

Village of Dexter, Michigan FY2011-2016 Capital Improvements Plan

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Presented to the Planning Commission and Public Hearing held on	March 7, 2011
Recommended by the Planning Commission on	
Adopted by the Village Council on	

EXECUTIVE SUMMARY

OVERVIEW

This capital improvements plan (CIP) outlines a schedule of public service expenditures over the ensuing five-year period (fiscal years 2011 – 2016) and beyond. The CIP does not address all of the capital expenditures for the Village, but provides for large, physical improvements that are permanent in nature, including the basic facilities, services, and installations needed for the functioning of the community. These include transportation systems, utilities, municipal facilities and other miscellaneous projects.

To qualify for inclusion into the CIP, a project must meet the following standards:

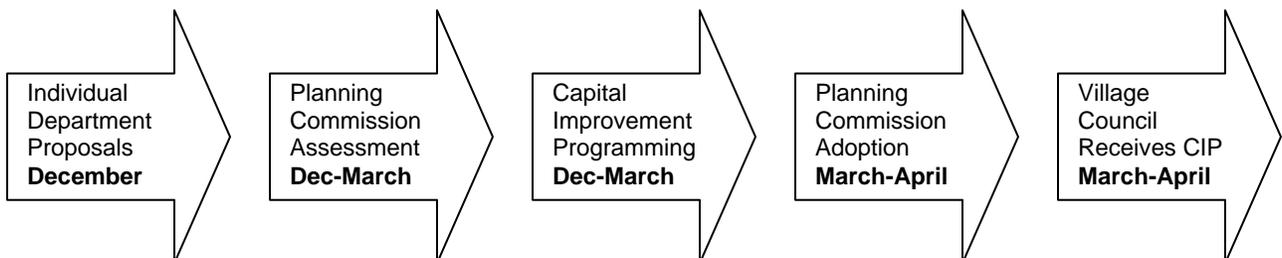
- Be consistent with 1) an adopted or anticipated component of the Village's master plan, 2) a state or federal requirement, or 3) a Village Council approved policy; and
- Constitute permanent, physical or system improvements, or significant equipment purchases, with a minimum project cost of \$10,000; and
- Add to the value or capacity of the infrastructure of the Village.

Projects that are considered operational, maintenance or recurring are excluded, except when a limited duration project, which are included.

Preparation of the capital improvements plan is done under the authority of the Municipal Planning Commission Act (PA 33 of 2008). It is the Village Planning Commission's goal that the CIP be used as a tool to implement the Village's Master Plan and assist in the Village's financial planning.

The capital improvements plan proposes project funding relative to the anticipated availability of fiscal resources and the choice of specific improvements to be achieved throughout the five-year plan. Throughout this document you will see references to the Planning Department. This consists of the Planning Commission and the Community Development Manager.

THE CAPITAL IMPROVEMENTS PLAN PROCESS AND TIMELINE



ORGANIZATION OF CONTENT

The Capital Improvements Plan is divided into two sections:

Section 1.0 – Capital Improvements Programming

- 1.1 Introduction
- 1.2 Program Summary
- 1.3 Program Goals Policies
- 1.4 Program Funding

Section 2.0 – FY 2011-12 Capital Improvements Budget

Section 2.1 – FY 2011-2016 Capital Improvements Plan and Project Worksheets

The plan lists individual capital projects categorized by capital program. The following information is included on each project page:

- Project name
- Project ID
- Project Type
- Submitter
- Priority
- Total Cost
- Year in CIP
- Project Description
- Project Justification
- Beneficial Impacts
- Location Map
- Master Plan or Study References
- Project Schedule and Justification
- Project Cost Detail

PROJECT PRIORITIZATION

The Village Planning Commission assesses all capital needs and gives each project a priority rating. The rating indicates that a project is one of the following:

- Urgent
 - Corrects an emergency or condition dangerous to public health, safety or welfare;
 - Complies with federal or state requirement whose implementation time frame is too short to allow for longer range planning; or
 - Is vital to the economic stability of the village.

- Important
 - Prevents an emergency or condition dangerous to the public health, safety, or welfare;
 - Is consistent with an adopted or anticipated element of the village master plan, a federal or state requirement whose implementation time frame allows longer range planning, or a council approved policy;
 - Is required to complete a major public improvement (this criterion is more important if the major improvement cannot function without the project being completed, and is less important if the project is not key to the functioning of another project); or
 - Provides for a critically needed community program.

➤ Desirable

- Provides a benefit the community;
- Worthwhile if funding becomes available;
- Can be postponed without detriment to present services; or
- Validity of planning and validity of timing have been established.

THE TOTALS

A total of 71 (89 projects including Cooperative and DDA Projects) projects were submitted for this year's CIP with a six-year funding need of \$20,595,000 (\$17,210,000 excluding Cooperative and DDA projects). Please note there are a variety of funding sources that comprise many projects and totals, therefore for further detail see Project and Fund Summary worksheet within the appendices for more information. Also note that several major projects are not included in total project costs due to unknown project years and funding source, including the Mill Creek Park Phase 2, Village Hall and several cooperative projects. The total six-year funding need is a three (3%) increase from the previous years CIP, which anticipated \$19,973,000 in funding need during fiscal years 2010-2015. The 3% increase is likely due the addition of several other water and sewer projects identified through a recently completed Asset Management Plan for equipment and building facilities of the water and wastewater (sewer) systems and the completion of other projects.

The chart below indicates the total number of projects for each category, the six-year need and first-year only expenditures:

Category	Number of Projects	Total 6-Year Project Costs (in thousands)	First Year Village Expenditures (in thousands)	First Year Total Expenditures (in thousands)
1.0 Downtown Development	15	\$3,785	\$0	\$20
2.0 Parks & Recreation	9	\$3,660	\$450	\$1,050
3.0 Sidewalks	16	\$1,036	\$133	\$339
4.0 Buildings-Grounds-Equipment	4	unknown	\$34	\$34
5.0 Planning and Zoning	4	\$76	\$10	\$10
6.0 Streets and Alleys	18	\$3,780	\$90	\$90
7.0 Stormwater	7	\$1,219	\$94	\$180
8.0 Wastewater System	5	\$2,380	\$0	\$0
9.0 Water System	8	\$3,323	\$0	\$1,300
10.0 Cooperative Projects	3	\$1,109	\$0	\$0
TOTAL*	89	\$20,595	\$811	\$3,023
TOTAL**	71	\$17,210	\$811	\$3,003

* Total includes cooperative and DDA funded projects

** Total DOES NOT include cooperative and DDA funded projects, includes sources other than Village Funds, such as grants, loans, etc.

PRIORITIES

One percent (1%) of all projects are considered "Urgent", according to the Planning Commission.

Below is a project breakdown by priority.

Priority	Number of Projects	Percent of Projects
Urgent	1	1%
Important	52	58.5%
Desirable	36	40.5%
TOTAL	89	100%

MAJOR PROJECTS

Below is a list of the top ten project expenditures during fiscal years 2011-2016 (Village Hall and Fire Hall unknown total costs), including project priority and funding sources. Based on the total cost of the top ten projects (\$9,789,000), the top ten projects constitute 47% of the total funding need over the six year CIP period. Excluding the Cooperative Project (01-10.0-1990), which will be funded primarily by others, the total cost of the Village only projects (\$8,680,000), the top nine constitute 42% of the total funding need over the six year CIP period.

Project Name	Total Cost (in thousands)	Priority	Funding Sources
01-2.0-2009 Mill Creek Park Phase 1	\$1,000	IMPORTANT	General Fund and Grants
02-2.0-2010 Mill Creek Park Phase 2	\$1,200	IMPORTANT	General Fund and Grants
03-2.0-2001 Warrior Creek Park Improvements	\$900	IMPORTANT	General Funds and Grants, potential County Parks participation
01-4.0-1994 Village Hall	UNKNOWN*	IMPORTANT	Varied, UNKNOWN
04-4.0-2011 Fire Hall	UNKNOWN*	IMPORTANT	Varied, UNKNOWN
01-6.0-2004 Central Street Streetscape	\$1,300	IMPORTANT	Streets, Federal, DDA, Other
04-8.0-2011 Wastewater System – Equipment Assets	\$ 1,680	IMPORTANT	Sewer Fund, Federal
01-9.0-2005 Water System Improvements	\$1,300	URGENT	DWRF – Federal Loan and ARRA Grant
05-9.0-2005 Emergency Storage (2nd Water Tower)	\$1,300	IMPORTANT	DWRF – Federal Loan and ARRA Grant
01-10.0-1990 Westside Connector (COOPERATIVE PROJECT)	\$1,109	IMPORTANT	Not Village ONLY Village, County Parks, Federal (subject to change)
TOTAL	\$9,789*		

* Village Hall and Fire Hall UNKNOWN

NEW PROJECTS

9 projects are new for this year's CIP.

Project Name	Total Cost (thousands)	Priority
3.0: Sidewalk and Walkability 07-3.0-2011 Cedars of Dexter Non Motorized Connector	\$100	DESIRABLE
3.0: Sidewalks and Walkability 16-3.0-2011 Lexington-Dan Hoey Crosswalk	\$15	DESIRABLE
4.0: Buildings and Grounds 03-4.0-2011 Street Lighting Upgrades	\$62	IMPORTANT
4.0: Building and Grounds 04-4.0-2011 Fire Department Facility	unknown	IMPORTANT
5.0: Planning and Zoning 04-5.0-2011 Master Plan	\$20	DESIRABLE
8.0: Wastewater 04-8.0-2011 Wastewater System – Equipment Assets	\$1,680	IMPORTANT
8.0: Wastewater 05-8.0-2011 Wastewater System – Building Assets	\$265	IMPORTANT
9.0: Water System 07-9.0-2011 Water System – Equipment Assets	\$295	IMPORTANT
9.0 Water System 08-9.0-2011 Water System – Building Assets	\$48	IMPORTANT
TOTAL	\$2,485*	

*Fire Department Facility cost unknown

COMPLETED PROJECTS

The following 8 projects from the FY 2010-2015 CIP have been completed or will be completed before July 1, 2011. Other projects have been amended or revised and may still remain in the CIP. Total projects costs may include funding from State or Federal grants.

Project #	Project Name	Total Cost	Completed/ Amended
No project #	Ann Arbor Street – Kensington to Meadowview	\$236,000	Completed ARRA Funding
01-3.0-2009	PARTIAL SIDEWALK REPAIR – 725 LF replaced	\$20,000	Partial Completion
03-3.0-2004	Alpine/Main Street NEW Crosswalk and Sidewalk Construction along Main Street	\$20,000	Completed
01-5.0-2009	Master Plan	\$10,000	Partial Completion
02-6.0-2008	Road Soft Maintenance – see worksheet – crack sealed numerous streets	\$20,000	Partial Completion
06-6.0-2000	Streets – Inverness Street – Grand to Ann Arbor	\$130,000	Partial Completion
01-8.0-2007	Equalization Basin	\$2.2 Million	Completed
02-8.0-2008	Sanitary Sewer Rehabilitation	\$379,000	Partial Completion
01-9.0-2005	New Water Well Construction – 2010	\$700,000	Partial Completion
02-9.0-2005	Upgrade High Service Pumps	\$184,000	Completed
	TOTAL COMPLETED	\$3,899,000	

FUNDING NEEDS AND SOURCES

The six-year funding need is \$20,595,000. The table below summarizes the major categories of funding.

FUNDING SOURCES	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	Beyond FY 16	TOTAL CIP EXPENDITURES
TOTAL	3023	3163	961	1749	2541	9158	20595
General Fund	558	244	137	124	627	900	2590
Restricted	35	0	0	0	0	0	35
Equipment Replacement	34	47	47	87	12	0	227
Street Fund	184	289	390	395	750	2715	4723
Sewer Fund	0	73	73	208	173	853	1380
Water Fund	0	75	59	305	59	75	573
DDA	120	140	255	230	220	2145	3110
Federal Aid-GRANT (ARRA)	520	0	0	0	0	0	520
Federal Aid-LOAN	780	1000	0	0	0	1450	3230
Federal Aid -STP	0	340	0	0	0	500	840
Grants	792	255	0	0	500	400	1947
Private	0	0	0	400	200	20	620
County Parks	0	700	0	0	0	0	700
Unknown	0	0	0	0	0	100	100

JUSTIFICATION SCORE

Justification scores were assigned to each project by Village departments. The assigned score indicates the degree to which the project helps to achieve the following value statements:

- A. Protect health, safety, lives of citizens
- B. Maintain or improve public infrastructure
- C. Reduce energy consumption, impact of the environment
- D. Enhance social, cultural, recreational or aesthetic opportunities
- E. Improve customer service, convenience for citizens

0 = Not Applicable; 1 = Somewhat Important; 2 = Important; 3 = Very Important

The maximum total justification score for a project is fifteen (15), which would indicate that all five criteria were viewed as "very important" by the submitting department.

The justification score may assist in assigning priorities (desirable, important or urgent) to projects within each category. The score also may aid in evaluating projects of similar priority from different categories. Program Policy C.1 of the CIP indicates that projects "necessary to protect against a clear and immediate risk to public health or safety... shall be given highest priority". Hence, projects with a high score for justification may be given priority over a lower score when competing for funding.

The following two (2) projects earned a top score of fifteen (15):

PROJECT NAME: Downtown Capital Maintenance

PROJECT ID: 07-1.0-2010 PRIORITY: IMPORTANT
PROJECT TYPE: Infrastructure TOTAL COST: \$50,000
SUBMITTED BY: DDA YEARS IN CIP (Beginning year): 1 (2010)

PROJECT NAME: Westside Connector (Warrior Creek Park to Westridge)

PROJECT ID: 01-10.0-1990 PRIORITY: IMPORTANT
PROJECT TYPE: Non motorized pathway TOTAL COST: \$1,100,000
SUBMITTED BY: Village Staff YEARS IN CIP : 21 (1990)

The following seven (7) projects had a score of fourteen (14):

PROJECT NAME: Sidewalk Replacement

PROJECT ID: 01-3.0-2009 PRIORITY: IMPORTANT
PROJECT TYPE: Infrastructure Maintenance TOTAL COST: \$60,000
SUBMITTED BY: Village Staff YEARS IN CIP (Beginning year): 2 (2009)

PROJECT NAME: Edison Street Sidewalk Construction (South Side)

PROJECT ID: 03-3.0-2004 PRIORITY: IMPORTANT
PROJECT TYPE: New Sidewalk Construction TOTAL COST: \$60,000
SUBMITTED BY: Village Staff YEARS IN CIP (Beginning year): 7 (2004)

PROJECT NAME: Second Street Sidewalk Construction

PROJECT ID: 06-3.0-2004 PRIORITY: IMPORTANT
PROJECT TYPE: New Sidewalk Construction TOTAL COST: \$60,000
SUBMITTED BY: Village Staff YEARS IN CIP (Beginning year): 7 (2004)

PROJECT NAME: Cedars of Dexter Connector

PROJECT ID: 07-3.0-2011 PRIORITY: DESIRABLE
PROJECT TYPE: New Non Motorized Path TOTAL COST: \$100,000
SUBMITTED BY: Village Staff YEARS IN CIP (Beginning year): 0 (2011)

PROJECT NAME: Hudson Street Sidewalk Construction

PROJECT ID: 08-3.0-2004 PRIORITY: IMPORTANT
PROJECT TYPE: New Sidewalk Construction TOTAL COST: \$45,000
SUBMITTED BY: Village Staff YEARS IN CIP (Beginning year): 7
(2004)

PROJECT NAME: Fifth Street Sidewalk Construction

PROJECT ID: 09-3.0-2004 PRIORITY: IMPORTANT
PROJECT TYPE: New Sidewalk Construction TOTAL COST: \$10,000
SUBMITTED BY: Village Staff YEARS IN CIP (Beginning year): 7 (2004)

PROJECT NAME: Fourth Street Sidewalk Construction

PROJECT ID: 10-3.0-2004 PRIORITY: IMPORTANT
PROJECT TYPE: New Sidewalk Construction TOTAL COST: \$12,000
SUBMITTED BY: Village Staff YEARS IN CIP (Beginning year): 7
(2004)

Village of Dexter, Michigan FY2011-2016 Capital Improvements Plan

Section 1.0

CAPITAL IMPROVEMENTS PROGRAMMING

1.1 INTRODUCTION

The challenges to retain and/or expand Village services in the midst of shrinking resources and increasing costs has put pressure on Village government to make its limited capital resources work more efficiently. Village administration, elected and appointed officials, and staff have taken several steps to make capital expenditures more closely reflect long-range objectives. The Village has a continuing commitment to ensure that the most needed projects are funded and that the results are those that are called out in the adopted plans and policies. The capital improvements plan is a tool to accomplish this.

CAPITAL IMPROVEMENTS PROJECTS

Projects considered to be capital improvements are large, expensive and relatively permanent in nature. They often place a continuing financial burden on the Village, such as maintenance costs, operations, energy requirements, legal responsibilities, etc. It is important to note that the capital improvements plan does not address all of the capital expenditures for the Village. Instead, it represents only the major projects in the foreseeable future. Items such as vehicle purchases, small paving jobs, minor sewer extensions, and items and services defined as operational budget items, which are financed out of current revenues, are examined on a yearly basis according to general budget procedures.

Definitions

Allocation – Official Village Council action that authorizes a department to spend money on a project.

Capital Improvements – New or expanded facilities that are relatively large in size, expensive, and permanent.

Capital Improvements Budget (CIB) – Projects that are programmed for the next fiscal year.

Capital Improvements Plan (CIP) – A document that schedules projects based on the master plan and available financial resources, and the choice of specific improvements to be constructed for a period of five years into the future.

Capital Improvements Program – Multi-year scheduling of public physical improvements based on the Village's long-range master plan. Includes CIB and CIP.

Fiscal Year – July 1 to June 30.

Infrastructure – Basic facilities, services, and installations needed for the functioning of the community. These include the transportation systems, sanitary and water lines, parks, public buildings, etc., and the land affiliated with those facilities.

Master Plan – A guide for making decisions regarding the future physical development of the Village and the implementation of plans, policies, and programs. The master plan is made up of planning documents, or elements, that provide recommendations for future land use and essential village-wide facilities.

Planning Commission – The Planning Commission reviews and prioritizes projects for the CIP, which is then forwarded to the Village Council to assist in the CIB process.

Planning Department – This consists of the Planning Commission and the Community Development Manager.

1.1 Introduction (cont'd)

The Village Planning Commission has been charged with review and adoption of the capital improvements plan. The Planning Commission used the following criteria for project inclusion:

The project must:

- Be consistent with an adopted or anticipated component of the master plan; or state and/or federal requirement, or Village Council approved policy; and
- Constitute permanent physical or system improvements, or significant equipment purchases, with a minimum project cost of \$10,000; or a study that will lead to such projects; and
- Add to the value of the infrastructure of the Village; and
- Exclude expenditures that are considered operational or maintenance or recurring.

Approval of the Capital Improvements Plan does not mean that Village Council is required to fund all of the projects that it contains. Planning Commission approval acknowledges only that these projects represent a reasonable interpretation of the upcoming needs for the Village. The capital program approval process is described in the Program Summary section of this document.

LEGAL BASIS FOR THE CAPITAL IMPROVEMENTS PLAN

The State of Michigan provides for the development and use of a capital improvements plan in the Municipal Planning Act (Section 65, Act 33 of the Public Acts 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. If the planning commission is exempted, the legislative body either shall prepare and adopt a capital improvements program, separate from or as a part of the annual budget, or shall delegate the preparation of the capital improvements program to the chief elected official or a non elected administrative official, subject to final approval by the legislative body. 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.”

1.1 Introduction (cont'd)

RELATIONSHIP BETWEEN THE CAPITAL IMPROVEMENTS BUDGET AND THE ANNUAL BUDGET

The Capital Improvements Budget (CIB) shows projects scheduled to be funded in the upcoming fiscal year, as known as “first-year projects”. The Village’s annual budget itemizes the money needed for all municipal purposes during the next fiscal year. This includes the day-to-day operational expenses of the Village, such as salaries and supplies. The projects included in the capital improvements budget are not directly included in the annual budget, but many funding sources required to pay for the projects are confirmed. Approving a particular project still takes place by appropriating money as individual requests come before Village Council throughout the fiscal year.

RELATIONSHIP BETWEEN THE CAPITAL IMPROVEMENTS PLAN AND THE VILLAGE PLANNING PROCESS

Comprehensive physical planning influences the programming of capital improvements. As noted above, state law reinforces that link by requiring that the planning commission annually prepare a capital improvements plan to implement the community’s master plan.

The first recommended program policy in the CIP recognizes the importance of the link between the Capital Improvements Plan and implementation of the master plan. In bringing most, if not all, of the decision makers together into the planning process, and by using the CIP process to reinforce the desired future land use patterns, the Village’s physical future can be better shaped.

THE BENEFITS OF CAPITAL IMPROVEMENTS PROGRAMMING

With time, public facilities need major repair, replacement or expansion. Maintaining and upgrading a community’s capital infrastructure requires significant financial investment. This investment must be weighed against other community needs and analyzed in light of community goals. The Village of Dexter, like many municipalities, is under pressure to make efficient use of capital resources and must make difficult choices. There are more needs than can be satisfied at once, and the selection of one investment over another may shape the development of the Village for years to come.

Capital improvements programming is a valuable tool to ensure that choices are made wisely. The Village’s development goals are implemented, in part, by the careful provision of capital facilities. The benefits of this systematic approach to planning capital projects include the following:

1.1 Introduction (cont'd)

- ***Focuses attention on community goals, needs, and capabilities.***

Through capital improvements programming, capital projects can be brought into line with the Village's long-range plans by balancing identified needs with financial capabilities.

Considered individually, a new park, water system improvements, and street widening may be great ideas. But each project may look quite different when, in the course of the CIP process, it is forced to compete directly with other projects for limited funds.

- ***Optimizes use of the taxpayer's dollar.***

The capital improvements program helps the Village Council and Village Manager make sound annual budget decisions. Careful planning of capital improvements helps prevent costly mistakes. In addition, capital planning allows the Village to save money in several other ways. For example, investors in municipal bonds tend to look more favorably on communities, which have a CIP; if bond financing is selected for a capital improvement project, the Village may realize significant savings on interest.

- ***Guides future growth and development.***

The location and capacity of capital improvements shape the growth and redevelopment of the Village. Village decision makers can use the CIP to develop well thought-out policies to guide future land use and economic development.

- ***Encourages efficient government.***

Interdepartmental coordination of capital improvements programming can reduce scheduling conflicts and ensure that no single function receives more than its fair share of resources. In addition, the CIP can be used to promote innovative management techniques and improve governmental efficiency and effectiveness.

- ***Improves the basis for intergovernmental and regional cooperation.***

Capital improvements programming offers public officials of all governmental units (Village of Dexter, Washtenaw County, Dexter Public School District, Downtown Development Authority, etc.) an opportunity to plan the location, timing, and financing of improvements in the interest of the community as a whole.

1.1 Introduction (cont'd)

- ***Maintains a sound and stable financial program.***

Having to make large or frequent unplanned expenditures can endanger the financial wellbeing of the Village. Sharp changes in the tax structure or bonded indebtedness may be avoided when construction projects are planned in advance and scheduled at intervals over a number of years. When there is ample time for planning, the most economical means of financing each project can be selected in advance. Furthermore, a CIP can help the Village avoid commitments and debts that would prevent the initiation of other important projects at a later date.

- ***Enhances opportunities for participation in federal or state grant programs.***

Preparing a CIP improves the Village's chance of obtaining aid through federal and state programs that provide funds for planning, construction and financing of capital improvements. The CIP is considered a "public works shelf" that contains projects that can be started quickly by having construction, or bid, documents ready should any grants become available.

1.2 PROGRAM SUMMARY

THE CAPITAL IMPROVEMENTS PLAN PROCESS

The capital improvements program is a distinct element of the annual budget process that flows through Village government in separate channels. The CIP process usually occurs earlier in the annual cycle than the annual budget. The Village Planning Commission develops the CIP over several months.

The Village of Dexter uses a traditional needs-driven approach to developing its CIP. In this approach, the Village first reviews its plans and policies, then develops a list of needed capital projects and tries to finance them. The process for developing the CIP is described below:

1. *Individual Department Proposals*

Organize the Process

The Planning Commission establishes the administrative framework and policy framework within which the CIP process will operate. Because the Planning Commission is required to develop an annual CIP, the Planning Department assumes the lead in coordinating the CIP process. The Village Finance Director and other members of the Village Manager's staff also play an active role in supporting the Planning Department.

Develop Project Requests

Next, department heads submit proposed capital improvements projects to the Planning Department. The project worksheet is a particularly useful tool for ensuring that proposed projects are well thought out and based on a realistic appraisal of need.

Because the Village typically does not have sufficient funding capacity to meet all the capital needs, priorities are set, based on the policies and criteria established as part of the process. Departments submitting proposals rank their own projects, suggesting their priorities to the Planning Commission. Priority rankings do not necessarily correspond to funding sequence. For example, a road-widening project ranked lower than a park acquisition project may be funded before the park project because the road project has access to a restricted revenue source, whereas the park project may have to compete for funding from within a different revenue source. In other words, a project's approval depends on a number of factors – not only on what it is, but also on how it's done, where it's located, how much it costs, and its funding potential.

1.2 Program Summary (cont'd)

2. Planning Commission Assessment

Review Departmental Projects

Following the submission of project proposals to the Planning Department, meetings are held to discuss project proposals. The objective at this juncture is to pull together a CIP that is sensitive to Village plans and policies. There are several ongoing departmental functions that occur throughout the year, which lead to the project proposals:

a) Demand Forecast

Forecasts of population, land use, and other demand factors are used by departments to help determine needs for capital facilities. These forecasts typically are made for a period that exceeds that covered by the CIP. Departments can use these forecasts, along with existing facility inventories, to pinpoint areas where future development may create demand for additional capital facilities. References for this information include the Village Master Plan, Parks and Recreation Master Plan, Southeast Michigan Council of Governments (SEMCOG), the Census Bureau, and the Village's GIS.

b) Existing Facility Inventory and Maintenance

Departments keep a current inventory of existing facilities for two reasons. First, existing facilities may need maintenance, repair, rehabilitation, or replacement to continue providing the desired levels of service. The inventory identifies those that need replacement. That information is then used to develop a cost-effective strategy for protecting capital infrastructure. Second, the number and condition of existing facilities determine current levels of service, and those levels are benchmarks for evaluating proposed standards for future service levels. If existing facilities in their current condition are unable to meet future demand, the deficiency must be corrected through capital improvements. Thus, the inventory becomes the basis for specific capital improvement project requests.

c) Level of Service

Departments can identify the levels of service they currently provide and the levels of service the Village will need in the future. These levels help departments determine what should be proposed for funding. Examples of levels of service include: acres of parkland per a certain population, ratio of actual traffic volume to street design capacity, gallons of water per day per customer, etc.

1.2 Program Summary (cont'd)

3. Capital Improvements Programming

Screen, Evaluate and Prioritize Projects

The most difficult task for the Planning Commission is to evaluate and prioritize the many projects submitted for approval. This is a critical component of the CIP process. Project selection must correspond to the amount of money assumed to be available for capital spending. Within the limited budget, is a new street paving, an addition to the water treatment plant, or a park rehabilitation of greater importance? Shrinking funds and rising costs incurred in maintaining and rehabilitating deteriorating infrastructure make the process of selecting the most vital capital projects even more crucial and difficult. The merits of each project must be judged against the policies and criteria of the CIP process and the goals of each component of the master plan. Does the project conform in terms of location, size, service provided, and relation to its service area, effect on land use patterns, and relation to public policy and community goals? More than merely a technical process, prioritization involves value preferences, policy choices and political actions. Throughout the examination of the proposed projects, the Planning Commission attempts to overcome some inherent problems in the CIP process:

- a) Government projects are difficult to evaluate because of their diversity and the fact that many, essentially, are not comparable. Individual CIP project requests reflect the need to serve different constituencies and diverse community values. The Planning Commission must attempt to reconcile and balance conflicting community values and judgments.
- b) The Planning Commission must continually approach the decisions required in this process rationally and analytically regardless of the political forces. While conflicting interests within the political process are acknowledged, the Planning Commission must attempt to develop a program that provides the most benefit to the entire community.
- c) It is inevitable that the number of projects requested exceeds available funding. In the endeavor to provide better service to the community, departments often propose capital projects, which, unfortunately, go unfunded. This process should not discourage departments from continuing to submit proposals, but should develop into a mechanism to help in the effort to uncover alternate sources of funding and see that higher-priority projects get implemented.

Next, the projects are placed into the appropriate funding priority group in relation to their necessity or urgency. The Planning Commission uses the following classification system to prioritize proposed projects:

1.2 Program Summary (cont'd)

· PRIORITY 1 - URGENT

Urgent, high-priority projects that should be done if at all possible. These include projects that are required to complete a major public improvement; projects that would address an emergency, or remedy a condition dangerous to public health, welfare, and safety; projects that would provide facilities for a critically needed community program; and projects vital to the economic stability of the Village. A special effort is made to find sufficient funding for all of the projects in this group.

· PRIORITY 2 - IMPORTANT

High-priority projects that should be done as funding becomes available. These include projects that would benefit the community; and projects whose validity of planning and validity of timing have been established.

· PRIORITY 3 - DESIRABLE

Worthwhile projects to be considered if funding is available. These are projects that are adequately planned, but not absolutely required, and should be deferred to a subsequent year if budget reductions are necessary.

In addition, projects may have been eliminated from consideration if it was determined that they pose a serious question of community need, adequate planning, or proper timing. This step was also conducted without consideration of project cost of funding.

Select Projects

In the end, the availability of funds each year, as approved by Village Council upon the recommendation of the Village Manager, determines the number of projects that are funded. As with the measurement of project impacts under Screen, Evaluate and Prioritize Projects, placing projects in priority groupings relies on the judgment of the Planning Commission, and is not a completely objective process. The criteria used, after all, are not subject to precise measurement. The judgment is, however, not arbitrary and is done within the context of the plans, policies and the goals of the master plan. Thus, a secondary role of the CIP process is to point out the implications of alternative projects to the Village Council.

The Village Council ultimately approves the assumptions, criteria, policies, and recommendations of the Planning Commission by acknowledging the CIP in the budget process. Depending on the policy orientation, modifications are expected throughout the process. This is considered an essential part of the procedure, placing the burden on those who dissent to assess the policies underlying the recommendations and to advocate their differences, resulting in the necessary evolution of the entire capital planning process.

1.2 Program Summary (cont'd)

4. *Planning Commission Recommendation*

Prepare and Recommend the CIP

As the process continues, and increasingly detailed information emerges, projects may be added, altered, or abandoned. The Planning Commission evaluates the CIP package in light of additional information, holds a public hearing, and makes final programming decisions before recommending the CIP and sending it on to Village Council for approval. Council will then be able to use the CIP to make budgetary decisions on capital projects. Planning Commission recommendation of the CIP is not a commitment to finance the approved projects; rather it is a statement of policy regarding the Village's approach to meeting its future capital needs.

5. *Village Council Approval*

Adopt the Capital Improvements Plan

1.3 PROGRAM GOALS AND POLICIES

Goals and policies are necessary to guide capital programming because: 1) they provide a better understanding of the basis for a CIP; 2) they raise issues that should be discussed; and 3) they provide more specific guidance to the Village Manager as well as to the operating departments that propose capital improvements. They are intended to be the basis for deliberation and debate and will change over time as new components of the master plan are adopted.

Capital Planning

Goal A Identify capital projects that reflect capital need as demonstrated in master plans, studies, Village Council resolutions, federal or state laws or through public request.

Policy A.1 All Village departments shall participate in the master planning process, so that plan components more consistently contain objectives and policies for capital improvements.

Policy A.2 Capital projects that encourage private economic investment in the Village shall be considered in components of the master plan.

Project Funding

Goal B Continue to identify and develop sources of revenue to pay for capital expenditures that do not use, or compete for, resources from the General Fund.

Policy B.1 The Village shall continue to seek private contributions to help pay for new public improvements that serve and benefit private development.

Policy B.2 The use of non-recurring grants for capital purchases and onetime programs shall continue to be encouraged.

Policy B.3 Where feasible, the Village will explore inter-jurisdictional grant proposals for Village projects that have the potential for regional improvements (e.g. transportation, open space, water quality).

1.3 Program Goals and Policies (cont'd)

Project Prioritization

- Goal C Prioritize capital projects that provide substantial public benefit and implement the primary goals and objectives of adopted plans and policies.
- Policy C.1 Projects that are necessary to protect against a clear and immediate risk to public health or safety or are mandated by state or federal law shall be given highest priority.
- Policy C.2 Projects that can demonstrate a net savings in operation and maintenance costs normally will be supported over other projects of similar ranking and funding need.
- Policy C.3 Projects that provide the most benefit to the entire community normally will be supported over other projects of similar ranking and funding need.
- Policy C.4 Projects that maintain or improve existing infrastructure normally will take precedence over projects that create or expand facilities.
- Policy C.5 Projects that reduce impacts on or improve the environment, or that reduce energy consumption will receive higher consideration.
- Policy C.6 Projects first will be evaluated in relation to each other before consideration is given to available financing.

Inter-Jurisdictional Coordination

- Goal D Participate in inter-jurisdictional planning to formulate coherent policies and to avoid service delivery fragmentation among the Village, townships, special districts, and the private sector.
- Policy D.1 The Village shall coordinate projects with other jurisdictions that may be impacted to help establish efficient scheduling, avoid service interruptions and reduce project costs.

1.3 Program Goals and Policies (cont'd)

Public Participation

- Goal E Provide opportunities, in addition to public hearings, to involve the community in the CIP process to help ensure that their concerns, preferences, and priorities are considered.
- Policy E.1 A draft of the CIP shall be made available for public review prior to the first public hearing. The draft shall be located at the Village Office and on the Village website.
- Policy E.2 Village departments shall explore opportunities for public input for those projects that currently do not provide them.
- Policy E.3 Village departments shall include a discussion of related capital improvement projects when holding a public meeting to discuss or update a Village master plan.

2011-2012 Policy Recommendations

- GOAL F Prioritize Collaborative Projects, specifically projects that have direct impacts on the quality of life for Village residents, Westside Connector, Mill Creek Park Development, Facility Improvements, and the Central Street Streetscape Improvements. Collaborate to improve corridor entries to the Village.
- GOAL G Provide annual funding to recreation and open space projects in accordance with the Village of Dexter Parks and Recreation Master Plan.
- GOAL H Incorporate Complete Streets Policies and principles into all road/street projects, including non-motorized paths, bicycle lanes, pedestrian connections, linkages and crosswalks throughout the Village. Support public transportation options for Village residents.
- GOAL I Provide annual funding to maintain the Village's trees/urban forest in accordance with the Tree Management Plan and to reduce maintenance, hazards and liability.
- GOAL J Be development ready. Prioritize improvements in areas designated by the Master Plan for redevelopment and reinvestment, including Baker Road, Grand Street, and Forest Street.
- GOAL K Practice fiscal conservancy by restricting funding for large scale projects, long range planning projects and unique opportunities.

1.4 PROGRAM FUNDING

Because capital improvement projects involve the outlay of substantial funds, numerous 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. For instance, funds in the Parks Endowment must be used for the purposes that were stated when the endowment was made. The CIP has to be prepared with some assumptions as to the amount of money to be available. The following is a summary of the funding sources for projects included in the capital improvements program.

ENTERPRISE (RESERVE) FUNDS

In enterprise financing, funds are accumulated in advance for capital requirements. Enterprise funds not only pay for capital improvements, but also for the day-to-day operations of Village services and the debt payment on revenue bonds. The Village can set levels for capital projects; however, increases in capital expenditures for sewer lines, for example, could result in increased rates. Enterprise fund dollars can only be used on projects related to the fund.

GENERAL OBLIGATION (G.O.) AND REVENUE BONDS

When the Village sells bonds, purchasers are, in effect, lending the Village money. The money is repaid, with interest, from taxes or fees over the years. The logic behind issuing bonds (or “floating a bond issue”) for capital projects is that the citizens who benefit from the capital improvements over a period of time should help the Village pay for them. In 2006 the Village Council authorized a General Obligation Bond for \$2.8 million dollars. The Bond included the following:

1)	Westside Connector (CIP Project #03-13.0-1990)	\$100,000
2)	Park (Mill Pond) Restoration (CIP Project #05-2.0-2000)	\$500,000
3)	Sediment Mgmt (Mill Pond) (CIP Project #05-2.0-2000/02-13.0-1995) \$500,000	
4)	DPW Building/Salt Storage (CIP Project #01-3.0-1995 & 02-3.0-2005) PROJECT COMPLETE (07-08)	\$1,200,000
5)	Public Safety and Village Offices (CIP Project #03-3.0-1994)	\$500,000
		TOTAL=\$2,800,000

As of February 2007 the Village funded one Bond Series for \$1.7 million dollars for the DPW Building and Salt Storage Project and the Public Safety and Village Offices Project. The second Bond Series for the remaining \$1.1 million dollars has not been

executed.

The Village can issue bonds in two forms:

General Obligation Bonds

Perhaps the most flexible of all capital funding sources, G.O. bonds can be used for the design or construction of any capital project. These bonds are financed through property taxes. In financing through this method, the taxing power of the Village is pledged to pay interest and principal to retire the debt. Voter approval is required if the Village wants to increase the taxes that it levies and the amount is included in the Village's state-imposed debt limits. To minimize the need for property tax increases, the Village makes every effort to coordinate new bond issues with the retirement of previous bonds. G.O. Bonds are authorized by a variety of state statutes.

Revenue Bonds

Revenue bonds are sold for projects, such as water and sewer systems, that produce revenues. Revenue bonds depend on user charges and other project-related income to cover their costs. Unlike G.O. bonds, revenue bonds are not included in the Village's state-imposed debt limits because the full faith and credit of the Village back them. Revenue bonds are authorized by Public Act of 1933, the Revenue Bond Act.

WEIGHT AND GAS TAX

Based on a formula set by the State of Michigan, the Village of Dexter receives a portion of the tax placed on motor fuel and highway usage in the state. The restrictions placed on the expenditure of these funds insure that they will be spent on transportation-related projects or services. These funds are often called "Act 51" funds.

TAX INCREMENT FINANCING (TIF)

TIF is a municipal financing tool that can be used to renovate or redevelop declining areas while improving their tax base. TIF applies the increase in various state and local taxes that result from a redevelopment project to pay for project-related public improvements. Public Act 281 of 1986, the Local Development Finance Authority Act and Public Act 450 of 1980, the Tax Increment Financing Act authorizes TIF. Because the passage of Proposal A in 1994 limits the ability to capture certain taxes, the ability to utilize this was severely restricted.

MILLAGES

The property tax is one of the most important sources of Village revenue. The property tax rate is stated in mills (one dollar per \$1,000 of valuation). This rate is applied to the net value, following the application of all exemptions and a 50% equalization ratio. Millages can be either authorized by statute or voted by the people for use on a particular purpose.

FEDERAL FUNDS

The federal government makes funds available to cities and villages through numerous grants and programs. Some federal funds are tied directly to a specific program. The Village has discretion (within certain guidelines) over the expenditure of others. For the most part, the Village has no direct control over the amount of money received under these programs. Due to a significant change in federal policy during the 1980's, federal funds have been declining. While recreation, transportation, and housing programs have continued to be funded, the amounts are likely to be greatly curtailed.

SPECIAL ASSESSMENTS

Capital improvements that benefit particular properties, rather than the community as a whole, may be financed more equitably by special assessment: that is, by those who directly benefit. Local improvements often financed by this method include street improvements (including pavement, curb and gutter, sidewalks, etc.), sanitary and storm sewers, and water mains.

DEVELOPER CONTRIBUTIONS

Sometimes capital improvements are required to serve new development. Where funding is not available for the Village to construct the improvements, developers may agree to voluntarily contribute their share or to install the facilities themselves so the development can go ahead.

Funding Sources Checklist

	General Fund	Sewer Fund	Water Fund	Major Sts (Act 51)	Local Sts (Act 51)	Municipal Streets	GO Bonds	Special Assess
1.0 Downtown Development Authority							x	x
2.0 Parks & Recreation	x						x	
3.0 Buildings & Grounds	x						x	
4.0 Stormwater Infrastructure R & R				x	x	x	x	x
5.0 Street Repair & Reconstruction				x	x	x	x	x
6.0 Alley Improvements	x					x	x	x
7.0 Streetscape & Streetlights	x					x	x	x
8.0 Traffic Flow/Control Improvements				x	x	x	x	
9.0 Sidewalks	x						x	x
10.0 Waste Water System		x					x	x
11.0 Water System			x				x	x
12.0 Private Improvements								x
13.0 Cooperative Projects	x	x	x			x	x	x

	DDA Funds	LDFA Funds	Federal Funds	State Funds	Foundation Grant	Other Grant	Private Sources
1.0 Downtown Development Authority	x		x	x	x	x	x
2.0 Parks & Recreation			x	x	x	x	x
3.0 Buildings & Grounds	x		x	x	x	x	x
4.0 Stormwater Infrastructure R & R			x	x	x	x	x
5.0 Street Repair & Reconstruction			x	x	x	x	x
6.0 Alley Improvements			x	x	x	x	x
7.0 Streetscape & Streetlights	x		x	x	x	x	x
8.0 Traffic Flow/Control Improvement	x		x	x	x	x	x
9.0 Sidewalks	x		x	x	x	x	x
10.0 Waste Water System			x	x	x	x	x
11.0 Water System			x	x	x	x	x
12.0 Private Improvements					x	x	x
13.0 Cooperative Projects	x	x	x	x	x	x	x

Village of Dexter, Michigan FY2011-2016 Capital Improvements Plan

Section 2.0

Capital Improvement Budget (CIB)

1.0 DDA CIB

PROJECT # (Priority-Section- Year)	PROJECT NAME	FUNDING SOURCES	1st Year FY 11-12
02-1.0-2009	Parking Lot Maintenance	DDA	10
03-1.0-2010	Downtown Fire Detection	DDA	10

SECTION TOTALS

TOTAL	20
DDA	20
Federal Aid-STP	0
Street Fund	0
DDA/Private	0

2.0 PARKS & RECREATION CIB

PROJECT # (Priority-Section- Year)	PROJECT NAME	FUNDING SOURCES	1st Year FY 11-12
01-2.0-2009	Mill Creek Park Improvements- Phase 1	TOTAL	1000
		General Fund	365
		DDA	100
		Grants	500
		Restricted	35
06-2.0-2010	Parkland Property Acquisition	General Fund	25
07-2.0-2010	School Property Acquisition	Various/Unknown	
08-2.0-2004	Skatepark	General Fund	25

SECTION TOTALS

TOTAL	1050
General Fund	415
DDA	100
Grants	500
Private	0
Restricted	35

3.0 SIDEWALKS & WALKABILITY CIB

PROJECT # (Priority-Section- Year)	PROJECT NAME	FUNDING SOURCES	1st Year FY 11-12
01-3.0-2009	Annual Sidewalk Repair and Replace	General Fund	10
02-3.0-2009	Sidewalk Minor Repairs	General Fund	10
03-3.0-2004	Edison Street (South)	General Fund	60
04-3.0-2010	Crosswalk Improvements	General Fund	25
05-3.0-2010	Baker Road Crosswalk	Grants	134
07-3.0-2011	Cedars of Dexter Connector	TOTAL	100
		General Fund	28
		Grants	72
SECTION TOTALS		TOTAL	339
		General Fund	133
		Street Fund	0
		Grants	206

4.0 BUILDINGS & GROUNDS CIB

PROJECT # (Priority-Section- Year)	PROJECT NAME	FUNDING SOURCES	1st Year FY 11-12
02-4.0-2010	Equipment Replacement	Equipment Replacement	20
03-4.0-2011	Street lighting Upgrades	Equipment Replacement	14
SECTION TOTALS		TOTAL	34
		Equipment Replacement	34

5.0 PLANNING & ZONING CIB

PROJECT # (Priority-Section- Year)	PROJECT NAME	FUNDING SOURCES	1st Year FY 11-12
01-5.0-2010	Zoning Ordinance Update	General Fund	10
SECTION TOTALS		TOTAL	10
		General Fund	10

6.0 STREETS & ALLEYS CIB

PROJECT # (Priority-Section- Year)	PROJECT NAME	FUNDING SOURCES	1st Year FY 11-12
02-6.0-2008	RoadSoft Maintenance Program	Street Fund	20
03-6.0-2009	Annual Alley Maintenance	Street Fund	10
04-6.0-2010	Alley Project (Baker & Hudson/Forest & Grand)	Street Fund	60

SECTION TOTALS

TOTAL	90
Street Fund	90
DDA	0
Federal Aid-STP	0

7.0 STORM WATER CIB

PROJECT # (Priority-Section- Year)	PROJECT NAME	FUNDING SOURCES	1st Year FY 11-12
01-7.0-2004	Catch Basin Replacement	Street Fund	50
03-7.0-2009	Storm Channel Rehabilitation	TOTAL	50
		Street Fund	14
		Grants	36
07-7.0-2009	Bio-retention swales	TOTAL	80
		Street Fund	30
		Grants	50

SECTION TOTALS

TOTAL	180
Street Fund	94
Grants	86

8.0 WASTEWATER (SEWER) CIB

NONE

9.0 WATER SYSTEM CIB

PROJECT # (Priority-Section- Year)	PROJECT NAME	FUNDING SOURCES	1st Year FY 11-12
01-9.0-2005	Water System Improvements	TOTAL	1300
		Federal Aid-ARRA Grant	520
		Federal Aid-DWRF Loan	780

SECTION TOTALS

TOTAL	1300
Federal Aid-ARRA Grant	520
Federal Aid-DWRF Loan	780
Water Fund	0

10.0 COOPERATIVE PROJECTS CIB

NONE

Village of Dexter, Michigan FY2011-2016 Capital Improvements Plan

Section 2.1

Capital Improvement Plan

2.1 PROJECT WORKSHEETS
