kalamazoo Township approved an 11 year millage request to pay for \$10 million in bonds for road improvements in the community. These road improvements will result in nearly every local road in the Township being improved to a good rating over an ambitious three year program.

Parks, sidewalks, trails, buildings, and grounds are all the responsibility of the Township and the General Fund. Other resources are sometimes available such as grants, donations, or partnerships to help defray the costs.

PROJECTING FUTURE FUNDS

Most CIPs will contain a projection of the funds that will be available to finance the projects contained within the Plan. Because of the manner in which this CIP has been crafted and the unstable nature of the current Michigan municipal funding system, detailed projections have not been included in this CIP.

As will be described below, the CIP and the projects within it were determined based on priorities and goals more so than available funds. As a planning tool, the Commission is more concerned about documenting all priorities for the next six years than limiting those priorities and projects by a set amount of funds. Therefore, the effort necessary to determine an accurate projection of future revenues in today's economy was not warranted. Unfortunately, the reality is there are very few additional funds available for capital projects in the Township. Therefore, if projects and priorities such as those identified in this Plan are to be implemented, additional revenue sources will have to be sought.

A determination of future revenues would require extra effort because of the instability in the two primary sources of Township revenue: property taxes and state revenue sharing. While property values suffered in recent years, they have showed steady improvement in the past couple of years. Residential property values increased by 1.89% in 2014 and again by 5.50% in 2015. It is anticipated that another similar increase will occur in 2016 as well. This is a small sample and thus difficult to project a complete recovery, but signs do indicate that the economy is returning to a better place and should continue steady albeit modest increases over the course of this planning period.

Meanwhile, the State has been hit by the same problems and budget issues as local governments. In order to help balance their budget, the State has been reducing and altering the amount of revenue sharing funds it has distributed to municipalities. Over the past few years, this amount has fluctuated up and down several times. Conservatively, it is anticipated this funding will continue to decrease, although there is no certainty in that.

Due to these uncertainties, no definitive projections are provided for Township revenues for the ensuing six years. As a general and conservative approach, it should be assumed that revenue levels will remain the same. This accounts for increases in revenue due to inflation and modest development but also includes the likely decreases due to changes to the tax structure and/or reductions in revenue sharing distributions.

USES OF FUNDS

To determine the projects identified in the table for Police and Fire, the Commission relied heavily on the information provided by these departments. The Police Chief reviewed the information in the previous year's CIP and provided updates and feedback for the current six-year plan. Six-year projections are challenging for the Police Department due to the unpredictable rate of turnover in the technology they use and the wear, tear, and risk placed on their equipment on a daily basis. This results in additional costs. In addition, the variability to the tax structure and funds received creates challenges in his ability to accurately predict funds that will be available in upcoming years.

The Fire Chief conducted a similar process providing comments and updates based on the previous CIP. The Department continues to save and set aside funds for the construction of a new Fire Station in Eastwood as well as the replacement of three engines and three staff vehicles in the next six years. The Fire Department has a more structured program for capital improvements but faces similar issues regarding unpredictable funding levels.

The remaining projects are all funded from the General Fund. (Sanitary sewer projects may be funded from the Sewer Fund, but since this is not a dedicated millage, these projects are tracked on the same spreadsheet as the others.) As with previous years, the project determination process was based on identifying some concrete goals and then projects to achieve those goals. The Commission acknowledges immediately that this may require finding other sources of funding or reallocating general fund monies to afford these priorities. Or it may end up that not everything on the Plan can be implemented. But the intention was to put forth a schedule showing the implementation of key projects in the community. By doing this, the Commission is in fact creating a plan – a guide for implementing the vision for the community that has been projected in the Master Plan and elsewhere consistently. By putting it to paper, it will at least encourage discussion of the projects and their implementation if not lead to their commencement and completion.

GENERAL FUND GOALS

All of the projects on the General Fund portion of the CIP fit within the following seven goals. The specific projects are somewhat interchangeable as new projects may come along in the immediate future that were not anticipated when this Plan was created or funding opportunities may arise that cannot be missed. These goals however, represent key priorities of the community.

1. **Identify Projects That Have Already Been Approved.** In past years, there are some projects in the Township that had already come before the Board for discussion and had been approved, but they had not yet been started. These represent the low hanging fruit for capital funding, and the community's commitment to them must not be lost.

For 2016, there are no such projects that were identified that fit within this goal.

- 2. Fully Fund Road Projects.** In February of 2015, Kalamazoo Township voters approved a bond measure to support over \$10 million in road improvements on local roads in the Township. These improvements will be completed over a three year period – 2015-2017 – with costs paid for by bond proceeds over that three year period. This is reflected in the CIP. The projects are paid for through the bond proceeds and will not represent an impact on the general fund.

In addition to the improvements paid for through the bond proceeds, the Township also intends to continue annual improvement projects through the use of PAR funds with the Road Commission. The actual roads and projects to be completed are not as important as the total amount projected to be spent over the next several years. The RCKC projects to spend approximately \$280,000 on local road maintenance and improvements in the Township each year. This cost is split between the Township and the Road Commission. The total of \$280,000 was determined based on PAR funds collected from the Township, which are eligible to be spent on local road projects within the community. After conversations with the Board where they expressed a desire to fully fund the road improvement program, the Road Commission assembled their plan and budget based on a full contribution from the Township. Therefore, our recommendation is to demonstrate this \$140,000 contribution by the Township each year for the next several years in the CIP. Maintaining a quality road network is vital to preserving quality neighborhoods, promoting economic development, and providing a high quality of life to Township residents.

The CIP purposefully does not identify local roads and local road projects. Each year, the RCKC and the Township Board meet to discuss local road priorities and needs and how the money should be used in the Township. Because this evaluation occurs each year by those trained to address these issues, our concern is not the particular projects but simply the funds that are allocated to address them.

- 3. Provide Trail Connections.** The Kalamazoo River Trailway is a significant asset that is being developed within the Township at little to no expense to the community. But it is up to the Township to provide connections to the various neighborhoods in order to make it easier for residents to access and use the trail. These types of projects are a high priority for grants with the Township's sole responsibility being preparation of the grant application and engineering. Thus, funding projects to provide trail connections to neighborhoods were given high priority with funding set aside for engineering and grant writing. The funding is not neighborhood specific as opportunities may develop at different locations and/or at different times depending on trail construction and landowner cooperation.
- 4. Expand Sidewalk System.** Many of the Township's neighborhoods have sidewalks, but the sidewalk system is not complete. This was identified in the 2014 Non-Motorized Plan, which also developed a plan for expansion and improvement of this existing sidewalk system. The previously mentioned bond program will allow for a variety of these improvements to be completed. However, others will require more intense preparation and design. The CIP includes funds for both engineering design as well as construction costs.

5. **Expand Utility Systems.** Clearly this is a goal that exceeds the time span of this CIP. But if this is a Township that provides quality services to its residents, then there should be a plan to expand the utility services (sanitary sewer and water) to developed portions of the community that are not currently being served. Projects are not specifically identified but would be selected at the appropriate time based on development, existing conditions, and public input. A portion and/or all of the costs may be collected through a special assessment district or from connection fees, similar to a revolving loan fund.

Specific expansion opportunities will appear over time that may not presently be anticipated – such as through road construction, other utility development, or resident request. Two specific areas of the Township that have been discussed for this type of project for several years are Winding Way and Huntington/Francis/East Main. Although this is costly, the costs would likely be borne from the sewer fund, grant, and/or special assessment district and not the more heavily burdened general fund.

6. **Township Hall Improvements.** In 2015, Byce & Associates completed a Master Plan for improvements to the Township Hall. These improvements included site changes and structural remodeling to make the facility ADA compliance, improve customer service and access, and other associated modernizations and improvements. These improvements are presented in four phases.
7. **Maintain Quality of Life.** In 2015, the Township completed a Parks and Recreation Master Plan that identified several projects and goals for improving the Township’s park facilities. At this time, the Township does not have funds available to implement these projects. However, the CIP has set aside money for grant writing to generate funds to complete one or more of these projects.

CIP TABLES

On the attached tables are shown the capital improvement program for the various funds, with projects and costs for each. Below is a summary of the projected annual costs from each table.

	2016	2017	2018	2019	2020	2021
POLICE CAPITAL EXPENSE	\$324,967	\$336,300	\$340,800	\$335,800	\$297,800	\$285,800
FIRE CAPITAL EXPENSE	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000
GENERAL FUND	\$3,440,000	\$4,190,000	\$1,405,000	\$1,155,000	\$900,000	\$265,000

Kalamazoo Charter Township
Capital Improvement Plan 2016-2021

POLICE CAPITAL EXPENSE MILLAGE - 0.6 MILLS							
Project	2016	2017	2018	2019	2020	2021	Total
Acquisition of new patrol vehicles	\$112,000	\$112,000	\$112,000	\$112,000	\$112,000	\$112,000	\$672,000
Change over costs for marked cars	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$28,800
Replace unmarked cars	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$180,000
Consoles, partitions, patrol car equipment.	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$84,000
Payment to Kalamazoo County for purchase of portable radios	\$26,667						\$26,667
Annual payment to City of Kalamazoo for use of Integraph Records Management, mobile, and CAD systems	\$70,000	\$73,000	\$76,000	\$80,000	\$83,000	\$86,000	\$468,000
Annual payment to Intergraph via City of Kalamazoo for CAD, RMS, mobile and licensing and maintenance	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$48,000
Annual payment to the State of MI for use of the MPSCS communications system**	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Computer Replacements & Upgrades	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$36,000
Replace protection equipment	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$60,000
Technical equipment for patrol cars	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$90,000
Digital Mobile Vehicle Recorders & software							\$0
Building security, maintenance, and improvements	\$15,000		\$15,000		\$15,000		\$45,000
Weapons lethal and less-lethal	\$6,000	\$6,000		\$6,000			\$18,000
Radio replacement		\$50,000	\$50,000	\$50,000			\$150,000
Replace secretarial recording equipment	\$7,500	\$7,500					\$15,000
Total Twp Funds Expended	\$324,967	\$336,300	\$340,800	\$335,800	\$297,800	\$285,800	

**Annual payments identified here are currently covered by credits to the Township from the MPSCS that will run through at least 2018. Otherwise, cost would be \$11,400.

Kalamazoo Charter Township
Capital Improvement Plan 2016-2021

FIRE CAPITAL EXPENSE MILLAGE - 1.0 MILLS							
Project	2016	2017	2018	2019	2020	2021	Total
New Engine - Replace 1988 Quality Engine	\$70,000	\$70,000					\$140,000
New Engine - Replace 1988 Quality Engine	\$65,000	\$65,000	\$65,000				\$195,000
New Engine - Replace 1998 Pierce Quantum						\$225,000	\$225,000
Replace Rescue Vehicles - 852 and 854						\$40,000	\$40,000
Staff Vehicles (3) - 855, 856, 890	\$40,000	\$40,000				\$40,000	\$120,000
Station Upgrades	\$15,000	\$15,000	\$15,000	\$50,000	\$50,000	\$25,000	\$170,000
Equipment, supplies, materials, and administration	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$300,000
New Station - Eastwood (\$2.75M)	\$95,000	\$120,000	\$235,000	\$90,000	\$90,000	\$10,000	\$640,000
Replace Thermal Imaging Cameras			\$25,000				\$25,000
Replace Station Emergency Generators	\$30,000	\$30,000					\$60,000
Eastwood Station Rebuild - Concept Drawings / Site Plan	\$25,000						\$25,000
Replace Self-Contained Breathing Apparatus				\$200,000	\$200,000		\$400,000
Total Twp Funds Expended	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	\$390,000	

GENERAL FUND CAPITAL EXPENSES - ROADS, PARKS, UTILITIES, BUILDINGS & GROUNDS								
Project	2016	2017	2018	2019	2020	2021	Total	RESPONSIBILITY*
1. Identify Projects That Have Already Been Approved (1)								
2. Fully Fund Road Projects (2)								
Local Road Bond Funded Projects (includes engineering and drainage improvements)	\$3,025,000	\$3,090,000					\$6,115,000	Bond Proceeds
Local Road Projects (Twp splits costs 50/50 with RCKC. Figure shown represents Twp share.)	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	\$840,000	GF, RCKC match
3. Provide Trail Connections (1)								
(Township responsible for Grant and Engineering; seek grant funding for trail construction)								
Westwood								
Lakewood		\$10,000	\$10,000	\$10,000	\$10,000		\$40,000	GF, G
Eastwood								
Northwood								
4. Repair/Expand Sidewalk System (4)								
As per the 2014 Non-motorized Transportation Master Plan								
Engineering	\$20,000	\$15,000					\$35,000	Bond Proceeds
Construction	\$250,000	\$250,000					\$500,000	Bond Proceeds
5. Expand Utility Systems (4)								
Engineering and construction, specific locations depending on public input and development at time		\$100,000	\$150,000	\$150,000	\$125,000	\$125,000	\$650,000	SF, SAD
6. Township Hall Improvements (5)								
Phase 1 -		\$550,000					\$550,000	GF (G)
Main entrance (relocation + temp entrance for PD)								
Public restroom & ADA renovations								
Service Counter renovation								
Phase 2 -			\$1,100,000				\$1,100,000	GF (G)
PD Renovations								
Common Break & multi-function room addition								
Phase 3 -				\$850,000			\$850,000	GF (G)
Township Administration renovations								
Phase 4 -					\$620,000		\$620,000	GF (G)
Site improvements including parking, drives & signage								
7. Maintain Quality of Life (1)								
Grand Prairie Golf Course Parking Lot Maintenance		\$30,000					\$30,000	GF
Grant Writing	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000		\$25,000	GF
Total Twp Funds Expended - General Fund	\$145,000	\$735,000	\$1,255,000	\$1,005,000	\$775,000	\$140,000	\$4,055,000	
Total Twp Funds Expended - Sewer Fund	\$0	\$100,000	\$150,000	\$150,000	\$125,000	\$125,000	\$650,000	
Total Twp Funds Expended - Bonds Fund	\$3,295,000	\$3,355,000					\$6,650,000	
Total Twp Funds Expended	\$3,440,000	\$4,190,000	\$1,405,000	\$1,155,000	\$900,000	\$265,000	\$11,355,000	

*Responsibility Key: GF-General Fund; Cn-County; Cy-City; St-State; G-Grants; RCKC-County Road Commission; SAD-Special Assessment District; SF-Sewer Fund; D-Donations

- (1) - Cost estimates based on information from CIP Committee
- (2) - Cost estimates based on information from RCKC
- (3) - Cost estimates based on McKenna approximations
- (4) - Cost estimates based on information from NM Plan
- (5) - Cost estimates based on Byce & Associates master plan report