



**2019-2024
CAPITAL IMPROVEMENTS
PLAN**



Capital Improvements Plan 2019 through 2024 Overview

Mayor Murphy, Members of the Petoskey City Council, and Citizens of Petoskey:

I am pleased to submit to you the 2019-2024 Capital Improvements Plan (CIP) for the City of Petoskey. Pursuant to the Planning Enabling Act, we have again developed a six-year capital plan that serves as an instrument to identify needs and financing sources for public infrastructure improvements. It also informs city residents how the City plans to address capital needs over the next six years.

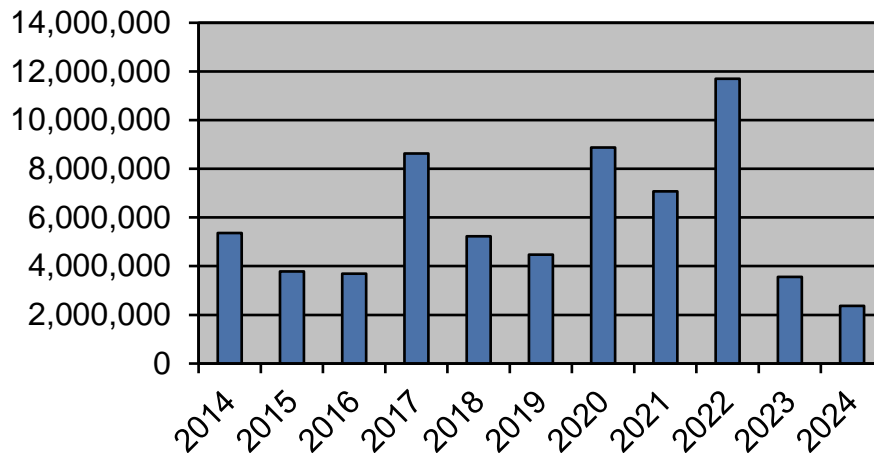
This document gives significant direction to the City on funding priorities. However, only those programs scheduled during the first year are financed and adopted as part of the Annual Budget. Programs slated for construction in subsequent years may be adjusted or eliminated to reflect priority changes or funding constraints. In addition, projects beyond the six-year horizon are identified, some have funding sources while others lack an identified funding mechanism. Most of these needs exist today, or have already been deferred in recent years as a result of declining revenues.

The CIP is a flexible plan that can be altered as conditions and regulations change. We will review all projects every year to evaluate any changes in scope, and to update all of our financing opportunities whether it be with tax revenues, bonds, grants or other outside funding sources.

The 2019-2024 CIP totals \$38 million in expenditures. Within the CIP, proposed projects in 2019 total \$4.4M of which \$1.1M (25%), is projected to come from grants or other outside sources.

The following chart compares the capital spending in previous years with the proposed 2019-2024 CIP and highlights the anticipated increases in capital spending in 2020 due to construction of a proposed parking deck at Division and Lake Streets (\$4M). Additionally, capital improvements in 2022 are scheduled to increase as a result of constructing a new Department of Public Works Building and salt shed on Sheridan Street.

■ 2014-2024 CIP Expenditures by Program Year



Per the recently adopted 2018 Action Plan, elected officials directed staff to expand upon the six-year CIP addressing critical infrastructure needs further into the future. These projects are listed under "Projects/Capital Items Lacking Funding" and include a backlog of on-going maintenance issues such as building repairs, new roofs and HVAC systems, and Little Traverse Wheelway resurfacing. Also, City staff has included a placeholder for replacement of lead water pipes in the community according to recently promulgated MDEQ lead pipe regulations. A cost estimate of the lead pipe replacement program has yet to be calculated. Other costly capital improvement projects scheduled for the long-term include new water wells, wastewater treatment plant and stormwater upgrades and a possible redesign and replacement of the current Lake Street Dam. The long-term capital projects list shall serve as a strong reminder to City officials of the need to address critical future infrastructure needs each and every year to maintain and enhance the highest quality municipal services.

Preparation of the CIP each year is a result of considerable efforts from staff in all departments of the City. I am especially grateful for the work of Department Heads, as well as Supervisors in each division who worked diligently to prioritize infrastructure needs within the context of limited budgets. My sincere thanks for their hard work and dedication.

Respectfully Submitted,

Rob Straebel
City Manager

CIP Overview

The Capital Improvements Plan is a six-year schedule of proposed major capital projects, cost estimates and financing methods. The requirement for capital budgeting is found in Act 33 of the Michigan Public Acts of 2008 being the Michigan Planning Enabling Act.

The Capital Improvements Plan (CIP) establishes the City's blueprint for investment in its capital infrastructure. This document is used as a tool to help ensure that the City's long and short-term capital investments are made in the context of careful consideration of the City's needs as well as the resources available to fund all projects.

The financial guidelines used in the preparation of the CIP will provide assurance that the City can meet, in a full and timely manner, both our debt service obligations and all other obligations competing for available resources. It is our objective to complete as many needed capital improvement projects as financially possible while maintaining flexibility and the ability to adapt to changes as they occur.

Capital Improvements Plan vs. Annual Operating Budget

The Capital Improvements Plan and Annual Operating Budget are two critical documents prepared each year. The relationship between these two documents is summarized by the following points:

Capital Improvements Plan

- Represents a long-term financial plan, including funding sources.
- Establishes priorities and serves as a planning document or blueprint for the City's investment in capital infrastructure.
- Provides a breakdown of major project costs and their phasing.
- Does not appropriate money.
- As indicated by the above points, the Annual Operating Budget is the document which authorizes the actual funding for the major and non-major capital projects.

Annual Operating Budget

- Appropriates money to implement the first year of the Six-Year Capital Improvements Plan.
- Appropriates money to implement current year's phase of a major, multi-year project.
- Appropriates money for operating expenditures and expenditures of a continuing nature.

Capital Improvements Plan Guidelines & Benefits

There are several key guidelines the Administration utilized in determining the City's fiscal capacity to complete capital projects over the next six years. These are summarized as follows:

- The Capital Improvements Plan will be reviewed and updated annually.
- The City has determined that paying cash for projects where financially possible (pay-as-you-go financing) reduces long term costs and maintains financial flexibility for the future. In utilizing pay-as-you-go financing, revenue projections and estimated fund balances will be reviewed and evaluated to assure that sufficient reserves are maintained.
- It is not economically feasible to issue debt for some projects, nor do all projects have a projected lifespan long enough to warrant the issuance of debt.
- Under current economic conditions, the ability to complete many projects will depend on identifying and obtaining outside sources of funding.
- Our philosophy for projecting property tax revenues is to be conservative. Between 2009 and 2012 property tax revenues decreased 20%. In 2017 the City saw a 1.8% increase in taxable value, a 2.8% increase in 2018, and forecast a 2% increase for 2019.

- Changes in personal property tax laws are negatively impacting revenues, although this has been lessened by voter approval of the State ballot proposal on the August 2014 Primary Election ballot providing some reimbursement of the loss in personal property tax revenue.
- The availability of adequate financial reserves or balances that can be used to address unforeseen contingencies or take advantage of sudden opportunities is a critical element in evaluating financial strength.
- Since a significant portion of outstanding debt and future capital improvements are related to the water and sewer utility, user fees associated with these utilities are evaluated in parallel with the CIP.
- As a matter of general policy, the City will do the following in order to be able to fund additional projects needed to serve the citizens of Petoskey:
 - Pursue, when feasible, federal, state and local assistance in the form of grants, low-interest loans, cost-sharing, etc.
 - Look increasingly at ways to obtain revenue through user fees as a means to fund capital projects or as a way to free-up other dollars so they may become available to fund capital projects.

There are many benefits of an effective and ongoing Capital Improvements Plan, including:

- Coordination of the community's physical planning with its fiscal planning capabilities;
- Ensuring that public improvements are undertaken in the most desirable order of priority;
- Assisting in stabilization of tax and utility rates and other charges over a period of years;
- Producing savings in total project costs by promoting a "pay as you go" policy of capital financing thereby reducing interest expense and financing costs;
- Providing adequate time for planning and engineering of proposed projects;
- Ensuring the maximum benefit of the monies expended for public improvements; and
- Scheduling municipal construction activities to be better coordinated with those of other public agencies within the community.

As a regional service center, the City of Petoskey streets, utilities (water, sewer, stormwater, electric), public facilities and parkland service much more than the City's 5,600 residents, therefore, the capital needs are many and will certainly surpass available resources. Capital improvement planning and budgeting encourages the early identification of those needs and resources and thus improves the scheduling, financing, and coordination of individual and related projects to reflect the goals and objectives established in the City's Master Plan and other planning documents.

Funding Sources

The City of Petoskey primarily uses the General Fund, Enterprise funds or Special Revenue funds for capital project funding. Examples of Enterprise funds in this CIP are Parking, Water, Sewer and Electric Funds. Special Revenue funds are supported by resources dedicated to a specific use, but not supported entirely by their own fee structures. An example is the Right-of-Way Improvement Fund, which receives revenues through annual property-tax levies to offset costs of maintenance operations and public improvements within street rights-of-way. Capital outlays for buildings and grounds, including parkland, come primarily from the General Fund or Tax Increment Finance Fund. Outside sources of funding have also significantly contributed to capital projects and this is reflected in the current capital plan as well. Projects that identify outside funding sources have a more uncertain time-frame, but staff has attempted to be realistic with projections based on the need for a match in local funding.

Capital Improvements Plan and Structure

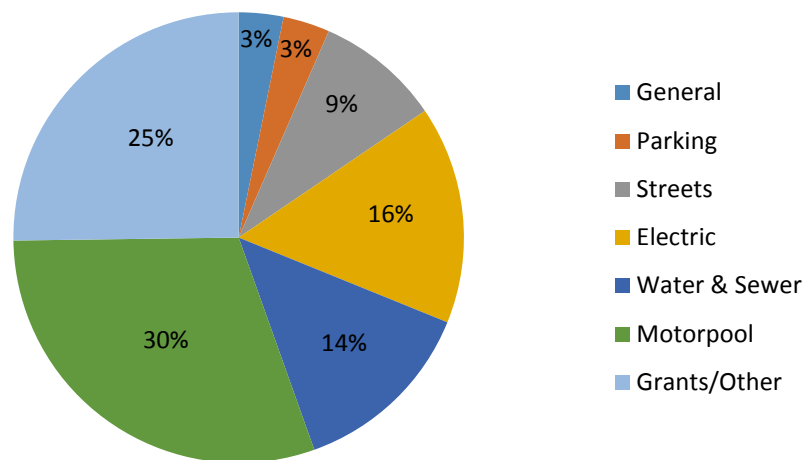
A capital expenditure is defined as an item that has a significant value and a useful life greater than three years. Expenditures for building construction and renovation, land purchases and improvements, and major equipment are generally capital expenditures in contrast to operating costs such as salaries, supplies and services that are budgeted annually in the various department operating budgets.

Significant value is defined for purposes of the Plan as any infrastructure project that costs \$25,000 or more and any equipment, materials or vehicles that cost \$10,000 or more. Minor capital purchases such as office furniture, computers, etc. are not included in this document.

Projects that correspond with City priorities and have a potential funding source available, are included in the Plan. The Capital Improvement Program is then presented to both the Planning Commission and City Council. The CIP is designed to be amended on an annual basis, as projects scheduled in later years are identified on a needs basis, and may not have an available funding source. Projects can be added or subtracted as the needs and resources of the community change.

The 2019-2024 CIP provides information on eight project categories including: Buildings and Grounds, Downtown Area, Electric Distribution, Motor Pool, Parks and Special Facilities, Streets and Drainage, Wastewater Collection and Treatment, and Water Production, Distribution and Storage.

2019 Capital Expenditures by Fund



2019 Scheduled Capital Improvement Projects

Streets and Drainage

In 2019, MDOT will undertake a major highway realignment project relocating US-31 further away from the eroding bluffs area near Sunset Park. The \$10M MDOT project will start at the Mitchell Street intersection and continue to the western boundary of Bay View. The project includes a realignment of the highway, reconfiguration of the Lewis Street intersection, traffic signal improvements, new water and sewer lines, landscaping and sidewalk additions on north side of highway. The City will contribute \$200,000 to the Lewis Street intersection reconfiguration creating better turning options as well as improved crosswalk designs for a safer intersection for pedestrian and bicyclists.

Consistent with previous years, the City has budgeted \$50,000 for miscellaneous pavement preservation, paving and repair throughout the community. This funding will be used to address streets with a poor to fair Pavement Surface Evaluation and Rating (PASER).

Water and Wastewater System

The City is fortunate to receive \$273,000 in MDOT funding to offset some of the costs of replacing water and sewer lines in the highway right-of-way as part of the MDOT realignment project. Specifically, water line replacement will occur from Lewis Street to Boulder Lane with sewer lines being replaced from MacDonald Drive to Boulder Lane. Total underground utility costs for the MDOT realignment project amount to \$873,000.

Sidewalks

Sidewalk and crosswalk enhancements on Washington Street from Howard to Petoskey will be undertaken with the City budgeting \$75,000 for these improvements.

Electric System

Each year the City makes substantial investments into the municipal electric distribution system enhancing reliability through system upgrades and the undergrounding of overhead electric lines. In 2019, the City will continue its strong investments in the electric distribution system by earmarking \$700,000 for system-wide upgrades.

Specifically, \$50,000 has been allocated for the installation of a substation animal deterrent system that will greatly reduce the number of outages that the community experiences each year. An internal fence system will be installed around the energized portions of substations precluding small animals from causing electric outages.

In conjunction with the MDOT realignment project, electric crews will be replacing street lighting along the US-31 bypass from Mitchell Street to Boulder Lane. New traffic signal mast arms will also be installed at the intersection of MacDonald Drive and US-31.

Within our residential neighborhoods, the City will continue its efforts to place existing overhead electric lines underground. The City will transition aging overhead electric lines to a more reliable underground electric system while moving some electric infrastructure to more accessible locations. Work will be focused on Valley View Avenue, Spruce Street, Sunset Court, Karamol Court, Regent Court and Highland Court.

Lastly, a new oil/water separator system will be added to the existing oil containment system eliminating the need for manual pumping of the containment tank under the transformer. Costs for these improvement are estimated at \$50,000.

Motorpool

Motorpool purchases planned for 2019 include the following:

- One patrol vehicle, replacement of two rescue pumper trucks for the Public Safety Department;
- ½ ton pick-up truck, 1 ton dump truck, and an out-front mower for Parks and Recreation;
- 1 ton dump truck, bucket truck and Staff vehicle for Public Works.

Downtown Area

Contingent upon Emmet County, City and DMB officials supporting a future parking structure on land shared by both the City and County, the DMB has budgeted \$150,000 in design and engineering fees for a future parking deck at the intersection of Division and Lake Streets. Total design and engineering fees are estimated at \$300,000 with Emmet County paying for half the design/engineering costs. A viable financial plan to construct the parking structure must be developed and approved by all three entities before costly engineering fees are incurred.

Buildings and Grounds

After postponing for many years because of a lack of funding, the Fire Station glass overhead doors will be replaced at a cost of \$40,000. The current doors are almost 30 years old with the rubber seals surrounding the glass windows breaking down allowing for condensation between the glass panes as well as greatly reducing the energy efficiency of the doors.

Phase I of a project to replace approximately half of the City Hall windows will commence in 2019. The 30+ year old wood-framed windows are nearing their useful life span. Over the last two years, City Hall has experienced some water intrusion issues that may be attributed to inadequate window seals as well as faulty exterior mortar. Additionally, the overall energy efficiency of the windows has been reduced because of rotting wood frames and faulty window seals. Replacing the windows will lead to a more energy efficient City Hall while reducing heating and cooling energy costs.

Parks and Special Facilities Improvements

Building upon the City's high walkability score, investments will be made to the City's trails and pedestrian infrastructure in 2019. Using tax increment financing dollars from the Bayfront TIFA District, a new stair tower will be installed in Sunset Park replacing the current structure. The existing all-wood structure that connects Bayfront Park to Sunset Park has reached the end of its useful life and will be replaced with a steel/concrete structure. The City will utilize Tax Increment Finance dollars to pay for the estimated \$315,000 stair tower.

The City will also enhance the Little Traverse Wheelway by widening the trail to 10' from the waterfall to the pedestrian tunnel. This highly-travelled, 29 year old Wheelway section becomes congested with trail users in the summer months. Widening the trail would enhance safety as well as comply with current AASHTO regulations. \$75,000 has been budgeted for this work in 2019.

The City has also budgeted \$13,200 for engineering costs for resurfacing one-mile of the Little Traverse Wheelway in future years. This popular trail amenity is experiencing substantial maintenance issues with the current asphalt. The City will need to pay particular attention to this issue in the next few years and budget for replacement of the asphalt as needed to maintain a safe and enjoyable pedestrian and bicyclist trail.

Contingent upon grant funding, a pedestrian bridge will be installed over the Bear River connecting the River Road Sports Complex to North Central Michigan College (NCMC). The bridge connection would also serve hikers on the Iron Belle/North Country Trail by reducing aspects of the trail where hikers must walk along county roads. \$172,000 is being pursued in grant funding for the project and an easement will need to be obtained from the college in order to install the bridge on NCMC property.

Looking towards future improvements, the City has budgeted \$10,000 to develop Master Plans for Magnus Park, Solanus Mission Beach and Sunset Park. Magnus Park should be redesigned to allow for a more efficient use of space for many different types of RVs as well as upgrading the overall bathroom and shower facilities.

Solanus Mission Beach has experienced substantial changes over the last few years with an increase in the sandy beach area as well as an overgrowth of both invasive and non-invasive plant species. The area could be vastly improved upon by incorporating native dune grasses and other native plant species to improve the environmental integrity and visual aesthetics of this small, fragile coastline area. Additionally, a modest viewing deck could be constructed for sunset viewing and serving as a respite area for Little Traverse Wheelway users.

As part of the 2019 highway realignment project, new sidewalks on the north side of the highway accessing Sunset Park will be constructed. A master plan for Sunset Park is now needed that may include a possible observation deck overlooking the Little Traverse Bay as an attraction for resident and visitors to Petoskey.

Lastly, the City will continue to share costs of tennis court resurfacing with the School District with each entity allocating \$15,000 towards the \$30,000 resurfacing project. In 2019, the City is also exploring grant opportunities to replace skate park features at the Riverbend Skate Park.

**City of Petoskey
Capital Improvement Plan
For the Years 2019 through 2024**

Expenditure Summary

	2019	2020	2021	2022	2023	2024
General	143,200	553,700	445,000	540,000	322,000	250,000
Parking	150,000	2,145,000	75,000	50,000	45,000	70,000
Streets	400,000	1,560,000	487,000	850,000	525,000	350,000
Electric	700,000	1,100,000	3,641,000	9,254,000	884,000	721,000
Water & Sewer	600,000	675,000	950,000	504,000	540,000	450,000
Motorpool	1,353,000	419,000	524,000	482,000	689,000	428,000
Grants/Other	1,128,000	2,422,500	952,000	20,000	555,000	100,000
Total	4,474,200	8,875,200	7,074,000	11,700,000	3,560,000	2,369,000

6-year Total **38,052,400**

Revenue Summary

Fund	2019	2020	2021	2022	2023	2024
General	\$ 519,725	\$ 136,749	\$ 153,600	\$ 175,833	\$ 201,485	\$ 217,590
Parking	50,000	50,000	50,000	50,000	50,000	50,000
Streets	540,396	751,204	571,098	591,613	612,764	634,572
Electric	900,000	1,000,000	1,250,000	1,250,000	1,250,000	1,250,000
Water & Sewer	500,000	500,000	500,000	500,000	500,000	500,000
Motorpool	500,000	500,000	500,000	500,000	500,000	500,000
Grants/Other	<u>1,128,000</u>	<u>2,422,500</u>	<u>952,000</u>	<u>20,000</u>	<u>555,000</u>	<u>100,000</u>
Total	<u>\$ 4,138,121</u>	<u>\$ 5,360,453</u>	<u>\$ 3,976,698</u>	<u>\$3,087,446</u>	<u>\$3,669,249</u>	<u>\$ 3,252,162</u>

Six Year Total **23,484,130**

Revenue Assumptions

Grants/Other is applicable grants covering a specific proposed project in the given year.

General Fund and Street Funds based on current year operations and available fund balance.

Parking Fund based on assumption of \$50,000 in net income annually; other projects require use of carryover or bonding.

Water & Sewer revenues based on last rate study; new study currently in progress.

City of Petoskey
Capital Improvement Plan
Revenue and Expense Estimates
General Fund

	Actual 2016	Actual 2017	Budget 2018	Estimated					
				2019	2020	2021	2022	2023	2024
Revenues:									
Operating:									
General operating property tax revenue	\$ 3,242,531	\$ 3,259,835	\$ 3,281,500	\$ 3,347,130	\$ 3,414,073	\$ 3,499,424	\$ 3,586,910	\$ 3,676,583	\$ 3,768,497
Solid waste property tax revenue	200,656	209,858	214,000	218,280	222,646	228,212	233,917	239,765	245,759
Public Safety Equipment	354,100	366,721	369,300	376,686	384,220	-	-	-	-
Other sources**	4,211,078	4,150,958	4,161,900	4,203,519	4,245,554	4,288,010	4,330,890	4,374,199	4,417,941
Bond Proceeds/Grants-nonrecurring	573,560	-	339,400	-	-	-	-	-	-
	<u>8,581,925</u>	<u>7,987,372</u>	<u>8,366,100</u>	<u>8,145,615</u>	<u>8,266,492</u>	<u>8,015,646</u>	<u>8,151,717</u>	<u>8,290,546</u>	<u>8,432,197</u>
Less: bond proceeds/grants/contribution	573,560	-	339,400	-	-	-	-	-	-
Revenues as adjusted	<u>\$ 8,008,365</u>	<u>\$ 7,987,372</u>	<u>\$ 8,026,700</u>	<u>\$ 8,145,615</u>	<u>\$ 8,266,492</u>	<u>\$ 8,015,646</u>	<u>\$ 8,151,717</u>	<u>\$ 8,290,546</u>	<u>\$ 8,432,197</u>
Expenditures:									
Original amount - less bond payment	\$ 7,740,751	\$ 7,427,731	\$ 8,207,100	\$ 7,508,890	\$ 7,621,523	\$ 7,735,846	\$ 7,851,884	\$ 7,969,662	\$ 8,089,207
Bond payment- marina/public safety (actual)	186,000	186,000	207,100	217,000	224,000	226,200	224,000	219,400	225,400
Less:									
Cash reserves funding capital outlay	n/a	n/a	-	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Public Safety Equip purchase	n/a	n/a	(279,179)	-	-	-	-	-	-
Capital Outlay	n/a	n/a	(530,000)	-	-	-	-	-	-
Expenditures as adjusted	<u>7,926,751</u>	<u>7,613,731</u>	<u>7,605,021</u>	<u>7,625,890</u>	<u>7,745,523</u>	<u>7,862,046</u>	<u>7,975,884</u>	<u>8,089,062</u>	<u>8,214,607</u>
Revenues as adjusted	<u>8,008,365</u>	<u>7,987,372</u>	<u>8,026,700</u>	<u>8,145,615</u>	<u>8,266,492</u>	<u>8,015,646</u>	<u>8,151,717</u>	<u>8,290,546</u>	<u>8,432,197</u>
Revenue available for projects & outlays	<u>\$ 81,614</u>	<u>\$ 373,641</u>	<u>\$ 421,679</u>	<u>\$ 519,725</u>	<u>\$ 520,969</u>	<u>\$ 153,600</u>	<u>\$ 175,833</u>	<u>\$ 201,485</u>	<u>\$ 217,590</u>
			90,100	376,686	384,220				
				Total	<u>\$ 851,006</u>				
Actual revenue available				\$ 143,039	\$ 136,749	\$ 153,600	\$ 175,833	\$ 201,485	\$ 217,590

Tax revenue and other sources is estimated based on 2018 levels as follows; 2019 (+2.0%), 2020 (+2.0%), 2021 (+2.5%), 2022 (+2.5%), 2023 (+2.5%), 2024 (+2.5%)

* Budget expenditure amounts for 2019 thru 2024 are based on adjusted expenditures increased at 1.5% annually above the previous year's amount.

Included \$100,000 per year available from General Fund Fund Balance. In 2019 and 2020 note that most of the available funds are for fire equipment.

City of Petoskey
 Capital Improvement Plan
 Revenue and Expense Estimates
Street Funds

2018 Budget	Major Street	Local Street	General Street	Total
Revenues:				
Operating	\$ 565,700	\$ 181,600	\$ 1,200	\$ 748,500
Contributions & grants	1,291,400	300,000	2,337,400	3,928,800
	1,857,100	481,600	2,338,600	4,677,300
Less: Contributions/grants	1,291,400	300,000	2,337,400	3,928,800
Revenues net of R.O.W. contributions	\$ 565,700	\$ 181,600	\$ 1,200	\$ 748,500
Expenditures:				
Total	\$ 1,856,500	\$ 440,100	\$ 2,499,600	\$ 4,796,200
Less:				
Construction*	1,277,300	120,000	1,475,000	2,872,300
Expenditures net of construction	579,200	320,100	1,024,600	1,923,900
Revenues net of R.O.W. contributions	565,700	181,600	1,200	748,500 ****
Operating revenue funded by R.O.W.	\$ 13,500	\$ 138,500	\$ 1,023,400	\$ 1,175,400

	Actual 2016	Actual 2017	Budget 2018	Estimated					
				2019	2020	2021	2022	2023	2024
Right of Way Fund:									
Property tax revenue ***	\$ 1,608,193	\$ 1,668,576	\$ 1,705,200	\$ 1,739,304	\$ 1,774,090	\$ 1,818,442	\$ 1,863,903	\$ 1,910,501	\$ 1,958,263
Contribution towards operating expenses**	796,525	1,100,367	1,175,400	1,198,908	1,222,886	1,247,344	1,272,291	1,297,737	1,323,691
Revenue available - ROW Fund	811,668	568,209	529,800	540,396	551,204	571,098	591,613	612,764	634,572
Street Funds:									
Cash Reserves available - Capital Outlay	-	-	-	-	200,000				
Revenue available-Capital Outlay	\$ 811,668	\$ 568,209	\$ 529,800	\$ 540,396	\$ 751,204	\$ 571,098	\$ 591,613	\$ 612,764	\$ 634,572

* Construction includes street, sidewalk, forestry and engineering costs (est. \$400,000 annually).

** Total operating revenue contribution increased 2% each year from 2016 amount.

*** Tax revenue and other sources is estimated based on 2018 levels as follows; 2019 (+2.0%), 2020 (+2.0%), 2021 (+2.5%), 2022 (+2.5%), 2023 (+2.5%), 2024 (+2.5%)

**** Contributions to the General Street Fund include an annual contribution from the Electric Fund in the amount of \$250,000.

City of Petoskey
 Capital Improvement Plan
 Revenue and Expense Estimates
Tax Increment Finance Authority

	Actual 2016	Actual 2017	Budget * 2018	Estimated					
				2019	2020	2021	2022	2023	2024
Revenues:									
Captured tax revenue	\$ 281,310	\$ 290,418	\$ 311,000	\$ 317,220	\$ 323,564	\$ 331,654	\$ 339,945	\$ 348,443	\$ 357,155
Interest income	3,634	7,463	4,000	2,000	2,000	2,000	2,000	2,000	2,000
	<u>284,944</u>	<u>297,881</u>	<u>315,000</u>	<u>319,220</u>	<u>325,564</u>	<u>333,654</u>	<u>341,945</u>	<u>350,443</u>	<u>359,155</u>
Less:	-	-	-	-	-	-	-	-	-
Total revenue	<u>\$ 284,944</u>	<u>\$ 297,881</u>	<u>\$ 315,000</u>	<u>\$ 319,220</u>	<u>\$ 325,564</u>	<u>\$ 333,654</u>	<u>\$ 341,945</u>	<u>\$ 350,443</u>	<u>\$ 359,155</u>
Expenditures:									
Contracted services	\$ 1,221	\$ 28,522	\$ 20,000	\$ 315,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Lease payment to Debt Service Fund	220,000	264,739	261,500	235,000	228,000	240,000	265,000	256,000	250,000
	<u>221,221</u>	<u>293,261</u>	<u>281,500</u>	<u>550,000</u>	<u>238,000</u>	<u>250,000</u>	<u>275,000</u>	<u>266,000</u>	<u>260,000</u>
Total expenditures	<u>221,221</u>	<u>293,261</u>	<u>281,500</u>	<u>550,000</u>	<u>238,000</u>	<u>250,000</u>	<u>275,000</u>	<u>266,000</u>	<u>260,000</u>
Total revenues	<u>284,944</u>	<u>297,881</u>	<u>315,000</u>	<u>319,220</u>	<u>325,564</u>	<u>333,654</u>	<u>341,945</u>	<u>350,443</u>	<u>359,155</u>
Rev. available- Capital Improvement	<u>\$ 63,723</u>	<u>\$ 4,620</u>	<u>\$ 33,500</u>	<u>\$ (230,780)</u>	<u>\$ 87,564</u>	<u>\$ 83,654</u>	<u>\$ 66,945</u>	<u>\$ 84,443</u>	<u>\$ 99,155</u>

Tax revenue and other sources is estimated based on 2018 levels as follows; 2019 (+2.0%), 2020 (+2.0%), 2021 (+2.5%), 2022 (+2.5%), 2023 (+2.5%), 2024 (+2.5%)

*Increase in 2018 captured taxable value due to large increase from McLaren Northern Michigan's expansion project is not reflected in the revenue projection due to anticipated appeal to Michigan Tax Tribunal and uncertain outcome.

**City of Petoskey
Capital Improvement Plan
Project Funding Source
2019**

PROJECT CATEGORY		Funding Source	General	Parking	Streets	Electric	Water & Sewer	Motorpool	Grants/Other	Total
<u>STREETS AND DRAINAGE</u>										
Lewis Street Realignment	This project will be in conjunction with MDOT's realignment and reconstruction of US-31 from north of Mitchell Bridge to approximately Boulder Lane. This project would reconfigure the Lewis Street intersection and parking lot in Arlington Park, including landscaping, sidewalks and lighting.	Right-of-Way			200,000					200,000
Miscellaneous Pavement Preservation, Paving and Repair	The purpose of this project is to replace or rehabilitate existing pavement and curb lines. Streets to be considered fall under the category of fair to poor based on PASER ratings.	Right-of-Way			50,000					50,000
<u>WATER AND WASTEWATER SYSTEM</u>										
Water - US-31 - Lewis Street to Boulder Lane	Utility upgrades include highway water main crossings and water main between Lewis and Boulder Lane. Potential MDOT funding.	Operating Revenue					250,000		100,000 MDOT	350,000
Sanitary - US-31 - Lewis Street to Boulder Lane	Utility upgrades include sanitary main highway crossings and sanitary main between MacDonald Drive and Boulder Lane.	Operating Revenue					350,000		173,000 MDOT	523,000
<u>SIDEWALKS</u>										
Sidewalk and Crosswalk Repairs	New sidewalk - Washington from Howard to Petoskey as a top priority sidewalk section. Also spot repairs and additions.	Operating Revenue			75,000					75,000
<u>ELECTRIC SYSTEM</u>										
Substation Animal Deterrent System	Installation of secondary internal substation fence system to block animals from entering energized portions of substations. Prevents outages that affect a significant number of customers and protects large capital equipment.	Operating Revenue				50,000				50,000
US-31 Bypass Lighting Replacement and MacDonald Drive Traffic Signal Upgrade	Replacement of the street lighting system along US-31 Bypass from Mitchell Street to Boulder Lane in conjunction with MDOT roadway reconstruction, along with new mast arm traffic signal at MacDonald Drive.	Operating Revenue				190,000				190,000
Residential Conversion Project - Valley View, Spruce, Sunset, Karamol Court, Regent and Highland	Conversion of the existing overhead distribution circuit to underground within residential corridors and inaccessible rear lot areas. Removes very old overhead system, converts to more reliable underground and moves equipment to accessible location.	Operating Revenue				410,000				410,000
Mitchell Road Substation Oil Containment Update	Addition of an oil-water separator system to the existing oil containment system to eliminate need for manual pumping of the containment tank under the transformer.	Operating Revenue				50,000				50,000
<u>MOTOR POOL</u>										
Patrol Vehicle - Replacement	Replace patrol vehicle #447 (2013) with 2019 model. Convert and/or replace equipment from old unit to 2019 unit. Painting and lettering required.	Operating Revenue						45,000		45,000

**City of Petoskey
Capital Improvement Plan
Project Funding Source
2019**

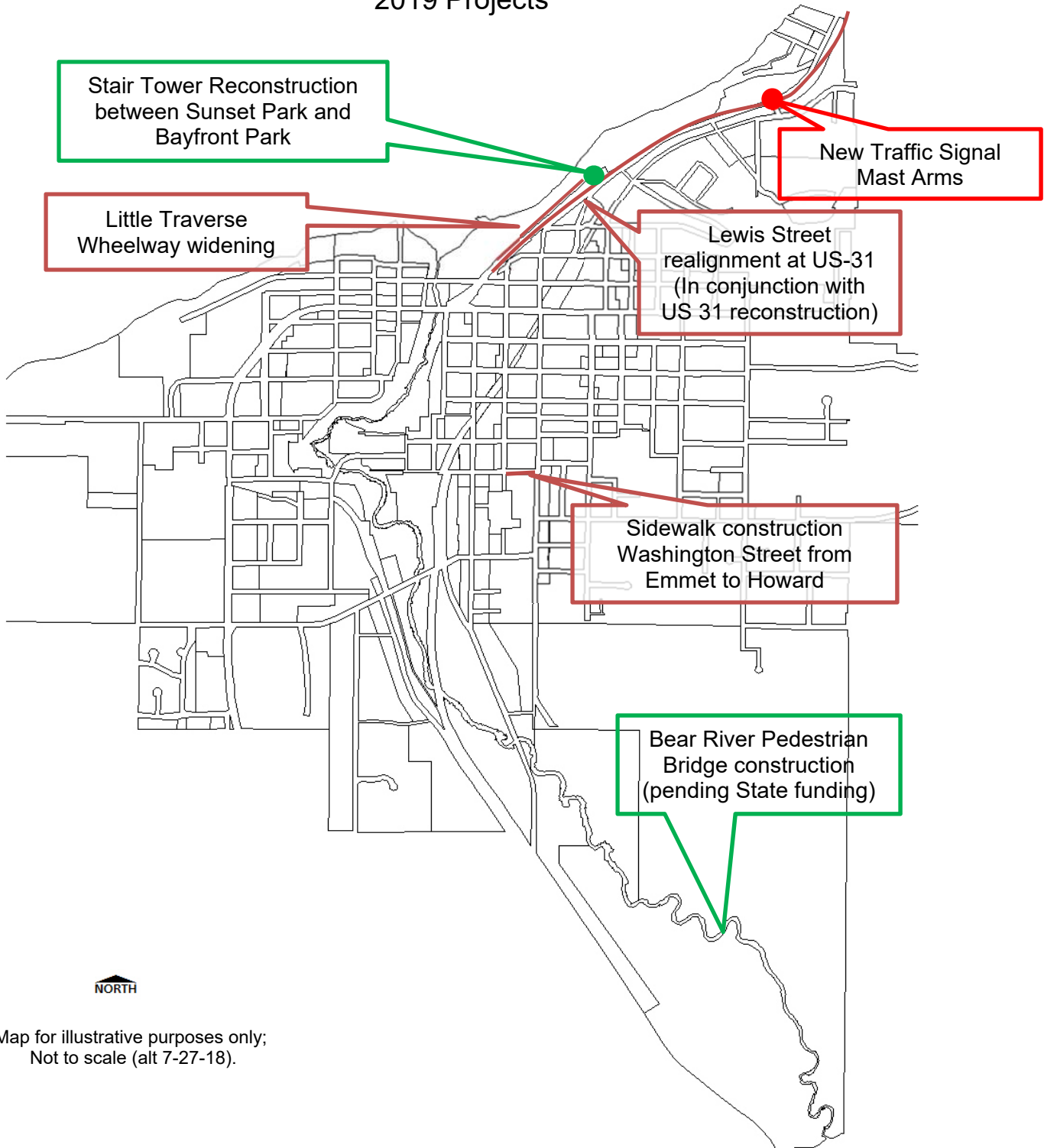
PROJECT CATEGORY		Funding Source	General	Parking	Streets	Electric	Water & Sewer	Motorpool	Grants/Other	Total
Pickup Truck 1/2 Ton 4x4 - Replacement	Replace Parks and Rec Unit #72 (2007).	Operating Revenue						30,000		30,000
1 Ton Dump Truck - Streets - Replacement	Replace Streets Unit #64 (2000).	Operating Revenue						40,000		40,000
1 Ton Dump Truck - Parks and Rec - Replacement	Replace Parks and Rec Unit #68 (2000).	Operating Revenue						40,000		40,000
Bucket Truck - Electric - Replacement	Replace bucket truck #82 (1995).	Operating Revenue						210,000		210,000
Out-front Mower - Parks and Rec - Replacement	Replace Parks and Rec Unit #146 (2007).	Operating Revenue						25,000		25,000
Staff Vehicle - Streets - Replacement	Replace Streets Unit #37 (2005).	Operating Revenue						30,000		30,000
Rescue Pumper Truck Replacement	Trade-in Public Safety Unit #4502 (2007) Rescue Pumper Truck for latest production demo unit. Trade-in value and millage combined will fund purchase. A 10% contingency through the Motor Pool Fund is also included due to cost of steel and components. Delivery expected in 2020.	Millage	416,500					50,000	81,500 Trade Value	548,000
Rescue Pumper Truck Replacement	Trade-in Public Safety Unit #4505 (2007) Rescue Pumper Truck for latest production demo unit. Trade-in value and millage combined will fund purchase. A 10% contingency through the Motor Pool Fund is also included due to cost of steel and components. Delivery expected in 2020.	Millage	416,500					50,000	81,500 Trade Value	548,000
<u>DOWNTOWN AREA</u>										
Parking Deck Engineering	Engineering of a parking deck on an existing parking lot.	Parking		150,000					150,000	300,000
<u>BUILDINGS AND GROUNDS</u>										
Fire Station Maintenance - East Lake Street	Replace glass overhead and 3 exterior doors at Fire Station.	Operating Revenue	40,000							40,000
City Hall Window Replacement	Phase I replacement of wood frame windows second floor that were installed 1988-1989 to improve energy efficiency and end water intrusion.	Operating Revenue	75,000							75,000
<u>PARKS AND SPECIAL FACILITIES</u>										
Bayfront Stair Tower Replacement	Replacement of the existing all-wood tower that connects Bayfront Park to Sunset Park with a steel/concrete structure similar to the Michigan Street tower in the Bear River Valley but without a roof.	TIFA							315,000 TIFA Capture	315,000
Little Traverse Wheelway Upgrades in Bayfront Park	The section of LTW through Bayfront Park will be 29 years old. In conjunction with the stair tower replacement and MDOT work, the section from the waterfall to the tunnel will be reconstructed as a 10 foot path to meet current AASHTO standards.	Operating Revenue			75,000					75,000

**City of Petoskey
Capital Improvement Plan
Project Funding Source
2019**

PROJECT CATEGORY		Funding Source	General	Parking	Streets	Electric	Water & Sewer	Motorpool	Grants/Other	Total
Color Coating - Lower Tennis Courts	Last color coated and sealed in 2011, maintenance needed every 7 years to maintain surface integrity. Schools 50% cost share.	General Fund/ Other	15,000						15,000 Pet School	30,000
Riverbend Skate Park Equipment Replacement	Original skate park equipment was purchased in 2002 when a temporary skate facility was developed at Riverbend Park. A portion of this equipment is showing signs of wear and will need replacement.	Grants/Other							30,000	30,000
Sunset Park, Solanus Beach and Magnus Park Master Plans	Master Plans for the three parks within the TIFA.	Operating Revenue							10,000 TIFA	10,000
River Road Sports Complex - Bear River Pedestrian Bridge Construction - Iron Belle/North Country Trail	As identified in the 2013-2017 Parks and Recreation Master Plan, the project would connect the River Road Complex Trail System to the NCMC trail system with a pedestrian bridge over the Bear River. An agreement between the City and college will need to be established for joint project funds.	Grants/Other							172,000 Grants	172,000
Little Traverse Wheelway Resurfacing Engineering	Engineering for resurfacing of one-mile of LTW.	Operating Revenue	13,200							13,200
Grand Totals			\$976,200	\$150,000	\$400,000	\$700,000	\$600,000	\$520,000	\$1,128,000	4,474,200

City of Petoskey 2019-2024 Capital Improvement Plan

2019 Projects



Map for illustrative purposes only;
Not to scale (alt 7-27-18).

**City of Petoskey
Capital Improvement Plan
Project Funding Source
2020**

PROJECT CATEGORY		Funding Source	General	Parking	Streets	Electric	Water & Sewer	Motorpool	Grants/Other	Total
<u>STREETS AND DRAINAGE</u>										
Kalamazoo Avenue - Jennings Avenue to East Mitchell	This project would be dependent upon funding availability through MDOT's Small Urban Program. Primary scope of work would be to remove and replace deteriorating pavements along with spot repairs to curbs, sidewalks and storm sewers.	Right-of-Way			805,000					805,000
Jackson Street Reconstruction	Reconstruction of Jackson Street between West Mitchell Street and the Hospital Ring Road to include sidewalks on both sides and storm sewer replacement.	Right-of-Way			160,000					160,000
<u>WATER AND WASTEWATER SYSTEM</u>										
Water - Jackson Street - West Mitchell Street to Hospital Ring Road	This project would include replacement of water mains and components.	Operating Revenue					90,000			90,000
Sanitary - Jackson Street - West Mitchell Street to Hospital Ring Road	This project would include replacement of sanitary sewer mains and components.	Operating Revenue					75,000			75,000
Water - Kalamazoo Avenue - Jennings to Grove Street	This project would include replacement of water mains and components.	Operating Revenue					295,000			295,000
Sanitary - Kalamazoo Avenue - Jennings to Grove Street	This project would include replacement of sanitary sewer mains and components.	Operating Revenue					215,000			215,000
<u>SIDEWALKS</u>										
Miscellaneous Sidewalk Construction	Sidewalk construction to coincide with Kalamazoo Avenue and Jackson Street reconstruction. Spot repairs City-wide.	Right-of-Way			150,000					150,000
<u>ELECTRIC SYSTEM</u>										
Kalamazoo Avenue Underground - Grove to Jennings and portions of Michigan, Hoffman and Lindell Streets	Installation of new three-phase underground to provide loop between Mitchell Road Substation Circuit 2 & Petoskey Substation Circuit 8. Provides source for future conversion to 7.2/12.5kV in the core residential area.	Operating Revenue				518,000				518,000
Petoskey Substation Capacitor Bank	Installation of 1200kVAR padmount capacitor bank at Petoskey Substation to compensate for increased VAR flow on the 12.5kV distribution circuits.	Operating Revenue				77,000				77,000
Mitchell Road Substation Battery System Replacement	Replacement of 48VDC battery system at Mitchell Road Substation. Batteries installed in this substation were relocated from the retired Bear River Substation and have surpassed their useful life.	Operating Revenue				10,000				10,000
Substation Recloser Replacement	Replacement of the circuit reclosers in Petoskey Substation that were installed in 2005.	Operating Revenue				50,000				50,000
<u>MOTOR POOL</u>										
Patrol Vehicle - Replacement	Replace 4x4 patrol vehicle #444 (2015) with 2020 model. Convert and/or replace equipment from old unit to 2020 unit. Painting and lettering required.	Operating Revenue						50,000		50,000
Pickup Truck 1/2 Ton 4x4 - Replacement	Replace Parks and Rec Unit #71 (2007).	Operating Revenue						30,000		30,000

**City of Petoskey
Capital Improvement Plan
Project Funding Source**

2020

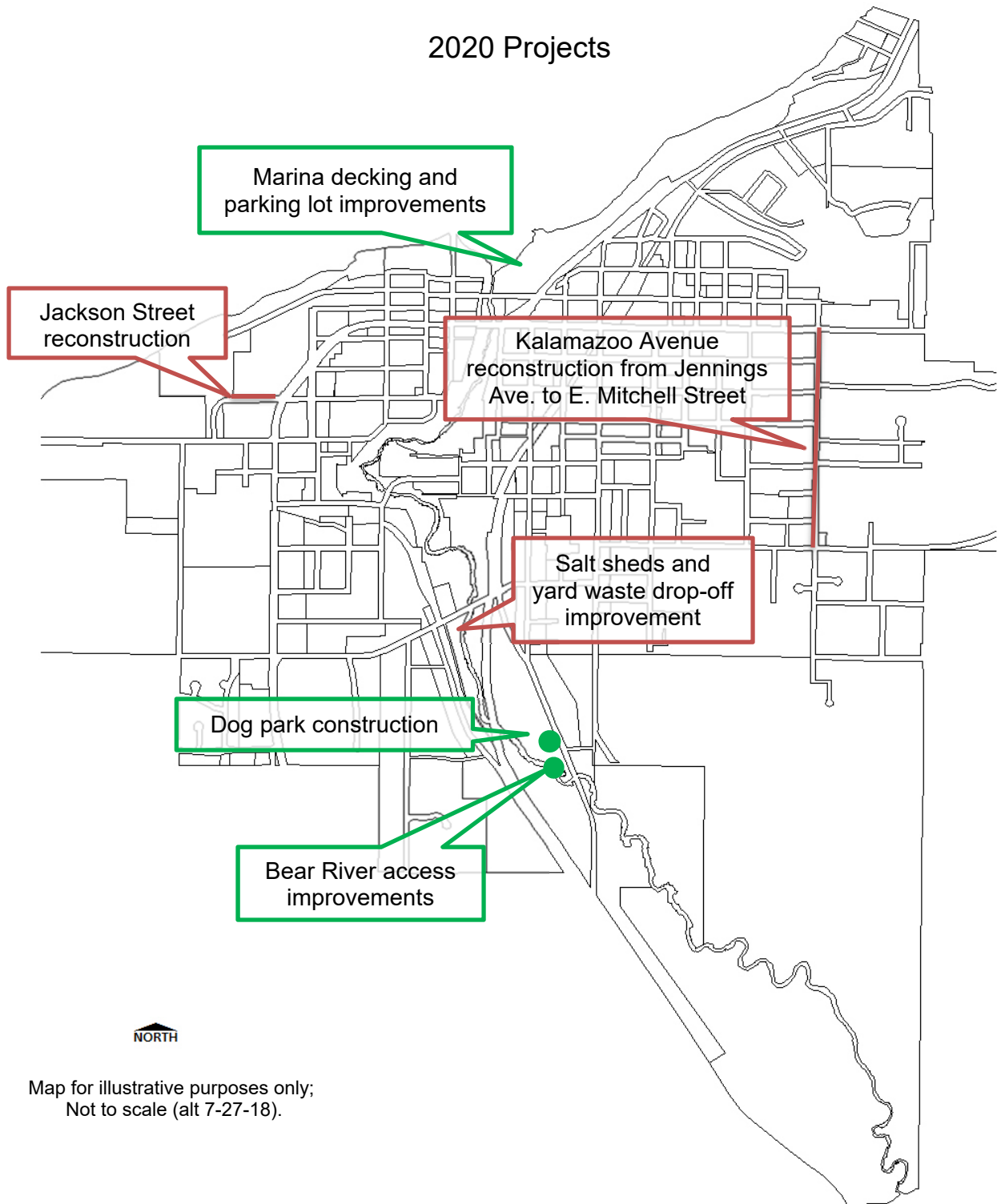
PROJECT CATEGORY		Funding Source	General	Parking	Streets	Electric	Water & Sewer	Motorpool	Grants/Other	Total
Pickup Truck with Plow - Replacement	Replace Electric Division Unit #88 (2004).	Operating Revenue						45,000		45,000
Patrol Vehicle - Replacement	To replace patrol vehicle #442 with 2020 unit. Convert and/or replace equipment from old unit to 2020 unit. Painting and lettering required.	Operating Revenue						35,000		35,000
Detective Vehicle - Replacement	To replace detective vehicle #448 (2010) with 2020 model.	Operating Revenue						30,000		30,000
Staff Vehicle - Replacement	To replace WWTP vehicle #25 (2012).	Operating Revenue						30,000		30,000
Toro Workman Utility Cart - Parks and Rec - Replacement	Replace utility cart unit #101 (1995).	Operating Revenue						25,000		25,000
35,000 GVW Plow Truck - Streets - Replacement	To replace plow truck #67 (1998).	Operating Revenue						160,000		160,000
Toro Workman Utility Cart - Parks and Rec - Replacement	To replace utility cart #189 - primarily used at ballfields (2009).	Operating Revenue						14,000		14,000
<u>DOWNTOWN AREA</u>										
Parking Deck Construction	Construction of a deck on a parking lot.	Parking		2,000,000					2,000,000	4,000,000
Parking Lot Paving	Maintenance, paving of the Darling Lot and possible pay stations.	Parking		145,000						145,000
<u>BUILDINGS AND GROUNDS</u>										
City Hall Window Replacement	Phase II window replacement to improve energy efficiency.	Operating Revenue	100,000							100,000
Fire Station Facility Interior Renovations - East Lake Street	Paint and carpet the upper level.	Operating Revenue	13,000							13,000
Salt Sheds and Yard Waste Drop-off Improvements	Existing salt sheds are 30+ years old and must be upgraded. It has been determined that current location of sheds and waste drop-off best meet the long term expansion needs of DPW. Site to be upgraded to enhance the adjacent Bear River launch area and North Country/Iron Belle Trail.	Operating Revenue			445,000	445,000				890,000
<u>PARKS AND SPECIAL FACILITIES</u>										
Winter Sports Park Building Roof	The existing Winter Sports Park building will be 29 years old in 2019. Replacement of roof will be the first phase of improvements, with siding and deck repairs in 2021.	Operating Revenue	30,000							30,000
Little Traverse Wheelway Resurfacing Engineering	Engineering for resurfacing of one-mile of LTW.	Operating Revenue	13,200							13,200
Little Traverse Wheelway Resurfacing	Resurfacing of a one-mile segment of the LTW. Asphalt trail is deteriorating after 11-30 years.	Operating Revenue	127,500						127,500 State Grant	255,000
Mineral Well Gazebo Restoration	Historic structure in need of roof and soffit replacement and paint.	Operating Revenue	35,000							35,000
Marina Fuel System Replacement Engineering	Engineering for replacement of underground storage tanks and related piping.	Operating Revenue	10,000							10,000

**City of Petoskey
Capital Improvement Plan
Project Funding Source**

PROJECT CATEGORY		Funding Source	2020						Total	
			General	Parking	Streets	Electric	Water & Sewer	Motorpool		Grants/Other
Marina Parking Lot Resurfacing	In 2021, the parking lot will be 31 years of age and will be in need of resurfacing. The lot has been used to house marina spoils prior to disposal which accelerated the decline of the top coat. In 2010, the lot was patched to accommodate the marina expansion utilities. Grant and restricted marina funds will be used to finance the lot resurfacing.	Operating Revenue	20,000						20,000 State Grant	40,000
Dog Park Construction - Standish Avenue	A possible dog park location has been identified that would allow a park sooner. Work would include fencing and site work.	Grants/Other	45,000						15,000	60,000
Marina Pier A and D Deck Replacement and Half of Pier B	Existing wood decking and underlying wood supports are in need of replacement due to the age of the pier. Boards are becoming increasingly worn and weakened by use and are difficult to keep secured to sub-framing, which is deteriorating. Project may be eligible for 50% Waterways Maintenance Grant funding.	General/Marina Reserve	135,000						135,000 State Grant	270,000
Sunset Park Improvements	Following stair tower replacement and MDOT project, park enhancements will be made.	Operating Revenue							50,000 TIFA	50,000
Bear River Access Improvements	Development of accessible launch locations (2) at River Road Sports Complex and Bear River Recreation Area.	Operating Revenue	25,000						75,000 Grants and TIFA	100,000
Grand Totals			\$553,700	\$2,145,000	\$1,560,000	\$1,100,000	\$675,000	\$419,000	\$2,422,500	\$8,875,200

City of Petoskey 2019-2024 Capital Improvement Plan

2020 Projects



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**City of Petoskey
Capital Improvement Plan
Project Funding Source
2021**

PROJECT CATEGORY		Funding Source	General	Parking	Streets	Electric	Water & Sewer	Motorpool	Grants/Other	Total
<u>STREETS AND DRAINAGE</u>										
Miscellaneous Pavement Preservation, Paving and Repair	The purpose of this project is to replace or rehabilitate existing pavement and curb lines. Streets to be considered fall under the category of fair to poor based on PASER ratings.	Right-of-Way			100,000					100,000
CBD - East Mitchell Street and Petoskey Street Intersection	To replace the concrete intersection that was removed previously and not replaced.	Right-of-Way							150,000 TIF	150,000
CBD - Petoskey Street - East Mitchell Street to Michigan Street	All utility work was completed in this block in 2007, anticipating a proposed expansion of the parking facilities (Michigan Street parking lot), with the pavement being applied in a temporary manner in 2007.	Right-of-Way			25,000				72,000 TIF	97,000
Greenwood Road Reconstruction Sheridan Street to Charlevoix Avenue	This project will replace pavement and curb lines on Greenwood Road in conjunction with water main replacement. There has been indication that the Tribe could contribute Bureau of Indian Affairs funding.	Right-of-Way			150,000				325,000 LTBOI	475,000
<u>WATER AND WASTEWATER SYSTEM</u>										
Miscellaneous Water Main Spot Repairs and Upgrades	Water main work will take place in conjunction with street resurfacing projects.	Right-of-Way					150,000			150,000
Miscellaneous Sanitary Sewer Main Spot Repairs and Upgrades	Sanitary sewer main work will take place in conjunction with street resurfacing projects.	Right-of-Way					150,000			150,000
Water - Greenwood Road - Sheridan to Charlevoix Avenue	Utility upgrade to include water main replacement along Greenwood Road.	Operating Revenue					275,000			275,000
Sanitary - Greenwood Road - Sheridan to Charlevoix Avenue	Utility upgrade to include sanitary main rehabilitation along Greenwood Road.	Operating Revenue					125,000			125,000
Lime Kiln Well and Control Building Improvements	The Lime Kiln Well was developed 35 years ago. Improvements would include conversion from a t-vertical turbine pump system to a submersible pump system, updated chlorine feed systems and renovations to control and monitoring systems.	Operating Revenue					250,000			250,000
<u>SIDEWALKS</u>										
Miscellaneous Sidewalk Construction and Replacement	Sidewalk replacements will take place in conjunction with Greenwood Road reconstruction as well as Lockwood Avenue from Spruce to Jennings as identified in the Non-motorized Facilities Plan as top priority.	Right-of-Way			150,000					150,000
<u>ELECTRIC SYSTEM</u>										
Residential Conversion Project - Howard, Rush, Beech and Pearl Streets	Conversion of the existing overhead distribution circuit to underground within residential corridors. Removes very old overhead system, converts to more reliable underground and prepares for conversion to 7.2kV.	Operating Revenue				473,000				473,000
Petoskey Sub 46kV, PET6 & PET8 Underground	Conversion of the 46kV transmission line and circuits PET6 & PET8 to underground from Petoskey Substation to the south side of the salt shed. Improves reliability of the transmission service into the substation, prepares for voltage conversion of circuit PET8, and creates required space for expansion of the DPW Building.	Operating Revenue				500,000				500,000

**City of Petoskey
Capital Improvement Plan
Project Funding Source
2021**

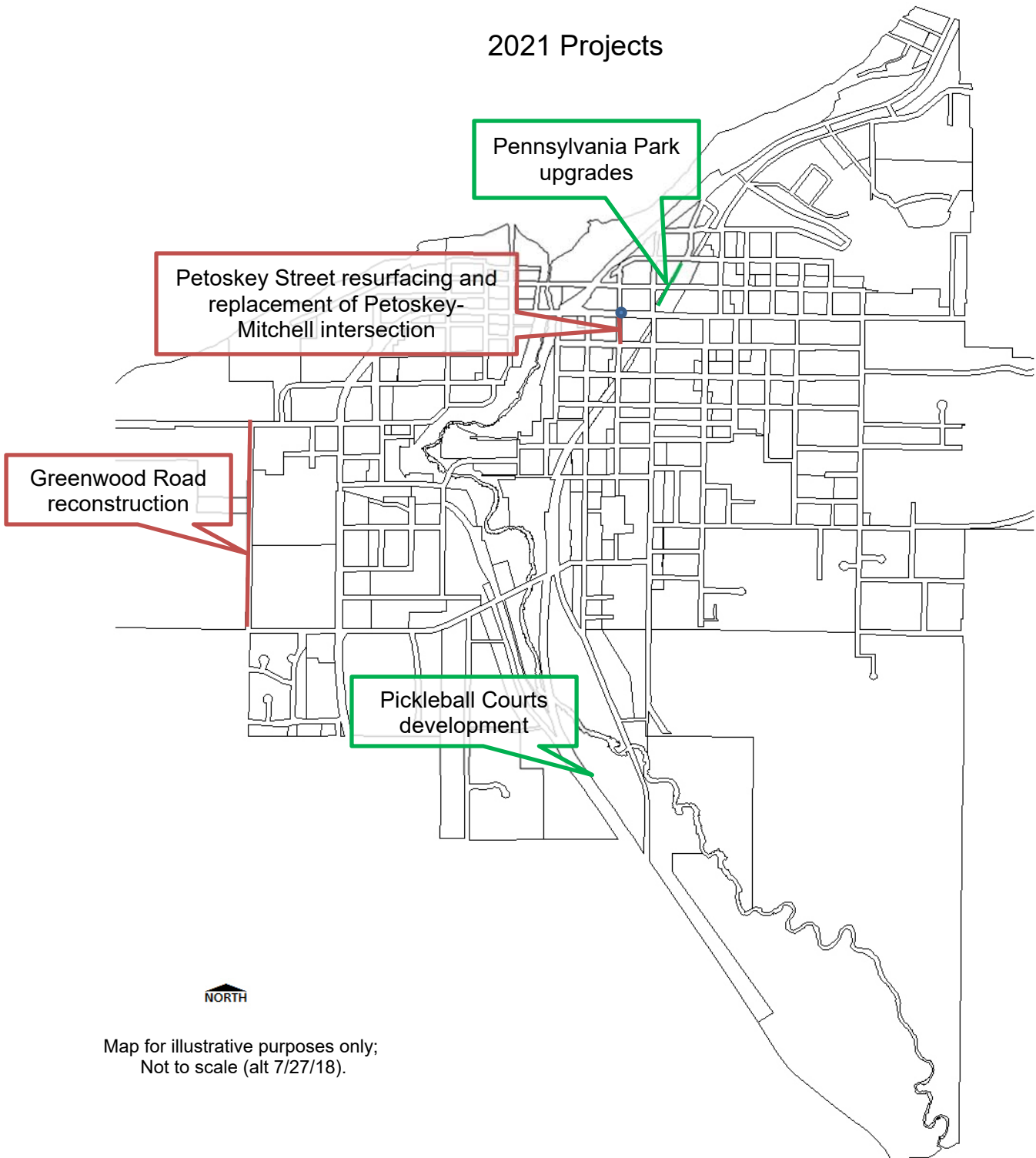
PROJECT CATEGORY		Funding Source	General	Parking	Streets	Electric	Water & Sewer	Motorpool	Grants/Other	Total
<u>MOTOR POOL</u>										
Patrol Vehicle - Replacement	Replace patrol vehicle #443 (2013) with 2021 model. Convert and/or replace equipment from old unit to 2021 unit. Painting and lettering required.	Operating Revenue						40,000		40,000
Staff Vehicle - Replacement	Replace Motor Pool Vehicle Unit #29 (2010).	Operating Revenue						30,000		30,000
Pickup Truck 3/4 Ton with Plow 4x4 - Replacement	Replace Streets Unit #60 (2007).	Operating Revenue						34,000		34,000
1 Ton Dump Truck - Streets - Replacement	Replace Streets Unit #63 (2004).	Operating Revenue						45,000		45,000
Flusher Truck - Streets - Replacement	To replace truck #97 (2000).	Operating Revenue						75,000		75,000
Toro Workman Rescue Cart - Public Safety - Replacement	Replace Rescue Utility Cart Unit #441 (2006).	Operating Revenue						25,000		25,000
Bobcat Toolcat with Attachments, Snow Blower, Forks, Rotating Broom & Box - Replacement	Replace Utility Vehicle Unit #112 (2006).	Operating Revenue						75,000		75,000
70 Foot Ladder Truck Refurbish	Refurbish the ladder truck #4503 (2002) to meet NFPA guidelines. Work to be performed and certified by the manufacturer, will extend the life of the unit an additional 10 years.	Operating Revenue						200,000		200,000
<u>DOWNTOWN AREA</u>										
Parking Lot Paving	Maintenance and paving of a parking lot (lot TBD), with possible pay station installation.	Parking		75,000						75,000
<u>BUILDINGS AND GROUNDS</u>										
City Hall Carpet	Replacement of carpet upper level.	Operating Revenue	15,000							15,000
Curtis Avenue Department of Parks and Recreation Facility Improvements	Improvements to include cold storage facility for DPW and Parks and Recreation and service drive improvements to connect facility to DPW facility.	Revenue Bonds				2,600,000				2,600,000
<u>PARKS AND SPECIAL FACILITIES</u>										
Pennsylvania Park Upgrades	As part of the Downtown Greenway Corridor site amenities from Bay Street to East Mitchell Street, Park Avenue sidewalk widening and landscaping improvements will be constructed in accordance with design and engineering plans completed in 2018.	Operating Revenue	10,000		62,000	68,000			10,000 Local Grant	150,000
Winter Sports Park Building Interior Renovations	The Winter Sports Park Building in 2021 will be 31 years old and interior renovations are anticipated and will include painting, concession and restroom sink and counter replacements, and replacement of the skate proof flooring on main level and door replacement at air lock entryway. These repairs are necessary and in particular the skate proof flooring. Failure of the flooring will jeopardize main level floor and underlying decking and joists.	Operating Revenues	70,000						20,000 Local Grant	90,000
Winter Sports Park Building Siding and Decking	The existing Winter Sports Park building will be 31 years old in 2021 and exterior siding and decking will be needed to maintain structure.	Operating Revenue	60,000							60,000

**City of Petoskey
Capital Improvement Plan
Project Funding Source
2021**

PROJECT CATEGORY		Funding Source	General	Parking	Streets	Electric	Water & Sewer	Motorpool	Grants/Other	Total
Marina Fuel System Replacement	Tanks and piping will be 25 years old and in need of replacement or reconditioning and to increase diesel storage capacity.	Operating Revenue	100,000						100,000 State Grant	200,000
Little Traverse Wheelway Resurfacing	Resurfacing of a one-mile segment of the LTW. Asphalt trail is deteriorating after 11-30 years.	Operating Revenue	130,000						130,000 State Grant	260,000
River Bend Park Pickle Ball Court Development	Development of three Pickle Ball courts adjacent to restroom facility.	Operating Revenue	60,000						120,000	180,000
Bayfront Park West Boat Storage	As identified in the 2018-2022 Parks and Recreation Master Plan, create storage for kayaks, canoes, SUPS in Bayfront Park West.	TIFA							25,000	25,000
Grand Totals			\$445,000	\$75,000	\$487,000	\$3,641,000	\$950,000	\$524,000	\$952,000	\$7,074,000

City of Petoskey 2019-2024 Capital Improvement Plan

2021 Projects



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**City of Petoskey
Capital Improvement Plan
Project Funding Source
2022**

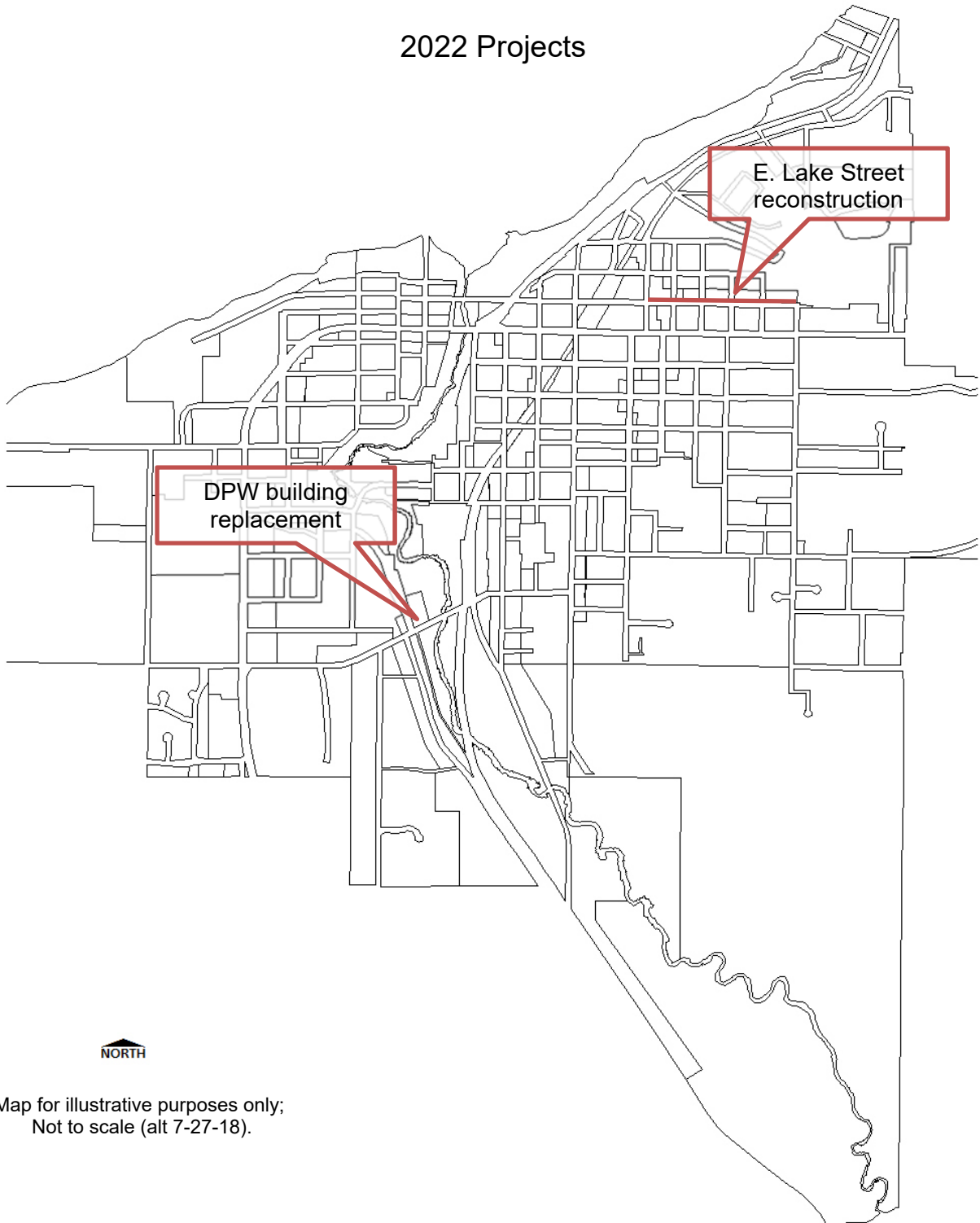
PROJECT CATEGORY		Funding Source	General	Parking	Streets	Electric	Water & Sewer	Motorpool	Grants/Other	Total
<u>STREETS AND DRAINAGE</u>										
East Lake Street - Kalamazoo to Division	Reconstruction of East Lake Street including sidewalks and ADA ramps.	Right-of-Way			700,000					700,000
<u>WATER AND WASTEWATER SYSTEM</u>										
Water - East Lake - Kalamazoo to Division	Replacement of water mains and components in conjunction with street reconstruction.	Operating Revenue					273,000			273,000
Sanitary - East Lake - Kalamazoo to Division	Replacement of sanitary mains and components in conjunction with street reconstruction.	Operating Revenue					231,000			231,000
<u>SIDEWALKS</u>										
Miscellaneous Sidewalk Construction and Replacement	Sidewalk additions and replacements will take place in conjunction with street projects along with priorities as established in the Non-motorized Facilities Plan.	Right-of-Way			150,000					150,000
<u>ELECTRIC SYSTEM</u>										
East Lake Underground Conversion	Installation of new three-phase underground on East Lake Street from Division Street to Kalamazoo Avenue. Provides redundant circuit into the CBD area, converts East Lake Street to underground, and moves the circuit to the new 7.2/12.5kV system.	Operating Revenue				385,000				385,000
Bear River Valley Underground - PET1	Conversion of the overhead PET1 distribution circuit from Petoskey Substation through the Bear River Valley to lone Street equipment area. Improves reliability to critical loads including the hospital, City Hall and CBD area. Utilizes conduit system installed as part of the Bear River Corridor project.	Operating Revenue				219,000				219,000
Mitchell Road Substation Fiber Connection	Installation of fiber optic cable from DPW to Mitchell Road Substation.	Operating Revenue				50,000				50,000
<u>MOTOR POOL</u>										
Patrol Vehicle - Replacement	Replace 4x4 patrol vehicle #445 (2017) with 2022 model.	Operating Revenue						52,000		52,000
Pickup Truck - Water - Replacement	Replace Water Unit #34 (2012).	Operating Revenue						40,000		40,000
Pickup with Plow - Wastewater - Replacement	Replace WWTP Unit #38 (2012).	Operating Revenue						40,000		40,000
Bucket Truck - Electric - Replacement	Replace Unit #83 (2001).	Operating Revenue						225,000		225,000
Batwing Mower - Replacement	Replace Unit #148 (2012).	Operating Revenue						50,000		50,000
Crane Truck - Water - Replacement	To replace truck #33 (2009).	Operating Revenue						75,000		75,000
<u>DOWNTOWN AREA</u>										
Parking Lot Paving	Paving existing lot and pay station installation.	Parking		50,000						50,000

**City of Petoskey
Capital Improvement Plan
Project Funding Source
2022**

PROJECT CATEGORY		Funding Source	General	Parking	Streets	Electric	Water & Sewer	Motorpool	Grants/Other	Total
<u>BUILDINGS AND GROUNDS</u>										
City Hall and East Lake Street Fire Station Renovations	Both buildings were renovated in 1990 and will continue to have repairs and modifications needed for continued efficient operations. Work will include foundation wall waterproofing at the fire station to eliminate water intrusion and expand usable space in the basement. New windows and HVAC system will also be needed.	Operating Revenue	500,000							500,000
Replacement of DPW Building	Existing building is 60+ years old, does not meet operational needs and is inefficient. New building to incorporate green infrastructure and/or renewable energy.	Revenue Bonds				8,600,000				8,600,000
<u>PARKS AND SPECIAL FACILITIES</u>										
Festival Place Shelter Roof	Replace shingle roofing with metal roofing similar to Bear River pavilion.	Operating Revenue	20,000							20,000
Riverbend Skate Park Equipment	The original skate park equipment was purchased in 2002, with additional purchases in 2008 and 2012. This project would replace the 2002 equipment, including the original wood ramps and would add new skate elements to the facility.	Operating Revenue	20,000						20,000 State Grant	40,000
Grand Totals			\$540,000	\$50,000	\$850,000	\$9,254,000	\$504,000	\$482,000	\$20,000	\$11,700,000

City of Petoskey 2019-2024 Capital Improvement Plan

2022 Projects



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**City of Petoskey
Capital Improvement Plan
Project Funding Source**

2023

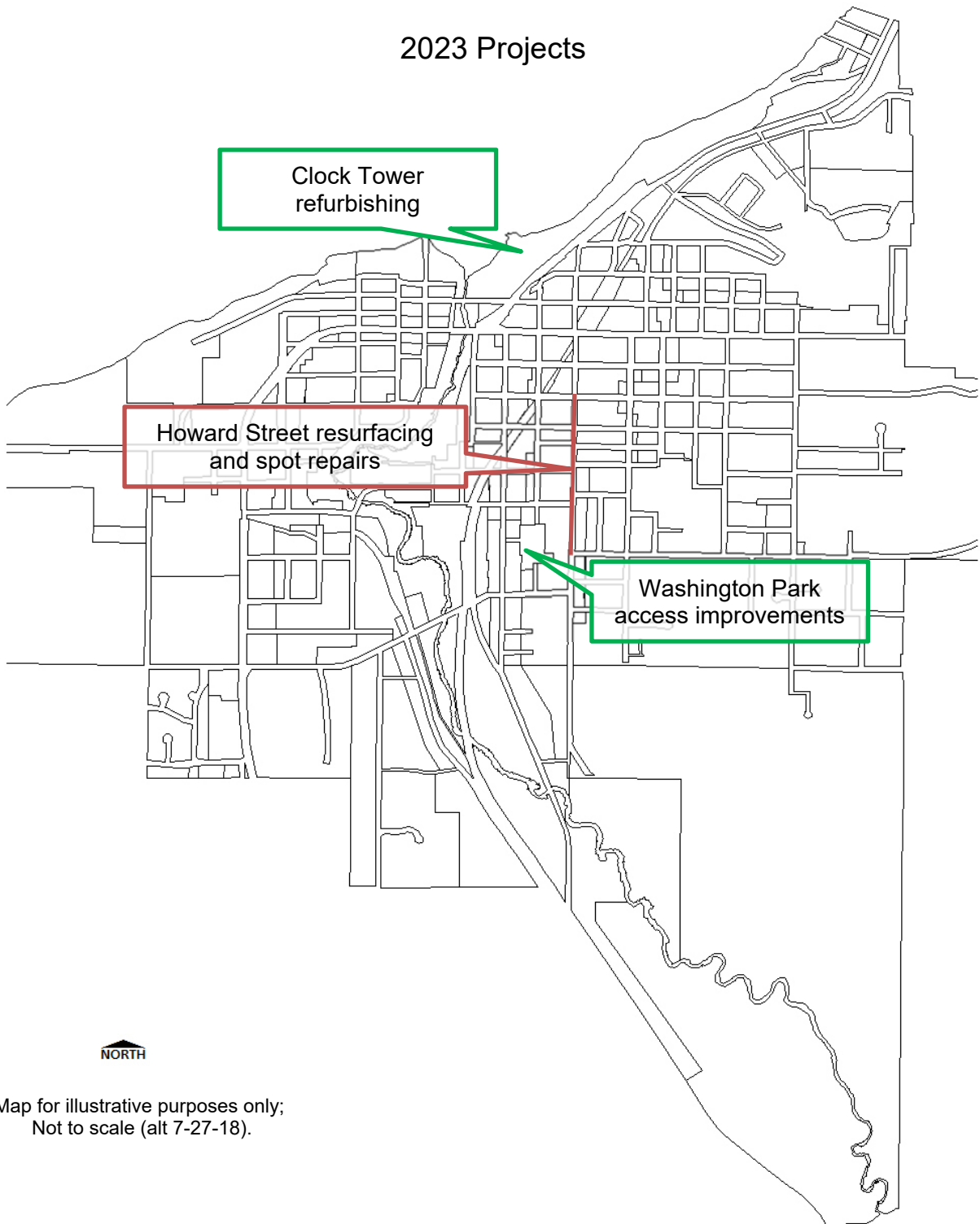
PROJECT CATEGORY		Funding Source	General	Parking	Streets	Electric	Water & Sewer	Motorpool	Grants/Other	Total
<u>STREETS AND DRAINAGE</u>										
Howard Street from State Street to Jennings Avenue	This project would be dependent upon funding availability through MDOT's Small Urban Program. Primary scope of work would be to remove and replace deteriorating pavements along with spot repairs to curbs, sidewalks and storm sewers.	Right-of-Way			300,000				375,000	675,000
									State Grant	
<u>WATER AND WASTEWATER SYSTEM</u>										
Water - Howard Street and Miscellaneous Water Main Spot Repairs and Upgrades	Water main work will take place in conjunction with street resurfacing.	Operating Revenue					290,000			290,000
Sanitary - Howard Street and Miscellaneous Sewer Main Spot Repairs and Upgrades	Sewer main work will take place in conjunction with street resurfacing.	Operating Revenue					250,000			250,000
<u>SIDEWALKS</u>										
Miscellaneous Sidewalk Construction and Replacement	Sidewalk additions and replacement will occur in conjunction with street projects and in priority locations established by the City Non-motorized Facilities Plan.	Right-of-Way			150,000					150,000
<u>ELECTRIC SYSTEM</u>										
Residential Conversion Project - Maple and Porter	Conversion of the existing overhead distribution circuit to underground within residential corridors. Removes very old overhead system, converts to more reliable underground and prepares for conversion to 7.2/12.5kV.	Operating Revenue				300,000				300,000
Residential Conversion Project - Morgan/Priebe/Hillcrest	Conversion of the existing overhead distribution circuit to underground within residential corridors. Removes very old overhead system, converts to more reliable underground and prepares for conversion to 7.2kV.	Operating Revenue				365,000				365,000
River Valley Underground - PET5 - McLaren/Burns	Conversion of the overhead express 7.2/12.5kV McLaren/Burns feeder to underground from Petoskey Substation through the Bear River Valley to lone Street. Adds reliability to this express feeder serving one of the highest critical loads on the system.	Operating Revenue				219,000				219,000
<u>MOTOR POOL</u>										
Patrol Vehicle - Replacement	Replace 4x4 patrol vehicle #446 (2018) with 2023 model.	Operating Revenue						52,000		52,000
Pickup Truck - CBD Water Truck - Replacement	Replace Unit #52 (2008).	Operating Revenue						30,000		30,000
Pickup Truck - Parks and Rec - Replacement	Replace Unit #53 (2010 Ranger).	Operating Revenue						25,000		25,000
Pickup Truck - Streets - Replacement	Replace Unit #65 (2010 Ranger).	Operating Revenue						25,000		25,000
Heavy Duty Plow Truck/Underbody - Streets - Replacement	Replace Unit #93 (2006 International).	Operating Revenue						180,000		180,000

**City of Petoskey
Capital Improvement Plan
Project Funding Source**

PROJECT CATEGORY		Funding Source	General	Parking	Streets	Electric	Water & Sewer	Motorpool	Grants/Other	Total
Front End Loader - Streets - Replacement	Replace Unit #107 (2003 Komatsu).	Operating Revenue						200,000		200,000
Bobcat - Parks and Rec - Replacement	Replace Unit #124 (2009 Toolcat).	Operating Revenue						70,000		70,000
Toro Workman Utility Cart - Parks and Rec - Replacement	Replace Unit #174 (2008).	Operating Revenue						15,000		15,000
Toro Workman Rescue Cart - Public Safety - Replacement	Replace Rescue Utility Cart Unit #541 (2008).	Operating Revenue						27,000		27,000
Batwing Groundmaster - Replacement	Replace Unit #188 (2009).	Operating Revenue						65,000		65,000
<u>DOWNTOWN AREA</u>										
Parking Lot Paving	Paving existing lot and pay station installation.	Parking		45,000						45,000
<u>BUILDINGS AND GROUNDS</u>										
Bayfront Park Clock Tower	Refurbish tower lights and clock mechanisms.	TIFA	75,000							75,000
Public Safety Building - East Lake Street	Paint apparatus room and radiant heat tube replacement.	Operating Revenue	42,000							42,000
<u>PARKS AND SPECIAL FACILITIES</u>										
Washington Park Access Engineering and Construction	Washington Park currently has limited access from Petoskey Street off of Washington Street and from Petoskey Street off of Sheridan Street, with limited parking taking place primarily on the streets. Project proposes to create a turn-around style parking lot off of Petoskey Street on the south end of the park and provide improved access to Washington Street on the north side of the park, and create a new pedestrian access off of Emmet Street into the park area and extend sidewalks to key areas within the park.	Operating Revenue	50,000		75,000				50,000 State Grant	175,000
Little Traverse Wheelway Resurfacing	Replace 1-mile segment of LTW.	Operating Revenue	130,000						130,000 State Grant	260,000
Lockwood Park Upgrades	Upgrade the basketball court.	Operating Revenue	25,000							25,000
Grand Totals			\$322,000	\$45,000	\$525,000	\$884,000	\$540,000	\$689,000	\$555,000	\$3,560,000

City of Petoskey 2019-2024 Capital Improvement Plan

2023 Projects



Map for illustrative purposes only;
Not to scale (alt 7-27-18).

**City of Petoskey
Capital Improvement Plan
Project Funding Source
2024**

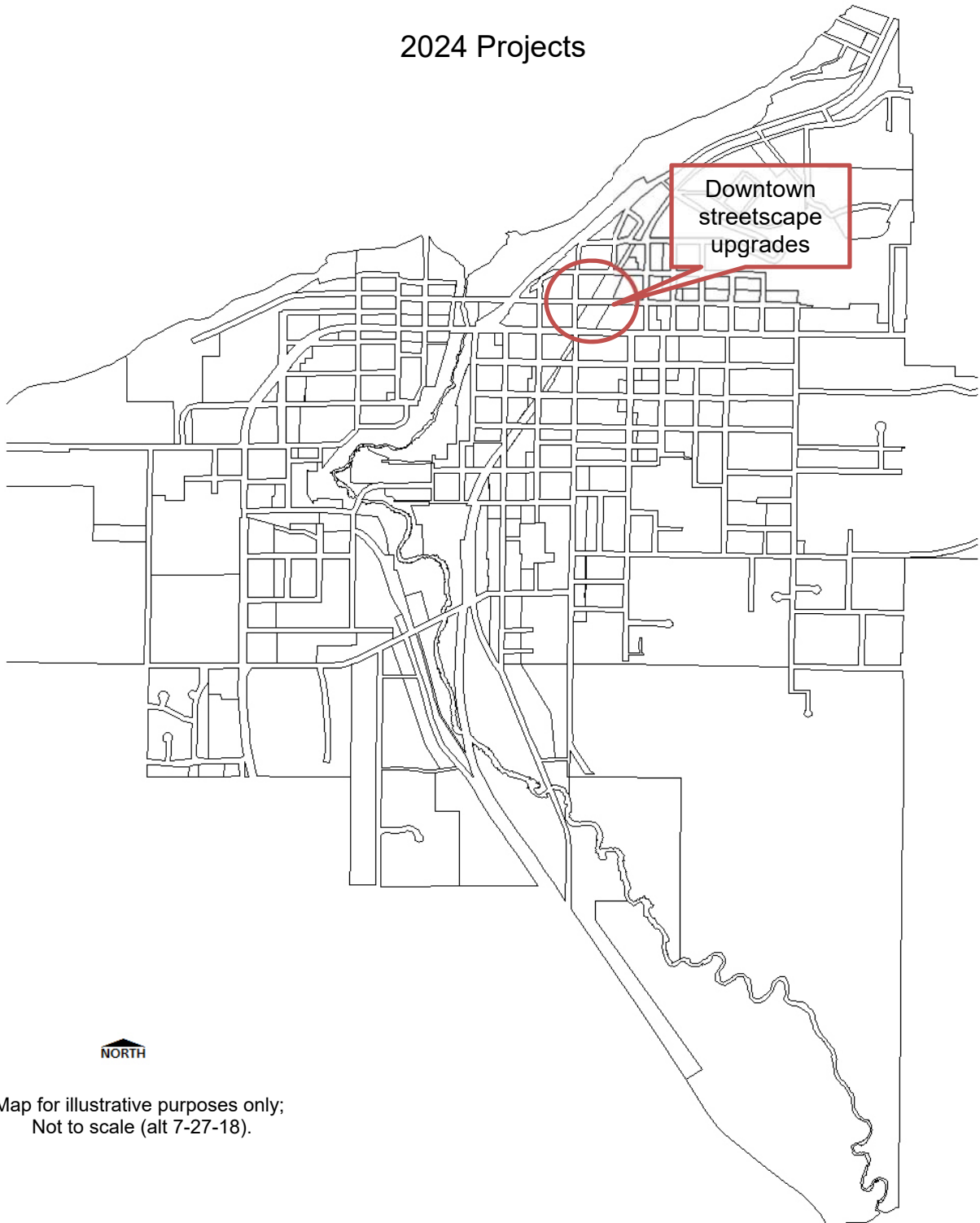
PROJECT CATEGORY		Funding Source	General	Parking	Streets	Electric	Water & Sewer	Motorpool	Grants/Other	Total
<u>STREETS AND DRAINAGE</u>										
Miscellaneous Pavement Preservation, Paving and Repair	This project is to replace or rehabilitate existing pavement and curb lines. Streets to be considered fall under the category of fair to poor based on PASER ratings.	Right-of-Way			200,000					200,000
<u>WATER AND WASTEWATER SYSTEM</u>										
Water - Miscellaneous Water Main Spot Repairs and Upgrades	Water main work will take place in conjunction with street resurfacing.	Operating Revenue					225,000			225,000
Sanitary - Miscellaneous Sewer Main Spot Repairs and Upgrades	Sewer main work will take place in conjunction with street resurfacing.	Operating Revenue					225,000			225,000
<u>SIDEWALKS</u>										
Miscellaneous Sidewalk Construction and Replacement	Sidewalk additions and replacement will occur in conjunction with street projects and in priority locations established by the City Non-motorized Facilities Plan.	Right-of-Way			150,000					150,000
<u>ELECTRIC SYSTEM</u>										
Residential Conversion Project - Bay and Rose and portions of Williams and Clinton	Conversion of the existing overhead distribution circuit to underground within residential corridors. Removes very old overhead system, converts to more reliable underground and prepares for conversion to 7.2/12.5kV.	Operating Revenue				456,000				456,000
Residential Conversion Project - 600 Block of Rush Street	Conversion of the existing overhead distribution circuit to underground within residential corridors. Removes very old overhead system, converts to more reliable underground and prepares for conversion to 7.2kV.	Operating Revenue				118,000				118,000
Atkins-Northmen Drive Underground Tie	Install new underground tie along McDougal Extension from Atkins Road to Northmen Drive. Provides backup circuit to school campus. Conduit installed in conjunction with 2015 road construction.	Operating Revenue				147,000				147,000
<u>MOTOR POOL</u>										
Public Safety Inflatable Boat with Motor - Replacement	Replace Unit #526 (2007).	Operating Revenue						35,000		35,000
Patrol Vehicle - Replacement	Replace vehicle #447 (2019) with 2024 model. Convert and/or replace equipment from old unit; painting and lettering required.	Operating Revenue						52,000		52,000
Staff Vehicle - Public Works - Replacement	Replace Unit #26 (2015).	Operating Revenue						35,000		35,000
Staff Vehicle - Finance- Replacement	Replace Unit #21 (2015).	Operating Revenue						35,000		35,000
One-ton Dump Truck - Streets Division - Replacement	Replace Unit #62 (2008).	Operating Revenue						41,000		41,000
35,000 GVW Plow Salt/Sand Spreader Replacement	Replace Unit #96 (2007) along with salt and sand unit and plow.	Operating Revenue						200,000		200,000
Fork Lift - Replacement - DPW Garage	Replace Unit #114 (1991).	Operating Revenue						30,000		30,000

**City of Petoskey
Capital Improvement Plan
Project Funding Source
2024**

PROJECT CATEGORY		Funding Source	General	Parking	Streets	Electric	Water & Sewer	Motorpool	Grants/Other	Total
<u>DOWNTOWN AREA</u>										
Parking Lot Paving	Paving existing lot and pay station installation.	Parking		70,000						70,000
Downtown Streetscape	The streetscape will be 27 years old and should continue to be pedestrian oriented while incorporating green infrastructure and new technologies.	Operating Revenue							Special Assessment TBD	
<u>BUILDINGS AND GROUNDS</u>										
Public Safety West	The building was constructed in 2011 and it is anticipated the overhead doors will need replacement.	Operating Revenue	75,000							75,000
Public Safety West	The building was constructed in 2011 and it is anticipated the garage floor will need to be resealed.	Operating Revenue	15,000							15,000
<u>PARKS AND SPECIAL FACILITIES</u>										
Bates Park Concession Building	Concession will be 25 years old in 2024 and in need of roofing and siding.	Operating Revenue	60,000							60,000
Curtis Park Development	Implementation of the Master Plan developed in 2020.	Operating Revenue	100,000						100,000	200,000
Grand Totals			\$250,000	\$70,000	\$350,000	\$721,000	\$450,000	\$428,000	\$100,000	\$2,369,000

City of Petoskey 2019-2024 Capital Improvement Plan

2024 Projects



NORTH

Map for illustrative purposes only;
Not to scale (alt 7-27-18).

**City of Petoskey
Capital Improvement Plan
Projects/Capital Items Lacking Funding**

PROJECT CATEGORY		Funding Source	General	Parking	Streets	Electric	Water & Sewer	Motorpool	Grants/Other	Total
<u>STREETS AND DRAINAGE</u>										
Miscellaneous Pavement Preservation, Paving and Repair	The purpose of this project is to replace or rehabilitate existing pavement and curb lines. Streets to be considered fall under the category of fair to poor based on PASER ratings.	Right-of-Way			TBD					TBD
Storm Sewer System Upgrades	Projects identified in the 2018 Stormwater Asset Management Plan.	Right-of-Way			TBD					TBD
<u>WATER AND WASTEWATER SYSTEM</u>										
New Aeration Blowers/Secondary Process Improvements	New aeration blowers for optimum efficiency as well as biological nutrient removal will be needed as future upgrades for the WWTP are anticipated. These improvements would have energy and/or chemical savings associated.	Operating Revenue					800,000			800,000
Lead Service Line Replacements	New Lead and Copper rules dictate that any portion of a water service line that may have been in contact with lead is considered a lead service line and would need to be removed and replaced within the dwelling it serves. Rule requirements include a system wide inventory by year 2025 to determine the number of service replacements. Once determined, replacements must occur at a rate of 5% per year over a 20 year period. Service line replacements are estimated at \$7,000 per service.	Operating Revenue					TBD			TBD
Ingalls Central to Westshore Gravity Bypass	This project would help automatically transfer water between two pressure districts and provide for additional system redundancy and reliability.	Operating Revenue					50,000			50,000
Development of Wells 8 & 9	Two water wells were originally partially developed by a private developer as part of a capacity agreement near the intersection of Anderson and Intertown Road in the early 2000s. Since other wells were being developed as part of other agreements these two were never equipped. As consumption increases or as the other older wells produce less over time, these two will likely be needed in the future.	Operating Revenue					3,800,000			3,800,000
Submersible Pump Changeouts for Lift Stations	The wastewater lift stations originally installed as part of the Bay Harbor Development are nearly 25 years in age, periodic replacement will be phased in over multiple years.	Operating Revenue					250,000			250,000
Watermain Replacement - Upper District Sheridan to US-131 Tower	This is an ongoing replacement of vintage 1960s transmission water main that has been incrementally replaced through various street and infrastructure projects.	Operating Revenue					1,410,000			1,410,000
<u>SIDEWALKS</u>										
Sidewalk Construction and Maintenance	The City has prioritized construction of sidewalks and now has 44.3 miles to maintain.	Right-of-Way			TBD					TBD

**City of Petoskey
Capital Improvement Plan
Projects/Capital Items Lacking Funding**

PROJECT CATEGORY		Funding Source	General	Parking	Streets	Electric	Water & Sewer	Motorpool	Grants/Other	Total
<u>ELECTRIC SYSTEM</u>										
Resort Pike Tie - PET2 to PET4	Installation of #336.4 Hendrix south from Sterzik Road to the CE 138kV line, then 500kCM 15kV CU underground extending north to the existing #336.4 ACSR dead-end pole.	Operating Revenue				215,000				215,000
AMI System	Installation of a system-wide AMI (Advanced Metering Infrastructure) system. Provides for time-of-use energy sales, automatic meter reading, remote disconnects/reconnects, and outage detection.	Operating Revenue				946,500				946,500
CBD Alley Conversion to Underground	Conversion of the remaining CBD alley to underground.	Operating Revenue				50,000				50,000
Mitchell Road Overhead Reconductor	Reconductor overhead three-phase line on Mitchell Road from Division Road to Hill Street. Complete in conjunction with 500kCM underground cable to Kalamazoo Avenue and East Lake Street, plus overhead reconductor on Lake Street to Division Street for new/redundant 7.2/12.5kV source into CBD.	Operating Revenue				65,000				65,000
East Mitchell Street Underground Cable	Installation of 500kCM 15kV underground cable from riser pole near Lincoln Place to Kalamazoo Avenue and Lake Street.	Operating Revenue				210,000				210,000
Lafayette/Traverse Woods Cable Replacement	Replacement of the 30+ year old underground cable and equipment at Lafayette Apartments and Traverse Woods Apartments.	Operating Revenue				300,000				300,000
Utility System Generators	Providing fixed generation at key utility facilities. (e.g. well houses, lift stations)	Operating Revenue				375,000				375,000
West Sheridan Street Underground Upgrade	Replace direct buried cable and rusted equipment with new cable in conduit and equipment in more protected areas. Add switchgear with fused taps to improve sectionalizing and circuit reliability.	Operating Revenue				336,000				336,000
Petoskey Substation Driveway Paving	Grading, drainage improvements and paving of the Petoskey Substation driveway.	Operating Revenue				55,000				55,000
<u>MOTOR POOL</u>										
Sutphen Fire Truck with Mini Tower	Replacement of Vehicle #503 (2002).	Operating Revenue						750,000		750,000
<u>DOWNTOWN AREA</u>										
Replacement of Road Trolley	Replacement of 1999 road trolley. In 2025 the road trolley will be 26 years old and in need of replacement.	Operating Revenue								TBD
Parking Lot and Structure Improvements	On-going maintenance of lots, meters and possible structure will be needed.	Operating Revenue								TBD

**City of Petoskey
Capital Improvement Plan
Projects/Capital Items Lacking Funding**

PROJECT CATEGORY		Funding Source	General	Parking	Streets	Electric	Water & Sewer	Motorpool	Grants/Other	Total
<u>BUILDING AND GROUNDS</u>										
Fire Station Renovations - East Lake Street	The building was remodeled into the Fire Station in 1989 and will require numerous upgrades including replacement of windows, kitchen remodel, replacement of tube heating system, training room cabinet remodel, interior apparatus area painting, HVAC rooftop unit, furnaces (2), carpet replacement, window replacement and interior lighting upgrades.	Operating Revenue	243,000							243,000
Public Safety Garage - City Hall	Replace radiant tube heaters.	Operating Revenue	18,000							18,000
Public Safety West	Built in 2011, building maintenance will require replacement windows, boiler upgrade, HVAC replacement and carpeting.	Operating Revenue	82,000							82,000
City Hall	Remodel to City Hall in 1989, the building will need replacement of HVAC rooftop units (4 original from 1989), windows, entry area tile, and paint/wall covering.	Operating Revenue	325,000							325,000
History Museum	Museum was built in 1971 and soffit will need replacement.	Operating Revenue	10,000						TBD	10,000
<u>PARKS AND SPECIAL FACILITIES</u>										
Bayfront Park Irrigation Extension	Install automated sprinkler system from Arboretum restroom to parking area east of Ed White Field. This area is currently partially irrigated with a manual plug-in system which provides inadequate coverage – requires manpower and must run during high use times when employees are available, which interferes with the general public.	Operating Revenue	32,000							32,000
Little Traverse Wheelway	LTW restoration (\$48 per linear foot x 5,280 (1 mile) x 8 miles).	Operating Revenue	2,027,520							2,027,520
Bear River Valley	Extending whitewater improvements to south of Bridge Street, boardwalk replacements and improvements and trail repairs.	TIFA							455,000	455,000
Lake Street Dam	Design and replacement of current dam.	Grants/Other							TBD	TBD
Magnus Park Campground Improvements	Campground and day use improvements per the Park Master Plan.	TIFA							TBD	TBD
Marina Upgrades	Marina upgrades will include lounge roof, lounge siding replacement, pump upgrade, redecking, office siding and interior plumbing replacements.	Operating Revenue	210,000							210,000

**City of Petoskey
Capital Improvement Plan
Projects/Capital Items Lacking Funding**

PROJECT CATEGORY	Funding Source	General	Parking	Streets	Electric	Water & Sewer	Motorpool	Grants/Other	Total	
Marina Restroom/Shower	Improvements to the Marina restrooms and showers include interior renovations to counter tops, partitions and painting. Shower renovations will include tiling and faucets.	Operating Revenue	25,000						25,000	
Winter Sports Park	The Winter Sports Park was last updated in 1992. Replacement of roof and insulation improvements in attic will be needed. Improvements will include window replacement, tow rope replacement including the magic carpet conveyor, skate/sub floor replacement, deck replacement (composite/vinyl), furnace (replace 3 original interior units), outdoor lighting upgrades and rebuild hockey rink.	Operating Revenue	704,000						704,000	
Tennis Court Complex	The complex will be due for upper court repainting (completed every 7 years), lower court repainting (completed every 7 years), concession and restroom upgrades and lower court replacement.	Operating Revenue/PPS 50% Share	150,000					150,000	300,000	
Clocktower	Relight tower	Operating Revenue	55,000						55,000	
Bates Baseball Complex	Bates Baseball Complex was constructed in 1998 and will be in need of improvements to fencing, bleachers, dugout restoration, lighting, concession stand renovation and asphalt path renovation.	Operating Revenue	150,000					150,000	300,000	
River Road Sports Complex	The complex will require softball field fence replacement, restroom renovations and parking lot redesign.	Operating Revenue	130,000					100,000	230,000	
Ed White Field	The facility was constructed in 1969 and will be in need of floor upgrades in scorers room, siding, bleachers and lighting upgrades.	Operating Revenue	155,000						155,000	
Resource Center	The facility was constructed in 1984 and will be in need of front door replacement, windows, carpeting and concession stand renovation.	Operating Revenue	67,000						67,000	
Washington Park	Site redevelopment and playground improvements.	Operating Revenue	125,000					125,000	250,000	
Miscellaneous	Miscellaneous replacements including park benches and picnic tables.	Operating Revenue	75,000						75,000	
Grand Totals			\$4,583,520	TBD	TBD	\$2,552,500	\$6,310,000	\$750,000	\$ 980,000	\$15,176,020