



City of Ithaca, MI CAPITAL IMPROVEMENT PLAN 2025 - 2031

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Planning Commission Recommended: March 11, 2025

Water/Sewer Rate Analysis: March-April 2025

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CITY OF ITHACA

Capital Improvement Plan

FY 2024/2025 through FY 2029/2030

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CITY OF ITHACA
Capital Improvement Plan
FY 2024/2025 through FY 2030/2031

INTRODUCTION

The requirement for capital budgeting for the current year and the upcoming five fiscal years is found in the Michigan Planning Enabling Act (Public Act 33 of 2008, as amended.) Capital budgeting has two elements: 1) a 5-Year Capital Improvement Plan (CIP), and 2) the incorporation of that plan into the annual budget and future budget forecasts. The CIP is a six-year schedule of all proposed major capital improvement projects including project priorities, costs estimates and possible methods of financing. Each year the CIP is revised for the next fiscal year.

Including the CIP in the annual budget, and future budget forecasts, is primarily for the purpose of adjusting the multi-year program of projects to changing needs and circumstances as well as available funding sources. It also ensures that proposed and planned projects are actually completed. At the end of each fiscal year, the projects completed during that year are removed from the plan and an additional year's projects are added. Projects can be added, removed or postponed as the needs and resources of the community adjust.

It is also important that the adopted budget include a fund balance history for all funds of the community that provide funding for capital projects (General Fund, Major Street Fund, Local Street Fund, Water/Sewer Fund, etc.) An effective and ongoing CIP is beneficial to elected officials, city staff, the general public, credit-worthiness rating companies and bond holders. Benefits that can be received from an adopted and well-maintained CIP include:

1. Coordination of the community's physical planning with its fiscal planning capabilities & capacities.
2. Ensuring that public improvements are undertaken in the most desirable and efficient order of priority.
3. Assisting in stabilization of tax levies over a period of years.
4. Producing savings in total project costs by promoting a "pay as you go" policy of capital financing, thereby reducing additional interest and other extra charges from long-term debt financing.
5. Providing adequate time for planning and engineering of proposed projects.
6. Ensuring the maximum benefit of the monies expended for public improvements.
7. Permitting municipal construction activities to be coordinated with those of other public agencies within the community.

Capital improvement planning and budgeting allow officials and citizens to set priorities for capital expenditures and ensure maximum physical benefit for a minimum capital expenditure. This is done through an orderly process of project development, project design, cost estimating, scheduling, financing and implementation.

A wide range and variety of capital improvements are included in the CIP. Listed below are several criteria to aid in the review and prioritization of potential projects:

1. Required to fill any federal or state judicial administrative requirements
2. Relationship to source and availability of funds
3. Impact on annual and ongoing operating and maintenance costs
4. Relationship to overall fiscal policy and capabilities
5. Project's readiness for implementation
6. Relationship to overall community needs
7. Relationship to other projects (City and other agencies)
8. Geographic distribution of projects throughout the community
9. Relationship to other community plans

These factors are all relevant and must be considered in order to ensure that the best quality of service is delivered to our residents in the most fiscally prudent manner. Most importantly, the proposed list of capital projects has to reflect the overall goals and vision of the city's Master Plan and countywide Gratiot Community Master Plan (GREAT Plan).

THE FOLLOWING ACRONYMS ARE USED THROUGHOUT THIS DOCUMENT:

ARPA – American Rescue Plan Act Funds (Federal and County Subrecipient)
BLF – Bank/Loan Financing
BRA – Gratiot County Brownfield Redevelopment Authority (Tax Increment Financing [TIF])
BTW – Between
CE – Consumers Energy (grants, energy conservation credits, rebates)
CMF – Caldwell Memorial Fund (#217)
DDA – Downtown Development Authority Operating Fund (#248)
DO – Donations/Contributions
DPW – City Department of Public Works
EGLE – MI Department of Environment, Great Lakes & Energy
ERF – Equipment Replacement Fund (#661)
FEMA – Federal Emergency Management Agency
FED – Federal Grants (other)
FG – Foundation Grants (public & private)
FY – City Fiscal Year (July 1 – June 30)
GCRC – Gratiot County Road Commission
GF – General Fund (#101)
GMF – Gibbs Memorial Fund (#218- City Hall)
ICE – Infrastructure Capacity Enhancement Grant
LF – Library Operating Fund (#271)
LS – Local Street Fund (Act 51) (#203)
MDNR – MI Department of Natural Resources
MNRTF – MI Natural Resources Trust Fund
MDOT – MI Department of Transportation
MSRF – MI State Revolving Loan/Grant Funds
MS – Major Street Fund (Act 51) (#202)
PD – Private Developer/ Property Owner
RB – Revenue Bonds
SA – Special Assessments
SCADA - Supervisory Control and Data Acquisition System
SF – Sewer Enterprise Fund (#590) (fees, user revenues)
SOMG – State Grants (other)
SWM – Sidewalk Millage (1.0-mill levy for 6 years)
TBD – Undetermined Financing Source
TWP – Township
USDA – U.S. Dept. of Agriculture (federal grants, loans & loan guarantees)
UTGO Bonds – Unlimited Tax General Obligation Bonds
WF – Water Enterprise Fund (#591) (fees, user revenues)
ZFS – Zeeland Farm Services

Capital Improvement Plan
FY 2025/26 through FY 2030/31
Fund Balances for Select City Funds with Potential Capital Assets

FUND BALANCES / NET RESTRICTED ASSETS

TEN YEARS AUDITED (FY 14/15 - FY 23/24)



(* = Proprietary/Internal Service Funds = NetPosition Unrestricted)

FUND	6/30/2014 Balance	6/30/2015 Balance	6/30/2016 Balance	6/30/2017 Balance	6/30/2018 Balance	6/30/2019 Balance	6/30/2020 Balance	6/30/2021 Balance	6/30/2022 Balance	6/30/2023 Balance	6/30/2024 Balance
GENERAL FUND	462,269	705,698	816,825	983,621	981,485	1,015,290	1,112,456	1,259,396	1,591,247	1,908,533	2,189,021
MAJOR STREET	261,184	269,884	285,300	244,456	360,806	535,605	565,230	637,123	784,113	687,254	813,224
LOCAL STREET	54,869	63,977	111,503	157,559	193,428	357,026	423,253	401,868	509,500	558,906	537,969
LIBRARY	217,386	219,264	104,095	182,763	246,678	303,287	398,283	460,008	492,363	443,195	457,694
FIRE OPERATING	73,501	75,235	82,573	79,262	71,311	89,800	91,876	91,217	-		
FIRST RESPONDER	95,648	106,332	111,422	110,843	112,911	115,881	122,608	127,244	-		
GRANT PROJECTS	1,043	114	2,554	2,469	53,700	81,788	258	260	388	285,204	206,684
ECONOMIC DEVELOPMENT	3,312	11,458	19,605	27,114	31,674	30,691	39,027	47,216	55,412	98,383	100,457
CALDWELL MEMORIAL	440,295	350,666	392,650	381,494	220,243	107,774	107,959	93,064	93,157	22,790	4,288
GIBBS MEMORIAL	239,904	240,068	240,534	241,786	244,188	248,031	250,693	250,928	251,345	69,854	49,992
CEMETERY SINKING	14,888	13,837	16,245	25,048	7,776	8,531	7,139	12,071	16,649	-	
FIRE & RESCUE SINKING	59,692	76,748	93,813	85,408	98,967	113,363	132,326	167,773	-		
POLICE EDUC & TRAINING	756										
CEMETERY TRUST FUND	27,427	27,427	27,972	30,043	30,218	30,814	31,095	31,482	32,442	32,914	36,749
*WATER & SEWER	2,033,913	1,308,587	918,229	1,057,270	1,118,220	1,322,009	1,445,713	1,351,251	1,149,418	1,407,001	
*SEWER											662,544
*WATER											953,774
*EQUIPMENT & MATERIAL	302,974	346,725	295,654	299,880	373,058	381,970	249,981	182,852	225,302	171,917	173,109
DOWNTOWN DEVELOPMENT	233,883	55,495	57,743	59,178	36,162	34,857	32,985	31,348	28,269	26,771	25,647