



Capital Improvement Program

Introduction

The City of Hancock's Capital Improvement Program (CIP) is a planning tool, with a goal to identify and schedule capital improvements over a six-year period between fiscal year 2022-2027. The CIP is an opportunity to formulate strategic long-term policy decisions that extend beyond 2021-2022 fiscal year. Each year, the City of Hancock invests significant time and resources to design, construct and maintain the infrastructure and facilities needed to deliver municipal services to residents and businesses. Because of the high costs associated with building and maintaining capital assets, the City must carefully balance the need for such assets with our requirements to sustain a strong financial position.

Hancock's CIP is a six-year balanced plan that addresses projects that are needed, or will be needed, across a broad spectrum of areas. Annually, a significant amount of efforts will be taken to update the CIP to ensure not only critical needs are being met, but also that the cost, scope and timing of all projects are coordinated throughout the City. Coordinating the timing of different project in the same location is particularly important since it helps us to minimize service disruptions.

The CIP identifies items having a value more than \$20,000 per item and have a useful life of at least three years following the date of acquisition. Capital projects include design and construction, as well as the acquisition of land and the purchase of capital assets. Maintenance-oriented, operation or continuous expenditures are not considered to be capital improvements.

Specifically, the purpose of the CIP is to:

- Identify and evaluate the needs for public facilities.
- Determine cost estimates for each capital project submitted.
- Determine if there will be future operating costs for such projects.
- Determine potential sources of funding for such projects.
- Anticipate and pre-plan projects with an emphasis on seizing opportunities for partnerships and alternative funding.

The project identified in the CIP represent the City of Hancock's plan to serve residents and anticipate the needs of the community and its aging infrastructure. The City considered all available documents in preparation of the CIP including review of the Master Plan, PASER rating reports for street conditions, Water and Sewer Asset Management Plans.

Overview

The CIP helps track multi-year projects that may require planning, design, land acquisition and construction.

Definition of a Capital Improvement

The CIP allows for responsible and thoughtful planning and future major expenditures that are not necessarily finance or automatically included in the annual budgeting process. All capital projects, however, as they pertain to the definition of capital improvements should be part of this CIP.

Impact of Capital Budget on the Operating Budget

As new policies and programs are approved, both the operating and capital budgets are impacted. For example, an increase in service levels approved as part of the operating budget would have long term effects on the Capital Improvement Program. Conversely, a restrictive change to the use of long-term debt would slow capital programs. Regardless of the difference between the operating and capital budgets, the two are interdependent. During the budget process, departments are required to include costs associated with operating and maintaining capital projects for the upcoming year as outlined in the CIP.

Legal Basis of the Capital Improvement Program

The Capital Improvements Program has been authorized by the Michigan Planning Enabling Act (Public Act 33 of 2008). This mandate gives responsibility for preparing a CIP to local Planning Commission bodies, and reads as follows:

125.3865 Capital Improvement program of public structures and improvements; preparation; basis.

“(1) To further the desirable future development of 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 improvement program, separate from or as a part of the annual budget, or shall delegate the preparation of the capital improvement program to the chief elected official or nonelected administrative official, submitted to final approval by the legislative body. The capital improvement program shall show those public structures and improvements, in the general order of their priority that in the commission’s judgement will be needed or desirable can be undertaken within the ensuing 6-year period. The capital improvement 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 furnish the Planning Commission with lists, plans, and estimates of time and cost of those public structures and improvements.”

Planning and Benefits of the Capital Improvement Program

The CIP is first and foremost, a planning tool. It can be quite useful as a primary guide in implementing the Master Plan. With thought, foresight and review as a result of a CIP, the many outstanding capital projects that communities are faced with implementing every year, can be viewed as one package, rather than as small, fragmented groups or lists, with no unified sense of focus and direction. When capital improvements begin with careful planning and study, the City of Hancock's chances for receiving State and Federal grants are greatly enhanced. Some grants require the inclusion of a CIP with the application. Formulation of a CIP assists those involved to look at alternative funding mechanisms that might not have been considered before. Instead of relying on local revenue sources alone, the CIP allows the City to think more creatively to fulfill Master Plan goals and policies. The CIP often avoids reactive planning, and instead replaces it with balanced initiatives.

CIP Development Process

Capital improvement planning has proven to be a year-round process, with City departments continually re-evaluating and prioritizing their capital needs. City staff identify and prioritize projects, estimate project costs, determine available resources, balance project requests within the available resources, and ultimately, submit a recommended project to the City Manager who recommends purchase to the City Council. Collaboration between the City Manager's office, Department of Public Works (DPW), Clerk/Treasurer Department and Police Department is necessary to coordinate the annual update of the six-year CIP as part of the annual budget process. Department staff also assist with forecasting revenues for the various funds used to finance capital projects, and set the parameters for the development of the CIP. The City Manager recommends to the City's Planning Commission for their input prior to it being included in the annual budget process. The following is an overview of a timeline for the CIP development process:

September – January: Operating departments identify projects, define project scopes, prepare cost estimates, and prioritize projects.

February – March: The CIP requests are given to the City Manager for evaluation and consideration making necessary adjustments as needed. The CIP is provided to the Planning Commission for review after City Manager review.

April: The CIP is presented to the Planning Commission. City Administration finalizes the recommended CIP for consideration by the City Council.

April: The CIP is included in the City Manager's proposed budget which is presented to the City Council.

2023 - 2028 Capital Improvement Plan

Project Name	Description	Justification	Fund	Total Cost	22-23	23-24	24-25	25-26	26-27	27-28
City Hall	Roof	Maintenance	General	\$50,000					\$50,000	
City Hall	Interior Building Improvements/Upkeep	Maintenance	General	\$35,000	\$25,000	\$5,000			\$5,000	
City Hall	Exterior Building Improvements/Upkeep	Maintenance	General	\$25,000	\$25,000					
City Hall	Doors and Locks	Maintenance	General	\$12,000	\$12,000					
City Hall	Cameras	Maintenance	General	\$6,000	\$6,000					
City Hall	Sandstone	Maintenance	General	\$100,000		\$50,000	\$50,000			
City Hall	Windows	Maintenance	General	\$50,000	\$50,000	\$10,000	\$10,000	\$10,000	\$20,000	
City Hall	Front Windows	Maintenance	General	\$25,000	\$25,000					
Fire Hall	Boiler & Water Heater	Maintenance	General	\$19,000	\$19,000					\$10,000
Fire Hall	Parking Lot	Maintenance	General	\$10,000	\$10,000					\$10,000
Fire Hall	Building Improvements - Cabinet	Maintenance	General	\$30,000		\$20,000				\$10,000
Cemetery	Vault Parking Lot (Driveway)	Maintenance	General	\$10,000	\$10,000					
Cemetery	Vault Tuckpointing & Crack Repairs	Maintenance	General	\$10,000	\$10,000					
Cemetery	Parking Area/Road	Maintenance	General	\$20,000					\$20,000	
DPW Garage	Interior Building Improvements/Upkeep	Maintenance	General	\$20,000	\$5,000	\$5,000	\$5,000	\$5,000		
DPW Garage	Overhead Doors	Maintenance	General	\$12,000	\$12,000					
DPW Garage	Cameras	Maintenance	General	\$5,000	\$5,000					
DPW Garage	Door Locks	Maintenance	General	\$6,000	\$6,000					
DPW Garage	Roof Replacement	Maintenance	General	\$161,000	\$21,000	\$140,000				
DPW Garage	Parking Lot	Maintenance	General	\$80,000	\$80,000					\$80,000
Dupee Shaft (Hancock Mine Building)	Exterior Building Improvements/Upkeep	Maintenance	General	\$10,000	\$10,000			\$10,000		
Campground	Sign by Road	Maintenance	General	\$5,000	\$5,000				\$5,000	
Campground	Bathroom	Maintenance	General	\$20,000	\$20,000	\$10,000				\$10,000
Campground	Boiler & Water Heater	Maintenance	General	\$10,000	\$10,000					
Campground	Interior Maintenance	Maintenance	General	\$10,000	\$10,000					
Campground	Dock & Ramp	Enlarge Dock	General	\$150,000			\$150,000			
Campground	Parking Lot & Interior Roads	Maintenance	General	\$10,000	\$10,000					
Campground	Hustler Mower	Replace	General	\$6,000	\$6,000					
Campground	Campground Bathroom/Showers	Maintenance	General	\$10,000	\$10,000		\$10,000			
Campground	Campground Dock	Maintenance	General	\$60,000	\$60,000					
Campground	Campground Trail -	Upgrades	General	\$10,000	\$10,000					
Campground	Campground Road/parking	Maintenance	General	\$40,000	\$20,000	\$20,000				
Beach	Pavilion Roof	Maintenance	General	\$10,000	\$10,000					\$10,000
Beach	Pavilion General Maintenance	Maintenance	General	\$5,000	\$5,000					
Beach	Restroom Roof	Maintenance	General	\$10,000	\$10,000					\$10,000
Beach	Restroom General Maintenance	Maintenance	General	\$10,000	\$10,000					
Beach	Concession Roof	Maintenance	General	\$10,000	\$10,000					\$10,000
Beach	Parking Lot	Maintenance	General	\$10,000	\$10,000					

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Beach	Beach Bathrooms	Maintenance	General	\$10,000	\$5,000	\$5,000				
Beach	Beach Parking lot - Seal	Maintenance	General	\$10,000				\$10,000		
Beach	Beach Pavilion - Fireplace	Maintenance	General	\$5,000	\$5,000					
Beach	Beach Picnic Tables	Maintenance	General	\$5,000	\$5,000					
Business & Technology Park	Planning and Development	New Construction	General	\$670,000	\$60,000	\$610,000				
Police Vehicle	Police Ford Explorer	Replace	General	\$60,000		\$20,000		\$20,000		\$20,000
3rd Street	3rd Street Basketball	Maintenance	General	\$10,000					\$10,000	
Driving Park	Driving Park Shed	Upgrades	General	\$40,000	\$40,000					
Ice Rink	Elevator	Upgrades	General	\$100,000			\$100,000			
Ice Rink	Bathroom - Locker Room Upgrades	Upgrades	General	\$40,000		\$10,000	\$10,000		\$20,000	
Ice Rink	Zamboni	Upgrades	General	\$120,000						\$120,000
Ice Rink	Exterior Lighting - Parking Lot	Upgrades	General	\$20,000		\$20,000				
Ice Rink	Exterior Windows	Maintenance	General	\$30,000				\$30,000		
Ice Rink	Metal Sliding	Maintenance	General	\$50,000					\$50,000	
Miscellaneous	Stone Steps	Maintenance/struct	General	\$10,000	\$5,000					
Miscellaneous	Solar Power Installation	New Construction	General	\$250,000					\$250,000	
Provoov Park	Boardwalk	Maintenance	General	\$400,000				\$400,000		
Laurm Grove	Laurm Grove Pickle Ball	Upgrades	General	\$84,000	\$84,000					
Laurm-Grove	Warming Building	Maintenance	General	\$10,000	\$10,000					
Laurm-Grove	Furnance Upgrade	Maintenance	General	\$10,000	\$10,000					
Laurm-Grove	Roof Warm House	Maintenance	General	\$8,000					\$8,000	
			General	\$3,024,000	\$323,000	\$1,127,000	\$341,000	\$485,000	\$458,000	\$290,000
Laurm-Grove	Ice Skating Rink Roof	Upgrades	Recreation	\$400,000			\$400,000			
Driving Park	Ballfield Tractor	Replace	Recreation	\$6,700	\$6,700					
Driving Park	New Disc Golf	New	Recreation	\$10,000		\$10,000				
Beach	Pathway with Fitness Trail & Transient Slip	New	Recreation	\$160,000			\$80,000	\$80,000		
Campground	Electrical and Site Upgrades	Upgrades	Recreation	\$350,000			\$175,000	\$175,000		
			Recreation	\$926,700	\$6,700	\$10,000	\$655,000	\$255,000	\$0	\$0
Miscellaneous	Waterfront Park Trail	Erosion	DDA	\$90,000	\$90,000					
Miscellaneous	Front Street Wall	Maintenance/struct	DDA	\$10,000	\$10,000					
Signage	Front Street Wall, Police Historic	Upgrade	DDA	\$15,000	\$5,000	\$10,000				
Miscellaneous	Clock	New Purchase	DDA	\$25,000	\$25,000					
			DDA	\$140,000	\$130,000	\$10,000	\$0	\$0	\$0	\$0
2nd St.	Northern part of 1100 blk		Local St.	\$30,000	\$30,000					
Anthony St.	1200 Block		Local St.	\$100,000						\$100,000

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Project Name	Description	Justification	Fund	Total Cost	22-23	23-24	24-25	25-26	26-27	27-28
Ash St.	Between Ingot & Park	Paver Rating	Local St.	\$30,000	\$30,000					
Finn St.	Between Shaffern & Conrad	Paver Rating	Local St.	\$40,000				\$40,000		
Garden St.	1400 Block	Paver Rating	Local St.	\$60,000						\$60,000
Minnesota St.	1000 Block	Paver Rating	Local St.	\$70,000		\$70,000				
Poplar St.	Prospect of FIR	Paver Rating	Local St.	\$190,000	\$100,000	\$90,000				
Shaffer St.	Conrad to City Limits	Paver Rating	Local St.	\$60,000				\$60,000		
Birch St.	(below Quincy down to Sunset)	Paver Rating	Local St.	\$580,000	\$160,000	\$160,000	\$0	\$0	\$100,000	\$160,000
Elevation St.	Ingot to Fir (Small Urban)	Paver Rating	Major St.	\$25,000						\$25,000
Ethel Ave. Paving	US41 to Ingot	Paver Rating	Major St.	\$245,000		\$245,000				
Hecla St.	Between Anthony & Jasberg	Paver Rating	Major St.	\$120,000		\$20,000	\$100,000			
Ingot St.	4th to Elevation	Paver Rating	Major St.	\$20,000						\$20,000
Ingot St. Extension		Paver Rating	Major St.	\$50,000					\$50,000	
Campus Drive West		New Construction	Major St.	\$10,000	\$10,000					
New Infrastructure	B&T Park	New Construction	Major St.	\$250,000			\$250,000			
DPW Garage	Salt Storage	Maintenance	Major St.	\$950,000	\$70,000	\$880,000				
Dump Truck			Major St.	\$1,000,000	\$80,000	\$100,000	\$900,000		\$50,000	\$45,000
Dump Truck	Dump Truck	Replace	Motor Vehicle	\$2,670,000	\$80,000	\$1,000,000	\$1,495,000	\$0	\$50,000	\$45,000
Endloader	Endloader	Replace	Motor Vehicle	\$150,000			\$150,000			
Backhoe	Backhoe Loader	Replace	Motor Vehicle	\$200,000			\$200,000			
Endloader	Endloader	Replace	Motor Vehicle	\$340,000		\$170,000				\$170,000
Grader	Grader	Replace	Motor Vehicle	\$170,000	\$170,000					
Pickup	Pick Up truck 3/4 ton	Replace	Motor Vehicle	\$46,000		\$46,000				
Pickup	4 wheel drive	Replace	Motor Vehicle	\$105,000	\$35,000	\$35,000	\$35,000			
Pickup	Water 2009 GMC Pickup 4x4	Replace	Motor Vehicle	\$40,000			\$40,000			
Pick up	2016 Dodge	Replace	Motor Vehicle	\$9,500	\$9,500					
Plow	1993 Trackless Sidewalk Plow MT5T	Replace	Motor Vehicle	\$100,000						\$100,000
Sander	Sander Truck under carriage only	Replace	Motor Vehicle	\$15,000		\$15,000				
Sander	2 Sander Truck	Replace	Motor Vehicle	\$200,000		\$200,000				
Sander	2 Sander Truck	Replace	Motor Vehicle	\$200,000				\$200,000		
			Motor Vehicle	\$1,745,500	\$214,500	\$466,000	\$275,000	\$350,000	\$170,000	\$270,000
Sewer Lining	Sewer Lining	Structural Defects	Sewer	\$654,988	\$354,988	\$300,000				
Sewer Replacement	Sewer Replacement	Need Replacement & Sewer	Sewer	\$1,009,150		\$642,491	\$366,659			
Structure Rehab	Structure Rehab	Defects	Sewer	\$600,000					\$600,000	
Sewer Rehab & Cleaning	Sewer Rehab & Cleaning	Operational Defects	Sewer	\$320,000		\$100,000		\$220,000		
Structure Rehab & Cleaning	Structure Rehab & Cleaning	Structural & Operatid	Sewer	\$51,870				\$51,870		
Sewer Replacements	Sewer Replacements	Structural Deficiency	Sewer	\$450,000		\$100,000		\$350,000		
Sewer Replacements	Sewer Replacements	Structural Deficiency	Sewer	\$724,251					\$724,251	

