



## *City of Clawson*

### *Capital Improvement Guide and Plan*

*Fiscal Year 2021 - 2027*



CITY OF CLAWSON  
425 N. MAIN STREET  
CLAWSON, MI 48017

MAY 2021

Working document

To the Residents of the City of Clawson,

Thank you for taking the time to review our 2021-2027 Capital Improvement Plans. We continue to welcome all manners of public comment on the direction of our community.

Like other communities, Clawson's Capital Improvement Plan incorporates projects identified in the many adopted plans and policies, rendering it as a key tool that benefits our city by addressed a variety of municipal capital needs and desires throughout the city. Projects that will continue to deliver services to our residents. The plan includes long term goals for drainage, non-motorized connections, major roads, local streets, parks, city-owned facilities, and water and sewer infrastructure. Professional services required for planning and projects that respond to these needs are also included in this process.

This plan also goes above a beyond the scope of future needs but also incorporates maintenance and upgrades to existing infrastructure systems. We have requested feedback from residents and council and the overarching comments we get are maintain what we have and focus on our infrastructure needs to continue serving the residents.

The 2021-2027 Capital Improvement Plan includes a total of \$\_\_\_\_\_ in projects over the next six years. The first year of this Capital Improvement Plan has been included in the Departmental Budget requests for Fiscal Year 2021-2022. The feasibility of the capital requests are considered with the operating budgets by the Mayor and Council. With the city still operating under the current COVID pandemic we have remained cognizant of how best to navigate funding issues. We know that we have tough financial decisions to make and to be good financial stewards while we progress through this upcoming year. We are pleased to present the City of Clawson's 2021-2027 Capital Improvement Plan.

Respectfully submitted,

City of Clawson City Council and Administration

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## Guide Overview

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

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

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

## State Law

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

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

## Roles

### City Manager

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

## Department Heads

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

- Building and Planning Director
- Cable/Internet
- City Clerk
- DDA Director
- DPW Superintendent
- Engineering
- Finance Director
- Fire Chief
- Library Director
- Museum Curator
- Recreation Director
- Police Chief
- Senior Center
- Treasurer

## Planning Commission

In the City of Clawson, the Planning Commission functions in an advisory role. Prior to recommending adoption of the CIP to the City Council, the Planning Commission will host a public hearing to receive input and feedback from citizens. The Planning Commission will provide a recommendation to the City Council regarding the CIP project list and priorities. However, in certain circumstances the Public Hearing will be held by the City Council as part of their budget adoption due to timing.

## City Council

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

# Project Categories

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

1. Public Works. Projects under public works include the design, planning, and construction of streets, sidewalks, and general infrastructure for community facilities.
2. Parks and Recreation. The City sets aside funds for improvement projects for all five City parks (Clawson City Park, Grant Park, Hunter Park, Memorial Park, and Parkland Park) including design, planning, and construction of parking areas, walking paths,

and structures. These capital projects are based on the recommendations of the Parks & Recreation Plan.

3. Police. Capital expenditures for the police department primarily include vehicles and equipment. These items are replaced on a rolling schedule (at least one new vehicle every two years).
4. Fire. Capital expenditures for the fire department primarily included vehicles and equipment. These items are replaced on a rolling schedule.
5. Hydro Electric. Improvements to the City's hydro-electric system are necessary to ensure long-term provision of electrical power to area residents and businesses. Expenditures for the hydro-electric system typically include electric improvements, meter reading technology, new vehicles, and the reuse and refurbishment of decommissioned infrastructure.
6. Water Pumping and Distribution. In order to ensure the long-term provision of water service to existing and future residents and businesses, expenditures such as meter reading technology, repairs and maintenance, rehabilitation and repairs, construction of water transmission mains, and the design, planning, and construction are needed. These projects are commonly identified in Water System Reliability Studies conducted by the City.
7. Sewer Collection. Similar to the water pumping and distribution system, the City depends on a well-functioning sewer collection system to ensure the health and safety of its residents and businesses. Common expenditure items under this category include the design, planning, and construction of sewer transmission mains, purchase of new equipment, and the construction or repairs.
8. City Buildings. Intermittent improvements are required to keep City buildings in well-functioning and safe conditions. Expenditures commonly include efficiency improvements such as energy efficient windows, roof and siding maintenance, and the design, planning, and construction of new City buildings.
9. DDA District. The Clawson Downtown District includes the areas of Main Street from Lincoln on the north to Tacoma on the south and those properties fronting upon 14 Mile Road from Maplegrove on the east to Washington on the west. Due to this area's character, infrastructure investments such as sidewalks are the greatest need.

## Annual Process

### Kickoff

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

### Department Head Project List and Forms

The heads of all applicable City departments are asked to submit a list of projects which is

developed in cooperation with City Manager. Capital improvement projects are identified and selected by completing project application forms by the heads of departments. These forms include necessary information such as the project name, estimated cost, description of the project, priority of the project, and justification for the expenditure.

### Project Ranking and Justification

When projects are developed, they are prioritized into high and moderate classifications. High priority projects are critical to the delivery of public services. Moderate priority projects are important for long-term community sustainability. These rankings are first ranked by City staff based on priorities and available budget. Priority rankings do not necessarily correspond to funding sequence. A project's funding depends on a number of factors, not only its merit, but also its location, cost, funding source, and logistics. Capital projects are based on a variety of sources such as the needs and goals outlined in the Master Plan or Parks & Recreation Plan, the common replacement schedule for various equipment and infrastructure, special studies, or other known needs.

### Planning Commission Review

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

### City Council Approval

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

## Funding

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

- General fund appropriation
- DDA Financing (pay-as-you-go and/or bonds)
- Grants
- Millages
- Special Assessment Bond/Financing
- Utility Bonds
- Utility User Fees

## What is a Capital Improvement Plan (CIP)?

A Capital Improvement Plan is a six-year schedule of public physical improvements which identifies the needs for improvements and the sources of funding to make those improvements. It provides a schedule of expenditures for constructing, maintaining, upgrading, and/or replacing a community's physical inventory. The CIP, therefore, is a tool to assess the long-term capital project requirements (the "big jobs") of Lathrup Village. Since capital improvement projects are spread across multiple community needs (fire protection, police, water and sewer, parks and recreation, municipal administration, etc.), the CIP prioritizes these projects across the entire community and over time, providing a comparison of the community's various needs and wants.

## What are Capital Improvement Projects?

Each city department is asked to take a long view look at future initiatives or improvements that may require capital purchases in order to be fully implemented. Each department works to improve the manner by which the city delivers services to its residents and stakeholders. Lists of need are developed based on research and discussions with communities that have similar needs. The majority of the capital purchases in these categories are funded through the general fund or other dedicated city funds. Thorough knowledge and research of our future planned costs allows for the pursuit of grant and other outside funding sources to meet our policy goals. The following sections discuss the city's various needs and proposed funding by department.

The term "major expenditure" is relative; what is "major" to one community might be "minor" to another. The City of Ann Arbor, for example, sets a minimum threshold of \$100,000 for projects to be included in the City's CIP, while the City of Rochester Hills sets a minimum of \$25,000. Lathrup Village's policy for determining a Capital Improvement is defined in the following section.

## What is Clawson's Capital Improvement Policy (CIP)?

A capital improvement project is a major, nonrecurring expenditure that meets one of more of the following criteria:

- Any acquisition of land for a public purpose which costs \$5,000 or more.
- Any construction of a new public facility (city building, water/sewer lines, pathways), or any addition to an existing public facility, the cost of which equals \$5,000 or more and has a useful life of three or more years.
- A nonrecurring rehabilitation (not to include annual/recurring maintenance) of a building, its grounds, a facility, or equipment, the cost of said rehabilitation being \$5,000 or more with a useful life of three or more years.
- Purchase of major equipment which, individually or in total, cost \$5,000 or more with a useful life of three or more years.

Planning, feasibility, engineering, or design studies related to an individual capital improvement project, or program implemented through individual capital improvement projects, with a cost of \$5,000 or more and a useful life of three or more years.

## What is the role of the City Planning Commission in the CIP Process?

The Capital Improvement Program is a dynamic planning document, intended to serve as a tool to implement the City of Clawson's Master Plan. The Master Plan should correspondingly include capital improvement projects as well as guide long-term capital planning. The Planning Commission is uniquely qualified to manage the development and annual update of the City's CIP, based on their role in creating and updating the city's Master Plan. The Planning Commission's role will ensure that public works projects are consistent with the land uses identified within the Master Plan. By making a recommendation of approval for the CIP to the City Council, the Planning Commission agrees that the projects outlined within it reasonably address the city's capital improvement needs.

## What are the benefits of preparing a Capital Improvement Plan?

- Prudent use of taxpayer dollars
- Prioritizing projects across the needs of the community and across departments (an "apples-to-apples" comparison)
- Generating community support by inviting public input
- Promoting economic development
- Improving the city's eligibility for State and Federal grants
- Providing an implementation tool for the goals and objectives of the city's Master Plan
- Transparency in identification of high-priority projects
- Coordination / cost-sharing between projects

## Departmental Upgrades

Each department was asked to provide future initiatives or improvements that may require capital purchases in order to be fully implemented. As each department works to improve the delivery of

services to its residents and stakeholders, “wish lists” are developed based on review of processes, equipment, and discussions with neighboring communities. The majority of the capital purchases in these categories are funded through the general fund, however, there are sometimes opportunities available through grants and other outside funding sources that will meet our policy goals.

## Fiscal Year 2021/2022 Capital Improvement Requests

The Capital Improvement Plan plays an important role by providing the link between planning and budgeting for capital and non-routine operating expenditures. While the Council has previously adopted and/or reviewed the CIP, we now look to the Budgetary Impact.

While reviewing the submitted Proposed FY 21/22 Budget, you will see that the requested CIP costs are \$xxxxxxx of which \$xxxxxxx will come from GF revenues. The impact of the Pandemic on Revenues has negatively impacted the ability to move forward with many of the capital requests.

While there are a variety of funding sources that can be used to fund the CIP, (Use of fund balance, use of reserve funds, federal or state grants, pay as you go, increase in operating millage), careful consideration must be made on how these request will be funded.

Going forward, it is my recommendation to prioritize the CIP projects in order for future funding to be established in the years ahead.

The capital plan will be reviewed annually alongside the municipal budget to keep it fresh and current. The knowledge gained in the increased understanding of our City, by both local government officials and the public, will not only lead to a better understanding of upcoming challenges and needs, but it will better position Clawson fiscally and programmatically to achieve our goals.

### **OPTIONS FOR FUNDING CIP PROJECTS:**

1. Fund Balance - Use of available unrestricted fund balance
2. Fees - Increase in user fees to fund projects
3. Property Taxes - Increase in operating millage to fund projects
4. Grants - Seek new grants, use ARP funds
5. Internal Service Charges - Increase internal charges to pay for CIP (city hall, motor pool, IT)
6. Save – Set aside funding for projects to be completed in the future
7. Costs – Reduce costs to pay for projects (salaries, fringes, operating)

**CITY OF CLAWSON  
Capital Improvement Plan**

**2022-2026**

*(Fill in green sections. Other sections will be automatically calculated.)*

Fund	Project Name - Will fill in automatically with projects from Needs Assessment that meet the qualifying project score. Non-qualifying project rows will be blank and should be deleted.	Costs Incurred in Each Year						Total Project Costs
		Current Year	Future Plan Years					
		2022	2023	2024	2025	2026	2027	
<b>CITY HALL DEPARTMENTS</b>								
101.172	CITY MANAGER OFFICE COMPUTERS			\$6,000				\$6,000
101.201	FINANCE OFFICE COMPUTERS			\$4,000				\$4,000
101.215	CITY CLERK OFFICE COMPUTERS			\$7,500				\$7,500
101.253	TREASURER OFFICE COMPUTERS			\$10,000				\$10,000
101.428	BUILDING DEPARTMENT COMPUTERS			\$10,000				\$10,000
101.428	BUILDING DEPARTMENT FLOORING	\$5,000						\$5,000
101.428	BUILDING DEPARTMENT DIGITIZING	\$5,000						\$5,000
<b>ELECTIONS</b>								
101.191	VOTING BOOTHS	\$5,000	\$5,000					\$10,000
101.191	ELECTION COMPUTERS			\$8,000				\$8,000
101.191	ELECTION EQUIPMENT							\$0
<b>CITY HALL PROJECTS</b>								
101.298	CITY HALL RECONFIGURATION	\$231,000	\$150,000	\$100,000				\$481,000
101.298	FIRE SUPPRESSION AND NEW SERVER ROOM UPGRADES	\$17,600						\$17,600
101.298	KIOSK	\$7,500						\$7,500
101.298	SERVER AND PERIPHERALS	\$40,000						\$40,000
101.298	TECHNOLOGY IMPROVEMENTS				\$50,000			\$50,000
101.298	PARKING LOT IMPROVEMENTS						\$200,000	\$200,000
<b>POLICE DEPARTMENT</b>								
101.301	PATROL VEHICLE EQUIPMENT	\$26,000						\$26,000
101.301	CAR CAMERAS		\$50,000					\$50,000
101.301	BULLET PROOF VESTS			\$12,000				\$12,000
101.301	OFFICE COMPUTERS				\$10,000			\$10,000
101.301	IN CAR COMPUTERS					\$20,000		\$20,000
<b>FIRE DEPARTMENT</b>								
101.336	RADIO EQUIPMENT	\$85,000						\$85,000
101.336	EQUIPMENT							\$0
101.336	OVERHEAD DOORS							\$0
101.336	SCBAS					\$75,000		\$75,000
101.336	DRIVEWAY						\$150,000	\$150,000
101.336	GARAGE						\$100,000	\$100,000
101.336	GAZEBO		\$5,000					\$5,000
<b>DEPARTMENT OF PUBLIC WORKS</b>								
101.440	(2) 1 TON PICKUP 3500 PLOW	\$170,000						\$170,000
101.440	JD GATOR	\$12,000						\$12,000
<b>SENIOR CENTER</b>								
101.441	FREEZER		\$10,000					\$10,000
101.441	FURNITURE			\$10,000				\$10,000
<b>PARKS</b>								
101.751	ADA COMPLIANCE RESTROOM BUTTOMS	\$10,000						\$10,000
101.751	PLAYGROUND EQUIPMENT	\$10,000						\$10,000
101.751	EQUIPMENT (GRILLS, TABLES)	\$5,000						\$5,000
101.751	CAMERAS		\$15,000					\$15,000
101.751	PARK SIGNS			\$12,000				\$12,000