



**City of Montrose
Capital Improvement Plan
2024-2030**

Acknowledgements

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Mark Richard, Mayor Pro-Tem

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Todd Pangle

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Josh Sincessin

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Neil Rankin, City Manager

Sam Spence, Department of Public Works

Jennifer Whiting, City Treasurer

Christina Rush, City Clerk

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Introduction

Every municipality has a portfolio of capital assets that it owns, maintains, and employs to help deliver quality services to its residents. These assets include equipment and vehicles, such as fire engines, snow plows, extensive internal office systems and tools, but also more permanent assets such as roads, bridges, buildings, underground utilities, storm water systems, parklands, and natural areas. With ownership comes an obligation to maintain and continually improve these assets. The process used to determine how to invest City resources to maintain and improve the City's capital assets is known as the Capital Improvement Plan (CIP).

The City of Montrose has always strived to offer its residents and businesses the most desirable community facilities and reliable infrastructure to maintain their quality of life. As the City plans, maintaining existing high-quality transportation and utility systems must be a high priority. In 2003, the City of Montrose completed a comprehensive Capital Improvement Plan for the city's infrastructure including transportation and utilities. This CIP has been annually updated since then.

This plan includes the following categories of capital projects:

- + Major Streets
- + Local Streets
- + Stormwater
- + Water/Sewer Systems
- + Parks
- + General

WHAT IS A CAPITAL IMPROVEMENT PLAN?

A Capital Improvement Plan (CIP) is a multi-year planning instrument used to identify needs and funding sources for municipal capital project expenditures, facilitates coordinated improvements by maintaining, preserving, and protecting the City's existing infrastructure systems, and provides for the acquisition or scheduled replacement of equipment to ensure the efficient delivery of services to the community. Upon adoption by the City Council, the CIP becomes a statement of City policy regarding the timing, location, character, and funding of future capital projects. In Michigan, the formation of a capital improvements program is driven by the Michigan Planning Enabling Act, Public Act 33 of 2008, MCL 125.3865.

DEFINITION OF CAPITAL

The adoption of a common definition assists in determining which projects are part of the Capital Improvement Plan versus those that are part of the general budget. Capital expenses may include facility and infrastructure improvements, specialized equipment, vehicles and planning or engineering services. Capital projects and improvements are assets, improvements and project expenses including:

- + Replacements and improvements greater than or equal to \$5,000;
- + Programs or projects whose total is greater than or equal to \$5,000
- + Equipment purchases greater than or equal to \$5,000, with a service life of at least 5 years

Purpose

The purpose of the Capital Improvement Plan is to provide a link between planning and budgeting for capital expenditures to ensure that those improvements are fiscally-sound and consistent with the City's long-range goals and objectives.

Outcomes

- + Ensure the timely repair and replacement of aging infrastructure, facilities, and equipment.
- + Provide a level of certainty for residents, businesses, and developers regarding the location and timing of public investments.
- + Identify the most economical means of financing capital improvements.
- + Provide an opportunity for public input in the budget and financing process.
- + Facilitate coordination upgrades to capital infrastructure systems.

- + Enhance the community's credit rating, control of its tax rate, and avoid sudden changes in its debt service requirements.
- + Ensure that patterns of growth and development are consistent with the master plan.
- + Balance desired public improvements with the community's financial resources.

Process

Annual updates to the Capital Improvement Plan are developed through a series of meetings between the departments responsible for the plan to determine street and utility improvement needs. The City Manager, Department of Public Works and city staff utilizes an inventory of street conditions, water system assets, building conditions and the City Master Plan to determine priorities. The treasurer ensures that sufficient funding is available. In the limited funding environment, a program is developed that makes the best use of available funds. Once these steps are complete, the expenditure document is provided to the Planning Board for assembly and creation of the final plan.

As existing infrastructure ages, the condition deteriorates. Expenditures to maintain or repair a structure are less if issues are addressed earlier in the life cycle of the structure. The more deteriorated a structure becomes the more costly the resulting repair. The City utilizes a mix of different repair types based upon various road conditions, including but not limited to surface treatments, pavement rehabilitation and full depth reconstruction.

Coordination of Street, Storm, Water and Sanitary Sewer Projects

The Departments of Public Works reviews maintenance and condition of public infrastructure. Street and utility project needs are then coordinated for effective use of available resources. Included in the coordination process is a review of immediate and upcoming capital needs to existing utility and street infrastructure.

Resident Requests/Public Involvement

The City of Montrose considers specific public improvement projects, this includes input from the Master Plan, input at the Planning Board. Requests for review of current infrastructure conditions and consideration for improvements are accepted in writing throughout the year and are considered during the development of the CIP.

Property owners may submit a request for new infrastructure construction at unimproved locations only, such as: no existing water or sewer main; unpaved streets; no sidewalks. Investments in new infrastructure follow along with the Master Plan and budget goals and are prioritized based on the following:

- + Maintain or improve standards of service
- + Protect public health, safety, or welfare
- + Result in economic development (capital investment, increased tax base, or increased valuation)
- + Reduce energy consumption and/or improve environmental sustainability
- + Have an identified source of funding
- + Be ready to proceed
- + Be coordinated with other capital improvements

City Council reviews the estimates and feasibility of the project and decides if the petitioned project for new infrastructure will proceed.

Project Evaluation

Once the improvements list and cost estimates have been generated, the list is prioritized based on the project's feasibility and available funding. This list is then included in the Capital Improvement Plan for consideration. City Council then determines which projects receive highest priority and may allocate funding for the chosen projects in the next fiscal year's budget. Projects are typically constructed within the fiscal year for which funding is provided.

Timeline

The City of Montrose's CIP outlines a schedule of capital expenditures over a six (6) year period. The original CIP document was drafted in 1999 and is updated annually by City departments based on current project completion, prioritization, and available funding. By updating the document annually, the projects contained in the first year of the CIP is used to inform the next year's department requested budget. The CIP is scheduled for evaluation and updating annually in September through December and must be adopted by City Council by the first meeting in April.

Relationship between CIP and Master Plan

The CIP is a powerful tool for implementing a community's master plan. Capital projects can have a substantial impact on patterns of growth and public investment. By providing funding for strategic capital upgrades at a given time and location, the CIP helps ensure that the level of service is maintained and development is consistent with the City's plan and vision.

The following goals were taken from the 2018 update of the City of Montrose Master Plan:

Transportation Goals

- + To provide a street system that allows access to appropriate traffic levels for all developed areas of the City.
- + To harmonize the relationships between motorized and non-motorized modes of transportation within the City.
- + To design and provide a street network which enhances the potential for development in undeveloped areas of the City.
- + To promote ongoing, harmonious relationships with the Michigan Department of Transportation, the Genesee County Road Commission, and other agencies which maintain the transportation linkages within the City.

Open Space and Recreational Facilities

- + Annually prepare a 5-year parks and recreation plan according to Michigan Department of Natural Resources requirements.
- + Seek State grant funding for park and recreation improvements.
- + Investigate non-motorized trails, such as bike paths, for residential and recreation areas.
- + Ensure connectivity through non-auto dominant means with the enhancement of existing, and development of new, sidewalks throughout the City.
- + Start a process to work collaboratively with the school district, neighboring townships, library district, Genesee County, other public entities, and private recreation facility owners to create additional cultural, recreational, and educational program opportunities for people in the community.

Relationship between CIP and Budget

The CIP makes capital spending for City Departments more predictable and transparent and ensures consistency with the budget goals of the City.

Budget Goals:

- + Ensure economic sustainability
- + Provide an outstanding quality of life
- + Provide effective stewardship of community resources

Funding Sources

Special Assessments

When a public street, sewer, water main or sidewalk is installed where one does not currently exist, the majority of the cost for constructing these improvements is paid for by the property owners fronting the improvement. The property owner's share of the costs is referred to as a special assessment.

Special assessments are approved by City Council following two (2) public hearings. These hearings allow the benefiting property owners whose property will front the improvement to voice any concerns or ask any questions they may have about the project. Once approved, the affected property owners have the option of paying the full assessed amount within 30 days or paying over time. If paying over time, the assessment appears on the property owner's tax bill and includes interest charges.

State Funding

The City of Montrose receives funds from the State of Michigan (in accordance with Act 51, Public Acts 1951, as amended), which distributes gas and weight tax revenues to each jurisdiction based on its population and the mileage of the Major and Local Street systems. These funds are utilized to reconstruct, resurface, repair, and maintain the community's street system, including snow plowing.

State Revolving Fund

Financing for the DWSRF (Drinking Water State Revolving Fund) is from the issuing of up to \$500,000 in General Obligation Limited Tax bonds.

Enterprise Funds

Enterprise Funds account for specific services that are funded directly by fees, charges to users, self-generated revenue and/or bonding. These include the following services:

- + Water services
- + Wastewater services
- + Mosquito
- + Garbage

These funds are intended to be fully self-supporting and are not typically subsidized by any general fund revenue or taxes. Within each Enterprise Fund, budgets are developed which are sufficient to fund current year operations and maintenance expenses, as well as provide for current and future years' upgrade, replacement, and expansion-related capital construction requirements.

Grants and Donations

Some projects are entirely or partially funded by grants and reimbursements from the state and federal government and other agencies, or by donations from local charitable organizations. The receipts of certain grants and reimbursements typically follow the award of contracts. Donations are more typically offered and received in advance of project initiation.

2024-2030 Capital Improvements Plan

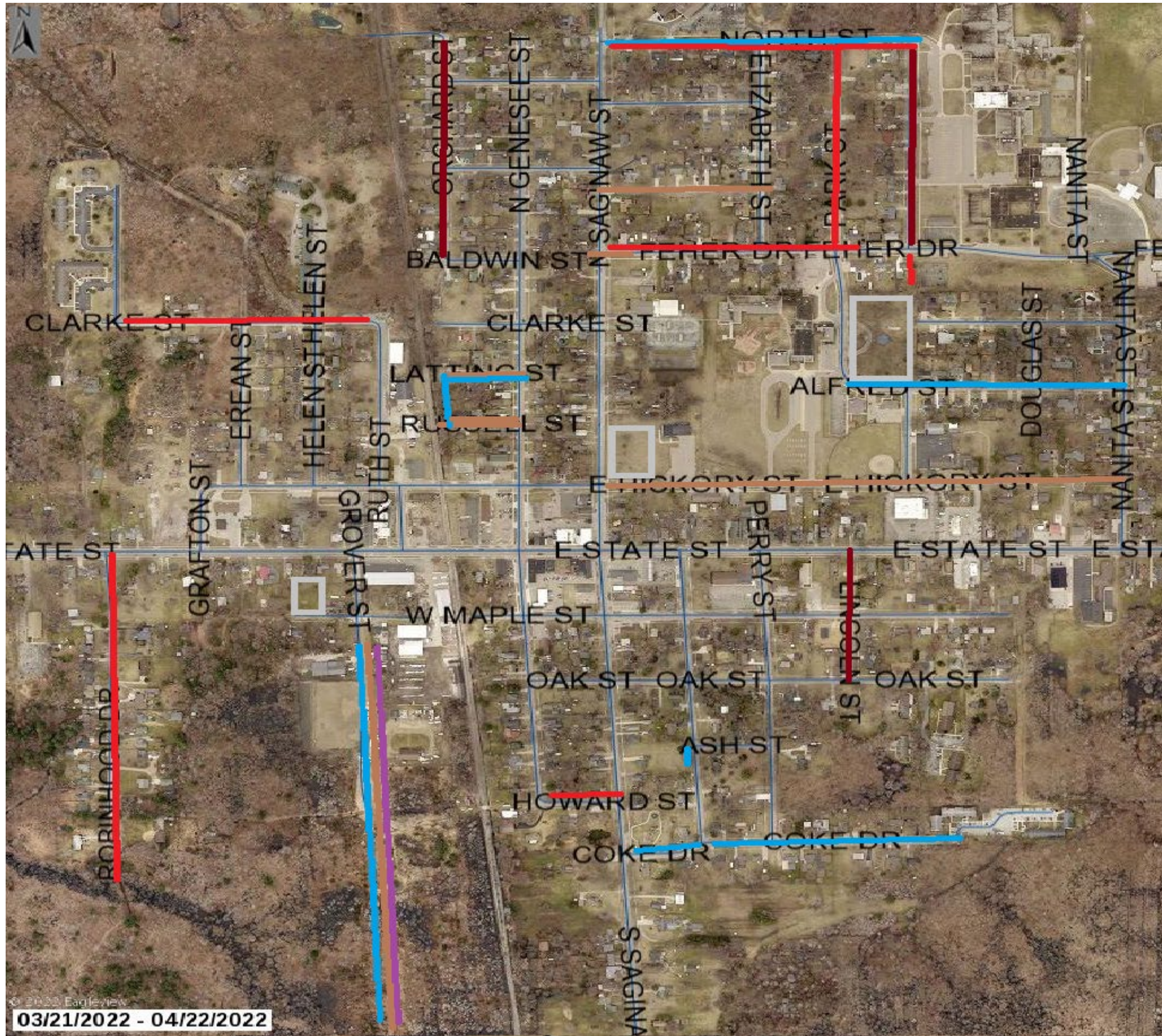
The 2024-2030 Plan reflects a six-year anticipated schedule and costs for infrastructure, facilities, and equipment based on information and expertise from the City Staff. The first year of the CIP represents the proposed capital budget for the current fiscal year.

Table 1 provides an overview of expected expenditures by each fiscal year and plan category.

Table 1: Summary of Capital Improvement Expenditures by Year / Category

CIP PROJECTS	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	TOTAL
MAJOR STREETS	\$10,000	\$10,000	\$ 1,434,000	\$10,000	\$10,000	\$10,000	\$1,484,000
LOCAL STREETS	\$173,000	\$75,000	\$75,000	\$250,000	\$25,000	\$1,450,000	\$2,048,000
STORMWATER	\$15,000	-	\$250,000	\$100,000	-	\$126,000	\$491,000
WATER	\$1,865,500	\$25,000	\$165,000	\$25,000	\$15,000	\$317,000	\$2,412,500
WASTEWATER		-			-	\$166,000	\$166,000
GENERAL	-	\$20,000	\$62,000	\$500,000	\$50,000	\$200,000	\$832,000
TOTAL	\$2,063,500	\$130,000	\$1,986,000	\$885,000	\$110,000	\$2,269,000	\$7,443,500

The map that follows provides a graphic view of expected collaborative street and utility projects by fiscal year.



- Sidewalks ■
- Water ■
- Sewer ■
- Streets Recon. ■
- General ■
- Streets Prevent. ■

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Major Streets

The City of Montrose is responsible for 8.5 miles of major and local streets. Major streets include Principal Arterials, Minor Arterials, and Collector Streets based on the Federal Highway Administration’s (FHWA) National Functional Classification (NFC). The City also provides maintenance and replacement of over 500 traffic signs, and provides over 8 miles of pavement markings for all categories of streets. Where possible, major street projects are coordinated with water and wastewater projects.

Major street improvement projects have been organized into the following project types:

- **ENGINEERING** – These projects include engineering studies and preliminary design work.
- **PLANNED PROJECTS UNDER \$499,999** – These projects include large capital projects with estimated costs under \$499,999.
- **PLANNED PROJECTS \$500,000 AND GREATER** – These projects include large capital projects with estimated costs \$500,000 and greater.

Table 2.1 Major Street Improvement Projects Summary

CIP ITEM	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL
PRELIMINARY ENGINEERING		\$60,000	\$75,000				\$135,000
PLANNED PROJECTS: < \$499,999	\$10,000		\$470,000	\$10,000	\$10,000	\$10,000	\$520,000
PLANNED PROJECTS: \$500,000 +			\$1,434,150				\$1,434,150
TOTAL	\$10,000	\$60,000	\$1,976,150	\$10,000	\$10,000	\$10,000	\$2,076,150

Table 2.2 Major Street Projects Under \$499,999

#	PROJECT	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL
1	Non- motorized Improvements SRTS			\$450,000				\$450,000
2	Traffic sign upgrade-SRTS			\$20,000				\$20,000
3	Surface treatment & crack sealing, sidewalk ramps	\$10,000	\$10,000		\$10,000	\$10,000	\$10,000	\$50,000
TOTAL		\$10,000	\$10,000	\$470,000	\$10,000	\$10,000	\$10,000	\$520,000

Table 2.3 Major Street Projects \$500,000 and Greater

#	PROJECT	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL
1	Hickory Street Reconstruction			\$1,434,000				\$1,434,000
TOTAL				\$1,434,000				\$1,434,000

Interagency Roadway Project Coordination

Coordination between various road agencies is important to capitalize on work being done by other agencies. The City of Montrose has roadway jurisdiction over most of the roads within the City. In addition, Michigan Department of Transportation (MDOT) also has jurisdiction over several roadways within the City limits (M-57). Genesee County Road Commission (GCRC) have jurisdiction over the roadways adjacent to and bisects the City. To improve traffic conditions within the City, coordination between roadway agencies will be required for future projects.

The City of Montrose and the Montrose Community School District are partnering to address the walkability for students that attend Montrose Community Schools. The city and school district are pursuing development of the Safe Routes To School program.

Stormwater

The storm maintenance staff is responsible for maintaining nearly 180 miles of storm sewer. The storm system is cleaned on a four-year rotation. Progress is tracked using a computerized work order system. Open drains throughout the city are inspected for debris after major rainfalls. Where possible, planned projects for stormwater are coordinated with major and local street projects.

The projects contained below include portions of the street project improvements.

Table 4. Stormwater Improvement Projects

#	PROJECT	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL
1	Latting & Russell Street Construction	\$15,000						\$15,000
2	Hickory Street Reconstruction			\$250,000				\$250,000
3	Carlann Street Construction				\$100,000			\$100,000
4	Grover Street Construction						\$126,000	\$126,000
	TOTAL	\$15,000		\$250,000	\$100,000		\$126,000	\$491,000

Water

The City of Montrose’s water comes from Lake Huron via the Karegnondi pipeline. The City has two watermains that serve the city. The first is a 12” water main that traverses east/west along State Street (M-57) the other is an 8” water main that traverses north/south along S. Saginaw. This looped system maintains pressure at approximately 60 psi using Pressure Reducing Valves (PRVs) at the interconnections. The interconnections can sufficiently supply the system’s existing maximum day demand of 135 gpm and the 20-year projected maximum day demand of 165 gpm.

The distribution system was originally constructed in the 1930s to 1950s, with major improvements completed in 1980-81 and 2014. Approximately 40% of the distribution system is composed of 6-inch or smaller water mains. EGLE considers water mains smaller than 6 inches undersized. It is recommended that the City continue the use of 8-inch or greater water mains for future replacements or extensions, due to problems associated with providing adequate fire flows through 6-inch or smaller mains. Approximately 20% of the distribution system is composed of asbestos cement pipes; it is recommended that the City prioritize replacement of these pipes

The City also maintains 108 fire hydrants including auxiliary valves. Where possible, water related projects are coordinated with local and major street projects.

Water improvement projects have been organized into the following project types:

- **EQUIPMENT** – These projects include specialized equipment or system components.
- **FACILITY** – These projects include site specific projects such as buildings, outfalls, ditches, culverts, and basins.
- **PLANNED PROJECTS UNDER \$499,999** – These projects include large capital projects with estimated costs up to \$499,999.
- **PLANNED PROJECTS \$500,000 AND GREATER** – These projects include large capital projects with estimated costs \$500,000 and greater.

The projects contained below include portions of the street project improvements.

**Table 5.1 Water Improvement Projects
Summary**

CIP ITEM	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL
PLANNED PROJECTS: < \$499,999			\$150,000			\$317,000	\$467,000
PLANNED PROJECTS: \$500,000 +	\$1,845,500						\$1,845,500
TOTAL	\$1,845,500		\$150,000			\$317,000	\$2,312,500

Table 5.2 Water Equipment Projects

#	PROJECT	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL
1	Hydrant replacement	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$90,000
2	Valve replacement		\$10,000		\$10,000		\$10,000	\$30,000
	TOTAL	\$15,000	\$25,000	\$15,000	\$25,000	\$15,000	\$25,000	\$120,000

Table 5.3 Water Projects Under \$499,999

#	PROJECT	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL
1	Hickory Street (Nanita to Saginaw Street)			\$150,000				\$150,000
2	Grover Street						\$317,000	\$317,000
TOTAL				\$150,000			\$317,000	\$467,000

Table 5.4 Water Projects \$500,000 and Greater

#	PROJECT	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL
1	DWSRF Project No. 7701-01	\$1,845,500		\$				\$1,845,500
TOTAL		\$1,845,000						\$1,845,000

Wastewater

The City's wastewater system includes nearly 7 miles of sanitary sewers, 1 pump stations and 1 standby generators. The City of Montrose wastewater is processed by Genesee County Water and Waste at Anthony Ragnone Treatment Plant that is located at 9290 Farrand Rd. The sanitary system is maintained by Genesee County Water and Waste through a service agreement. Where possible, wastewater projects are coordinated with local and major street projects.

The projects contained below include portions of the Concept 5 sewer improvement.

Wastewater improvement projects have been organized into the following project types:

- **GENERAL** – These projects include general capital maintenance programs.
- **EQUIPMENT** – These projects include specialized equipment or system components.
- **FACILITY** – These projects include capital improvements at the wastewater treatment plant.
- **PLANNED PROJECTS**– These projects include sanitary sewer projects and pump stations.

Table 6.1 Wastewater Improvement Projects Summary

CIP ITEM	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL
PLANNED PROJECTS						\$166,000	\$166,000
TOTAL							\$166,000

Table 6.2 Wastewater Planned Projects

#	PROJECT	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL
1	Sewer Line Extension (Grover Street)						\$166,000	\$166,000
	Total						\$166,000	\$166,000

General Infrastructure

The general category is a catch-all of infrastructure improvement projects within the City of Montrose. General projects include non-motorized projects, wayfinding, street light upgrades, parks and pavement and other City facilities.

General infrastructure projects have been outlined below:

Table 7. General Infrastructure Improvement Projects

#	PROJECT	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL
1	SIDEWALK IMPROVEMENT PROGRAM - ENGINEERING			\$5,000				\$5,000
2	SIDEWALK IMPROVEMENT PROGRAM			\$37,000				\$37,000
3	COMMUNITY EVENT SPACE				\$500,000			\$500,000
4	WAY-FINDING SIGN MAINTENANCE		\$20,000	\$20,000				\$40,000
5	LIONS'S PARK IMPROVEMENTS						\$200,000	\$200,000
6	City Wide Broadband Engineering					\$50,000		\$50,000
	TOTAL		\$20,000	\$62,000	\$500,000	\$50,000	\$200,000	\$832,000

[INTENDED AS REAR COVER]