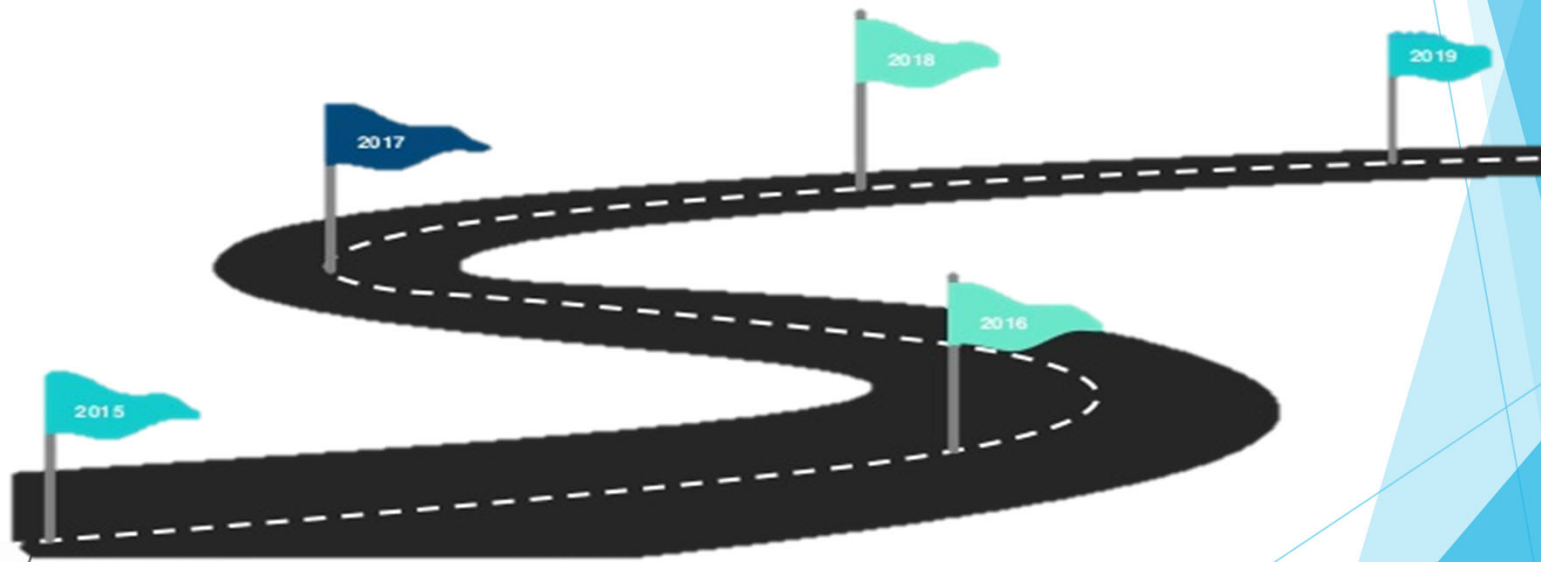


PART 1 - ROADS: LONG TERM NEEDS AND PLANNING  
PART 2 - ROADS: FUNDING NEEDS AND REVENUE OPTIONS  
PART 3 - CAPITAL PROJECTS: COMPREHENSIVE CIP / "CRAMP"  
**PART 4 - CAPITAL PROJECTS: FUNDING**



Tuesday May 25, 2021



# RECAP

- ▶ Annual road preventive maintenance
- ▶ Aging roads beyond useful life
- ▶ Current policy does not effectively cover road reconstructions
- ▶ Need larger investment in roads to meet desired condition
- ▶ Increase revenue with Community Wide SAD or millage
- ▶ Combine projects for all asset needs for maximum benefit
- ▶ Survey to provide feedback on sewer expansions and infrastructure spending



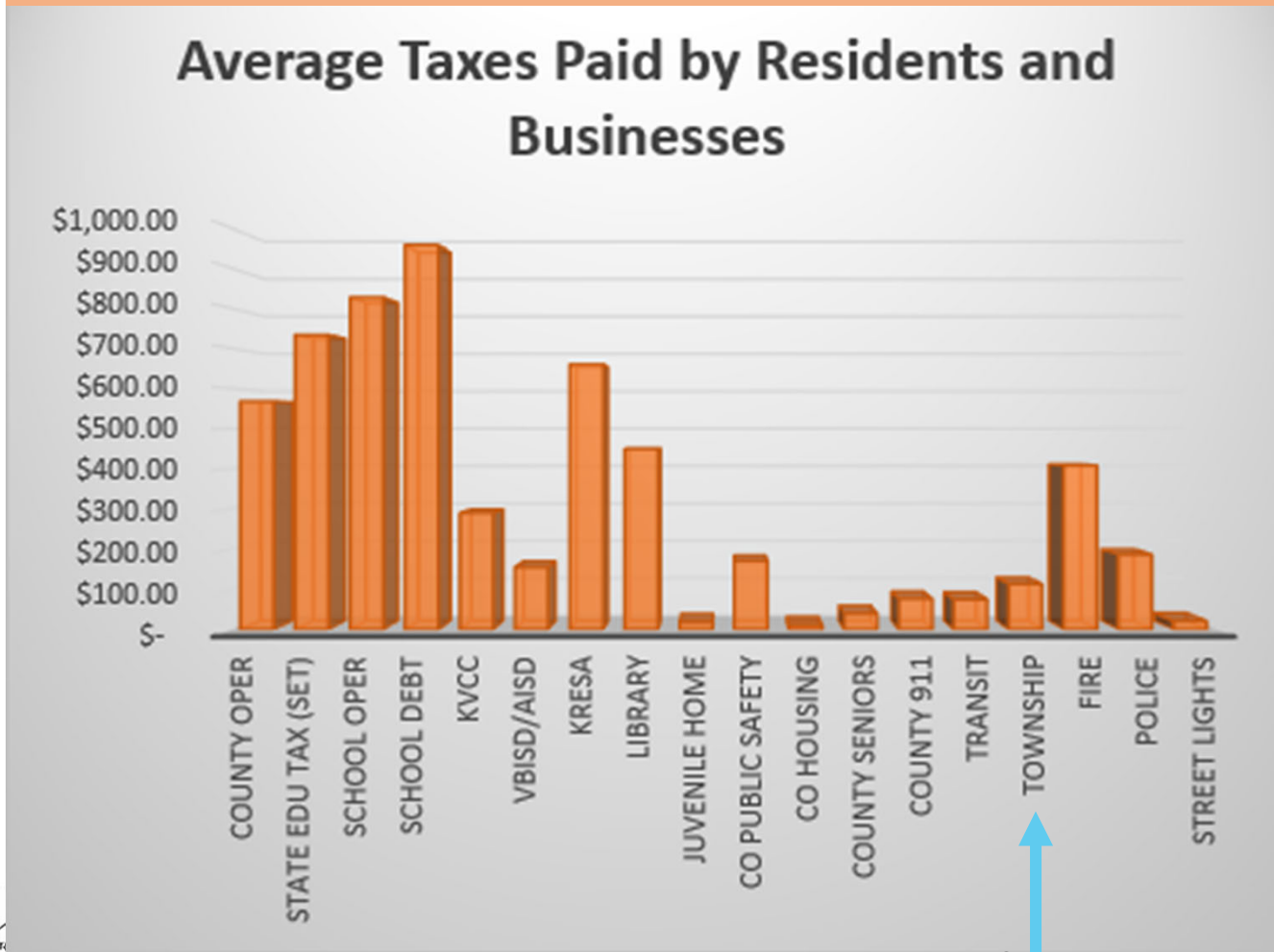
# OUTLINE

- ▶ Budgeting
- ▶ What revenue is currently available to spend on capital infrastructure projects ?
- ▶ Road Revenue targets and funding opportunities
- ▶ Impact to Capital Infrastructure Projects



# TAX BREAKDOWN

Bar Graph for 2020 Average Tax Distribution based on Average Taxable Value of \$118,225.15



Total Bill: \$5,768.72

\$113.78



# CURRENT REVENUE

## Capital Infrastructure Projects

- ▶ Grants
- ▶ General Funds
- ▶ SAD (streetlights, roads)
- ▶ Surcharges
  - ▶ % of usage charge
- ▶ Enterprise funds - Utility Connection Fees for new projects
  - ▶ Frontage fee, benefit fee, parcel fee



# Budgeting Process - Current Capital Infrastructure Projects

- ▶ Priorities from Board, duty is protecting health, safety and welfare of the community
  - ▶ Additional: community surveys, master plans, growth/needs, public hearings, equity
- ▶ Set for specific year during budget process
- ▶ 5-year Illustrative CIP
- ▶ Long term plans - feasibility not detailed costs
- ▶ Dynamic list - maximize opportunities, coordinate with other agencies, benefits



# PUBLIC WORKS GENERAL

GENERAL FUND EXPENDITURES:	CAPITAL IMPROVEMENT PLAN	2022 - 2026 ILLUSTRATIVE CAPITAL IMPROVEMENTS PLAN				
	2021	2022	2023	2024	2025	2026
Operating expenditures	\$ 2,356,138	\$ 2,403,261	\$ 2,451,326	\$ 2,550,353	2,550,360	
Building department operating expenditures	\$ 51,391	\$ 52,418	\$ 53,467	\$ 54,536	\$ 55,627	
Capital expenditures:						
<b>ROADWAY MAINTENANCE AND CAPITAL IMPROVEMENTS</b>						
Local Road Maintenance (RCKC PAR Participation)	\$ 240,000	\$ -	\$ -	\$ -	\$ -	\$ -
Skyridge/Burgundy Manor Traffic Calming	\$ 174,900	\$ -	\$ -	\$ -	\$ -	\$ -
USDA Sewer Project (Roadway GF Transfer of \$250,00)		\$ -	\$ -	\$ -	\$ -	\$ -
<b>STORMWATER/DRAINAGE PROJECTS</b>		\$ -	\$ -	\$ -	\$ -	\$ -
General Stormwater Facilities Investigations & Repairs	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ -
Maple Hill Dr Basin, County Petition w/System Upgrades	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ -
Bunker Hill Basin Maintenance (RC collaboration during Sewer Ext)	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -
<b>NON-MOTORIZED PROJECTS</b>						
Bikeway Signage (Collaborative/Uniform Implementation Project)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Drake Rd Shared Use Path (W. Main St to Green Meadow Dr)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Drake Rd Shared Use Path (Green Meadow Dr to W. Michigan Ave)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Drake Rd Shared Use Path (Stadium Dr to W. Michigan Ave)	\$ 6,000	\$ 18,000	\$ 218,000	\$ -	\$ -	\$ -
West Main St Cycle Track (Public Library to 8th St)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maple Hill Dr/Croyden Sidewalk - 5-ft, one side (east & south)	\$ 364,000	\$ -	\$ -	\$ -	\$ -	\$ -
Green Meadow Dr Sidewalk, Drake to Rd Hill Rd, 6-ft, one side (N)	\$ 239,000	\$ -	\$ -	\$ -	\$ -	\$ -
Fairgrove St Sidewalk, Mansfield St to Stadium Dr, 5-ft, one side (E)	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -
Whitegate Lane/Michigan Ave Sidewalk (Powderhorn Dr to 11th St)	\$ 95,500	\$ -	\$ -	\$ -	\$ -	\$ -
Drake Rd Shared Use Path (TAP), Stadium Dr to W. Michigan Ave	\$ 6,000	\$ 18,000	\$ -	\$ -	\$ -	\$ -
KL Avenue Shared Use Path (Copprt Beach Blvd to Drake Rd)	\$ 10,000	\$ 10,000	\$ 320,000	\$ 904,000	\$ -	\$ -
Stadium Dr 6-ft sidewalk, north-side by DDA (esmt acquisition)	\$ 6,000	\$ 15,000	\$ -	\$ -	\$ -	\$ -
11th Street Shoulders (Parkview Ave to N Ave)	\$ -	\$ 42,000	\$ -	\$ -	\$ -	\$ -
KL Ave Shoulders (Autumns Way Blvd to 8th St)	\$ -	\$ 38,000	\$ -	\$ -	\$ -	\$ -
11th Street 6' Sidewalk - East Side (Parkview Ave to N Ave)	\$ -	\$ -	\$ 25,760	\$ 362,760	\$ -	\$ -
Fruit Belt Line Non-Motorized Trail (Design, Construction)	\$ 5,000	\$ -	\$ 300,000	\$ -	\$ -	\$ -
9th St 6-ft Sidewalk, Meridian Ave to Quail Run Dr	\$ -	\$ -	\$ -	\$ 70,600	\$ 776,000	\$ -
9th St 6-ft Sidewalk, Quail Run Dr to W. Main St	\$ -	\$ -	\$ -	\$ -	\$ 75,400	\$ 830,000
Chime and Erie St Sidewalks, Stadium Dr to 9th St (DDA)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Meridian Ave and Sunset Rd Sidewalks, Stadium Dr to 9th St (DDA)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11th St 6-ft Sidewalk west side, Stadium Dr to KL Ave	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11th St 6-ft Sidewalk, Parkview Ave to Stadium Dr	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
KL Avenue Shared Use Path (Copper Beech Blvd to 9th St)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance Repair & Reconstruction (Asset Management)	\$ 20,000	\$ 20,500	\$ 21,000	\$ 22,000	\$ 23,000	\$ 24,000

## STREET LIGHT FUND

	CAPITAL IMPROVEMENT PLAN	2022 - 2026 ILLUSTRATIVE CAPITAL IMPROVEMENTS PLAN				
	2021	2022	2023	2024	2025	2026
<b>REVENUES:</b>						
Other (Assessment)	\$ 159,000	\$ 162,180	\$ 165,424	\$ 168,732	\$ 172,107	\$175,549
<b>Total Revenues:</b>	<b>\$ 159,000</b>	<b>\$ 162,180</b>	<b>\$ 165,424</b>	<b>\$ 168,732</b>	<b>\$ 172,107</b>	<b>\$175,549</b>
<b>EXPENDITURES:</b>						
Operating expenditures	\$ 140,800	\$ 135,168	\$ 129,761	\$ 124,571	\$ 119,588	\$114,804
Capital expenditures:						
LED Conversion	\$ 18,000					
Sec 8, 10		\$ 25,827				
Sec 2			\$ 28,564			
Sec 4a				\$ 45,458		
Sec 4b					\$ 65,997	
Sec 5, 5 Demo						\$ 45,320
<b>Total Expenditures:</b>	<b>\$ 158,800</b>	<b>\$ 160,995</b>	<b>\$ 158,325</b>	<b>\$ 170,029</b>	<b>\$ 185,585</b>	<b>\$160,124</b>





## SEWER FUND CONSOLIDATED

	ADOPTED	CAPITAL IMPROVEMENT PLAN	2022 - 2026 ILLUSTRATIVE CAPITAL IMPROVEMENTS PLAN				
			2020	2021	2022	2023	2024
<b>REVENUES:</b>							
Carryover		\$ 850,000	\$ -	\$ -	\$ -	\$ -	\$ -
Connection Fees: Parcel, F-Ft	\$ 520,000	\$ 250,000	\$ 280,000	\$ 288,000	\$ 297,000	\$ 306,000	\$ 315,000
Benefit Fees (New Growth)	\$ -	\$ 330,000	\$ 250,000	\$ 258,000	\$ 266,000	\$ 274,000	\$ 282,000
Assessment & Installment Payments	\$ 60,000	\$ 200,000	\$ 200,000	\$ 206,000	\$ 212,000	\$ 218,000	\$ 225,000
Interest	\$ 11,000	\$ 1,800	\$ 1,900	\$ 2,000	\$ 2,100	\$ 2,200	\$ 2,300
Debt Service Surcharge on Sanitary Utility Billings (20%)	\$ 293,368	\$ 314,648	\$ 327,596	\$ 358,193	\$ 409,365	\$ 448,407	\$ 460,526
<b>Total Revenues:</b>	<b>\$ 884,368</b>	<b>\$ 1,946,448</b>	<b>\$ 1,059,496</b>	<b>\$ 1,112,193</b>	<b>\$ 1,186,465</b>	<b>\$ 1,248,607</b>	<b>\$ 1,284,826</b>
<b>EXPENDITURES:</b>							
Operating expenditures	\$ 86,215	\$ 84,000	\$ 86,500	\$ 89,100	\$ 91,800	\$ 94,600	\$ 97,400
Professional Services (Audit, Legal)	\$ 18,500	\$ 11,300	\$ 11,600	\$ 11,900	\$ 12,300	\$ 12,700	\$ 13,100
Fees & Professional Services (KRWWC)	\$ 26,000	\$ 26,000	\$ 26,800	\$ 27,600	\$ 28,400	\$ 29,300	\$ 30,200
Debt Service	\$ 130,000	\$ 62,159	\$ 459,226	\$ 688,182	\$ 819,406	\$ 1,051,206	\$ 1,046,474
Engineering	\$ 16,000	\$ 6,000	\$ 6,200	\$ 6,400	\$ 6,600	\$ 6,800	\$ 7,000
Capital Project - USDA Phase 1 (Fund 492)	\$ 6,955,215	\$ 9,015,159					
Capital Project - USDA Phase 2 (Fund 493)	\$ 806,000	\$ 325,323	\$ 18,627,613				
Capital expenditures:							
Sewer Repair & Improvement, Incident/ER Contingency	\$ 20,000	\$ 20,000	\$ 20,600	\$ 21,200	\$ 21,800	\$ 22,500	\$ 23,200
Asset Management (SAW projects)	\$ 26,000	\$ 111,000	\$ 74,500	\$ 288,600	\$ 1,076,100	\$ 246,200	\$ 266,400
8th Street, KL Ave to W Main St	\$ -	\$ 1,203,000	\$ -	\$ -	\$ -	\$ -	\$ -
Parkview Avenue (Stadium to 12th St)	\$ -	\$ -	\$ -	\$ -	\$ 63,000	\$ 1,150,000	\$ -
<b>FUTURE PROJECTS (YEAR/FINANCING TBD):</b>							
Chime Street		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plainview Street		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vienna Street		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Promenade Street		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Country Trail Homesites Plat and Penny Lane		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures:</b>	<b>\$ 8,083,930</b>	<b>\$ 10,863,941</b>	<b>\$ 19,313,039</b>	<b>\$ 1,132,982</b>	<b>\$ 2,119,406</b>	<b>\$ 2,613,306</b>	<b>\$ 1,483,774</b>





So, we've identified  
needs and lists of  
projects, how do we  
get them  
completed?

More revenue....

# Most applicable source, Road Millage or SAD.... What impact would this have for capital projects?

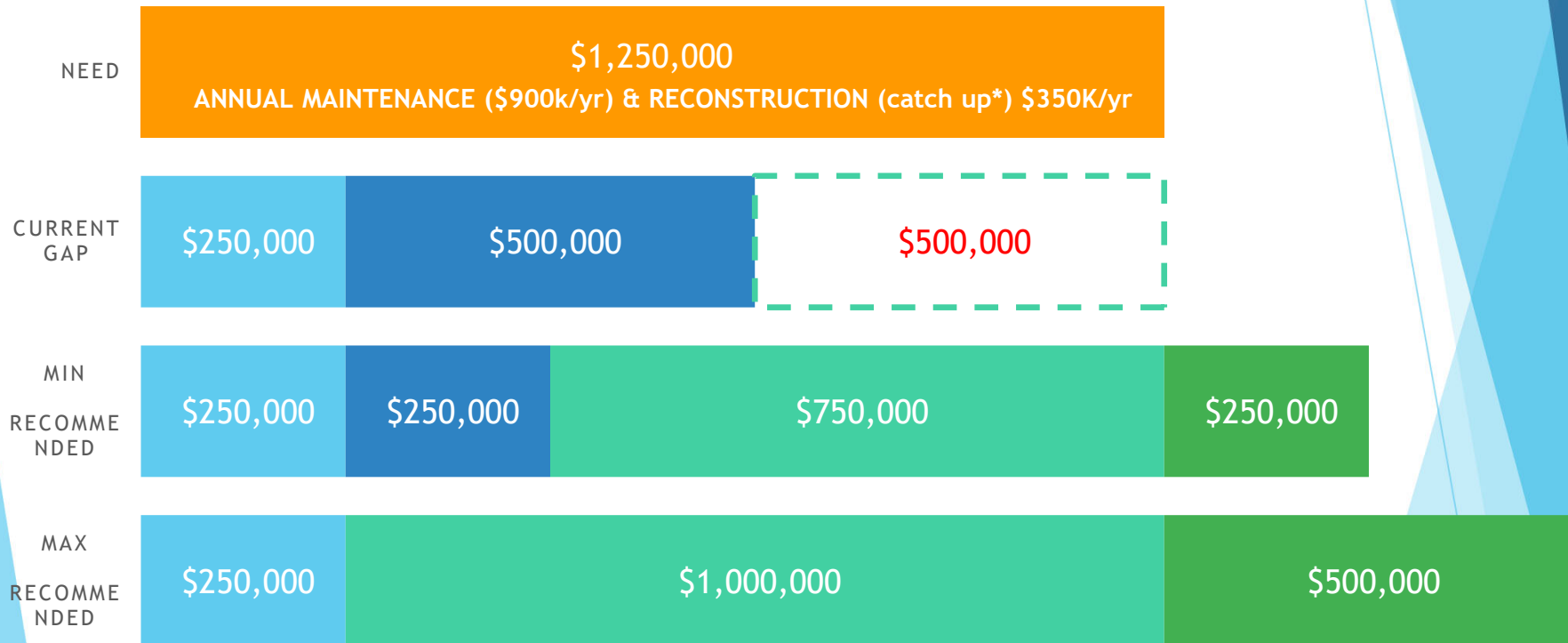
- ▶ Better aligns revenue with intended purpose (more transparency in spending)
  - ▶ Restrict road revenues, to road work, for entire local network, paid by all users
- ▶ Diversifies revenue streams
- ▶ More unrestricted funds allows for other opportunities to support different priorities and safety needs/quality of life improvement
- ▶ Example: technology, parks, economic development preparedness, non-motorized, additional staff expertise, broadband, comprehensive utility projects, etc.

Does the Board want to leverage road revenue?



# DESIRED ROAD CONDITION \$1,250,000 ANNUALLY

■ PAR FUNDS   ■ GENERAL FUNDS   ■ NEW ROAD REVENUE   ■ "FREED UP GF"



Annual cost for avg single family taxable value	\$750K	\$1M
SF Millage (favored in survey 72.5%)	\$84	\$112
SF SAD	\$109	\$146

mission  
amazon



# For example, sewer expansion projects identified as priority

- ▶ Project cost is project cost
- ▶ Unique opportunity with USDA at LOW interest rate
  - ▶ At proposed size, economies of scale (bulk purchase)
  - ▶ Financing (vs cash) allows the Township to spread current funds and address more priorities
- ▶ CIC revisited ALL options for funding
- ▶ Main goals:
  - ▶ Change funding model to SIGNIFICANTLY reduce connection costs
  - ▶ Add alternative revenue source(s)
  - ▶ Increase community involvement
  - ▶ Improve owner acceptance



# Many variations of repayment with connection fees and debt service (surcharge) reductions

- ▶ Cannot determine exact figures in this meeting
- ▶ Use CIC to determine exact amounts based on input from Board
- ▶ Board to determine priorities and then can “work backwards”
  - ▶ Do anything to get sewer built (All GF)
  - ▶ Fair balance of funding among residents receiving benefit and community at large (connection fees + general funds)
  - ▶ Fair balance mentioned above and more priorities



# \$500,000

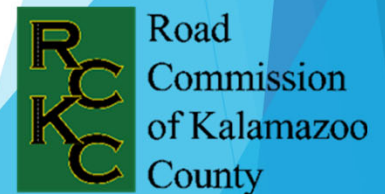
- ▶ MEET DESIRED GOAL OF ROAD CONDITION TOWNSHIP WIDE

# \$750,000

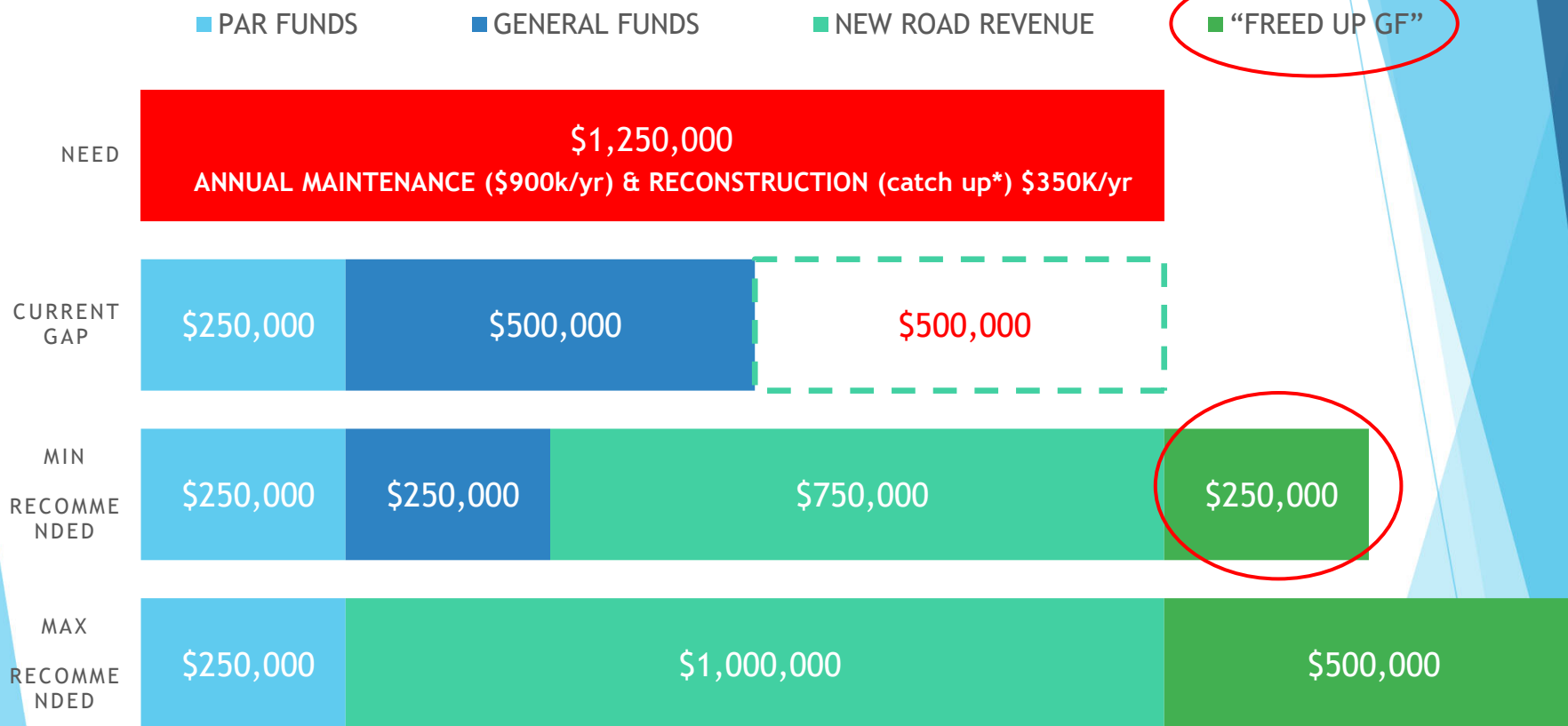
- ▶ All of the above plus,
- ▶ REDUCE CONNECTION FEES AND DEBT SERVICE/SURCHARGE (some combination)

# \$1,000,000

- ▶ All of the above plus,
- ▶ \$250,000 TOWARDS OTHER PRIORITIES
- ▶ More comprehensive infrastructure projects



# DESIRED ROAD CONDITION \$1,250,000 ANNUALLY



Annual cost for avg single family taxable value	\$750K	\$1M
SF Millage (favored in survey 72.5%)	\$84	\$112
SF SAD	\$109	\$146

mission  
amazon  
County



# The Cost is the Cost

Sewer Project Cost



# Municipal Finance Strategy for Bond Repayment



**Bendzinski & Co.**

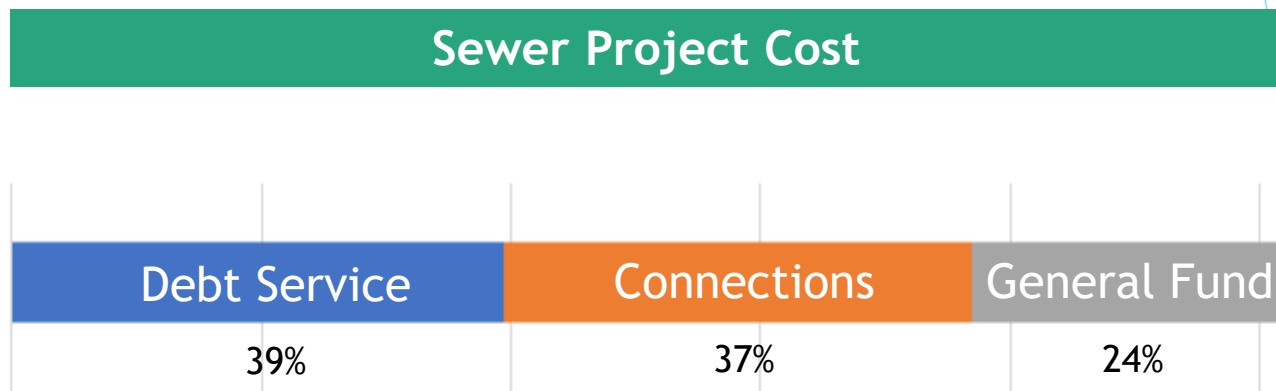
municipal finance advisors



Year	Oshtemo Debt Service Charge (Dollars)	Revenue from <sup>3</sup> Conn Fees	Revenue from <sup>4</sup> Gen. Fund
2020	\$ -	\$ -	\$ 250,000
2021	209,225.00	-	250,000
2022	405,888.05	32,294	250,000
2023	372,055.11	197,351	250,000
2024	393,496.11	407,710	250,000
2025	388,764.24	407,710	250,000
2026	392,891.74	407,710	250,000
2027	397,772.36	407,710	250,000
2028	403,373.61	407,710	250,000
2029	408,707.36	407,710	250,000
2030	413,048.61	407,710	250,000
2031	397,108.61	407,710	250,000
2032	397,070.49	407,710	250,000
2033	388,913.61	407,710	250,000
2034	394,566.74	407,710	250,000
2035	394,952.99	407,710	250,000
2036	394,128.61	407,710	250,000
2037	393,085.49	407,710	250,000
2038	392,816.74	407,710	250,000
2039	392,315.49	407,710	250,000
2040	392,571.11	407,710	250,000
2041	392,572.99	407,710	250,000
2042	394,303.61	407,710	250,000
2043	393,762.99	407,710	250,000
2044	392,968.61	407,710	250,000
2045	392,909.86	407,710	250,000
2046	393,569.24	407,710	250,000
2047	392,946.74	407,710	250,000
2048	417,776.74	407,710	250,000
2049	415,069.86	407,710	250,000
2050	414,087.99	407,710	250,000
2051	416,767.36	407,710	250,000
2052	417,090.49	407,710	250,000
2053	416,092.99	407,710	250,000
2054	440,602.99	407,710	250,000
2055	458,407.99	407,710	250,000
2056	463,601.74	407,710	250,000
2057	463,349.86	407,710	250,000
2058	464,687.99	407,710	250,000
2059	458,687.99	407,710	250,000
2060	471,218.61	407,710	250,000
2061	461,052.36	407,710	250,000
	<b>\$ 16,654,281</b>	<b>\$ 15,722,606</b>	<b>\$ 10,500,000</b>



# The Cost is the Cost



## 2019/2020 Funding Mix



# What do we need to move forward?

Road Revenue Yes or No?  
Roads or other priorities too?  
If other priorities, what are priorities?  
How Much, \$750,000 or \$1,000,000?

Next meeting show effects of  
alternative funding for sewer  
expansion