

Bergland Township

Capital Improvements Program

2024-2029

Adopted March 21, 2024

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2024-2029

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FY 2024-2029

Introduction

Under the Michigan Planning Enabling Act, Public Act 33 of 2008, the Planning Commission of a township may make and adopt a six-year Capital Improvement Program (CIP) to carry out its long-range planning objectives. A township that owns or operates a water supply or sewage disposal system is required to adopt a CIP, and in Bergland, this is subject to final approval by the Township Board of Trustees. The Bergland Township Planning Commission (PC) is preparing its program this year for fiscal year 2024-25 (FY 2024) through fiscal year 2029-30 (FY 2029)

Commencing with this program year, the Township Board and Planning Commission review and update the six-year CIP annual during the February budgeting process. This is timed so as to approve the Capital Budget in concert with the General Operating budget in March.

Briefly stated, the objectives of a CIP are as follows:

- To develop a long range (six-year) program in which physical projects are planned, prioritized and implemented in an orderly manner
- To coordinate the capital related projects of the various Township departments, boards and commissions to ensure and appropriate distribution of capital improvement funds with regards to the needs of the Township and the fiscal ability of the Township to undertake the requested projects
- To assist the Township Supervisor and the PC in the determination of project requests and funding sources with regard to short and long-range plans
- To coordinate the demands and request for Capital Improvement funds with the planning needs of the Township so that an appropriate prioritized system can be programmed over increments of six years

Explanation of Capital Improvement Terms

Capital Improvement:

Projects that result in the acquisition, addition, updating of development of physical facilities. A capital improvement may also include contractual or bonded indebtedness payments related to fixed assets (SAW grant) or any major expenditure for physical development, which generally falls into one of the following categories:

- Land and non-structural improvements
- New structures
- Major repairs- \$2,500 or more
- Major replacements- \$2,500 or more
- Non-motorized equipment- \$2,500 or more

Additionally, capital improvements are generally defined as the following:

- New and expanded physical facilities for the community which are relatively large in size, expensive and permanent
- Large scale rehabilitation or replacement of existing facilities
- Major pieces of equipment which has a direct relationship to the function of a physical facility and which are relatively expensive and of long life
- Purchase of equipment for any public improvements when first erected or acquired that are to be financed in whole or in part from bond funds
- The cost of engineering and architectural studies and surveys relative to an anticipated improvement

Capital Improvement Program:

Capital Improvement Programming is the preparation and updating of a recommended schedule of public works and related equipment to be built or purchased during the next six years. To be effective, the Township’s CIP will cover the Township’s entire range of public facility and service requirements. In the Township’s CIP all future projects are listed in order of construction priority together with cost estimates and the anticipated means of financing each project.

A six-year Capital Improvement Programming period is generally considered to be most suitable. A two or three year time period is too short for effective programming because planning and financing of major projects usually take a longer period of time. Conversely, a period of seven or more years may project the program too far into the future to be of practical value. A capital improvement budget is the first year of a CIP.

Capital Improvement Budget:

While the CIP is a proposed spending schedule for six years, the Capital Budget is legal authorization to spend, during the coming fiscal years, funds from Township sources and from Federal and State Grants for those projects.

The Township capital budget is distinct from the Operating Budget. The Operating Budget authorizes the expenditures, on a one-year basis, of funds for employee salaries, fringe benefits, and the purchase of services, supplies and the like. It also includes the payment of principle and interest on the bonds issued to support past Capital Budget projects. Since effective Township services depend on the timely combination of manpower, supplies and capital facilities, serious effort is devoted in the budgetary process to coordinating the Capital and Operating Budgets.

Appropriation:

Money appropriated by the Township Board for capital improvement projects to be implemented during the budget year. It includes amendments made during the fiscal year to the originally approved capital budget appropriation.

Program Adoption and Amendment Procedures:

The PC must work collaboratively with the Township Board during the fiscal year to maintain the CIP project list. The PC shall annually prepare such a CIP for the ensuing six years, which program shall show those public structures and improvements in the general order of their priority, which in the PC’s judgement will be needed or desirable and can be undertaken within the six-year period.

The CIP will be formally accepted at the same Township Operating Budget meeting in March. In the event of a proposed change or amendment of an adopted CIP and/or Project, the change must be submitted to the Township Board for amendment consideration.

Methodology

The projects listed in this document were compiled by the PC from comments received in the public survey and now included in the Master Plan and the Rec Plan, conversations with Township Board members, other stakeholders in the community and finally, projects identified by Coleman Engineering as a part of the SAW grant reports.

Future updates to the CIP will consist of a budgetary cost review to those projects already on the list along with an assessment of the need for the project, i.e. has the priority changed? Additions to the CIP list must be accompanied by a formal request to add the project including a +/- 50% cost estimate and a specific reason for the needed project.

Cost Summary of Projects per Category

Total Expenditures by Category by Year

	2024	2025	2026	2027	2028	2029	TOTAL
Wastewater	\$13,000	\$3,605,000	\$15,000	\$0	\$5,000	\$0	\$3,638,000
Drinking Water	\$41,500	\$72,000	\$123,000	\$60,000	\$60,000	\$0	\$356,500
Storm Sewer	\$25,000	\$25,000	\$25,000	\$25,000	\$1,000,000	\$0	\$1,100,000
Streets	\$0	\$0	\$0	\$250,000	\$0	\$0	\$250,000
Buildings	\$40,000	\$0	\$0	\$600,000	\$0	\$0	\$640,000
Parks & Recreation	\$11,500	\$0	\$425,000	\$0	\$0	\$0	\$436,500
Equipment & Svcs	\$3,000	\$30,000	\$0	\$0	\$0	\$0	\$33,000
Fire Department	\$17,000	\$340,000	\$0	\$0	\$0	\$0	\$357,000
Cemeteries	\$1,500	\$6,000	\$0	\$0	\$0	\$0	\$7,500
TOTAL	\$152,500	\$4,078,000	\$588,000	\$935,000	\$1,065,000	\$0	\$6,818,500

2024 Project Expenditures

	Budget
Wastewater	
Gravity sanitary sewer manhole repairs	\$13,000
Drinking Water	
Well pump repairs	\$10,000
Valve boxes	\$11,500
Fire hydrants	\$20,000
Storm Sewer	
System reconstruction	\$25,000
Streets	
Buildings	
Fire/office/community building design	\$40,000
Parks & Recreation	
Update kitchen	\$5,000
Wi-fi to park	\$1,500
Completion of lower CG project	\$5,000
Equipment	
Website redesign	\$3,000
Fire Department	
Self-contained breathing apparatuses (SCBA) / Misc	\$17,000
Cemeteries	
Kiosk	\$1,500
TOTAL	\$152,500

Wastewater System Expenditures

	2024	2025	2026	2027	2028	2029	TOTAL
Gravity sanitary sewer system repairs		\$5,000			\$5,000		\$10,000
Gravity sanitary sewer manhole repairs	\$13,000		\$15,000				\$28,000
Wastewater lagoon dredging		\$1,300,000					\$1,300,000
Wastewater lagoon repairs, valves, and piping		\$400,000					\$400,000
Liner		\$1,400,000					\$1,400,000
New manhole lift station		\$500,000					\$500,000
TOTAL	\$13,000	\$3,605,000	\$15,000	\$0	\$5,000	\$0	\$3,638,000

1. Gravity sewer system repairs- minor repairs
2. Gravity Sewer Manhole Repairs- look at doing **5 worst covers in 2024**. Cost ratioed from Coleman estimate (1/5 of total cost). Utility Sup to develop list of worst 5.
3. Wastewater Lagoon Dredging- There is some confusion as to whether this needs to be done, so further research is required. Apparently, if dredging is needed in the near future, it is only of lagoon #1. Cost is based on CWSRF RFQ submission from Coleman Engineering. That

application in 2023 was not successful, so additional funding options are needed. Free service to dip lagoon to determine level – schedule for 2024?

4. Liner and lift station based on CWSRF RFQ submission from Coleman.

Cattail removal- This is important and required for EGLE compliance but is not a capital project; rather, a routine operational/maintenance expense. Should be budgeted ASAP from sewer fund operational budgets.

Drinking Water System Expenditures

	2024	2025	2026	2027	2028	2029	TOTAL
Water tank repairs		\$50,000	\$50,000				\$100,000
Well pump repairs	\$10,000	\$10,000		\$10,000			\$30,000
Water main			\$50,000	\$50,000	\$50,000		\$150,000
Valve boxes	\$11,500	\$12,000	\$13,000				\$36,500
Fire hydrants	\$20,000		\$10,000		\$10,000		\$40,000
Water meters							\$0
TOTAL	\$41,500	\$72,000	\$123,000	\$60,000	\$60,000	\$0	\$356,500

1. All repairs based on the Asset Management Plan. This will require additional review; most projects were arbitrarily moved into the future from the previous CIP.
2. Two \$13,500 water tank repair expenses were deleted as these were accomplished with ARP funds.
3. Well pump repairs may need to be reassessed in light of January 2024 well #3 issues.

Storm Water System Expenditures

	2024	2025	2026	2027	2028	2029	TOTAL
System Reconstruction	\$25,000	\$25,000	\$25,000	\$25,000	\$1,000,000		\$1,100,000
TOTAL	\$25,000	\$25,000	\$25,000	\$25,000	\$1,000,000	\$0	\$1,100,000

1. Per Coleman study and visual observation the entire system is in bad shape.
2. A marginally realistic strategy is to attempt to repair a single high-priority location for each of the first four years of this plan at a cost of **\$25,000/year**, with a possibility of securing a major funding source for \$1,000,000 major system reconstruction in 2028.
3. 2024 project to be funded from unassigned fund balance, including revenues derived from Dollar General lot sale.

Streets Expenditures

	2024	2025	2026	2027	2028	2029	TOTAL
Pulverize & relay, 1 mile				\$250,000			\$250,000
TOTAL	\$0	\$0	\$0	\$250,000	\$0	\$0	\$250,000

1. A verbal quote for resurfacing one mile of local streets is approximately \$200,000 for pulverize and re-lay and 2.25” new pavement layer with gravel shoulders. Cost in 2026 is forecast to be \$250,000 due to inflation and contingencies. This schedule assumes that one mill of tax revenue can be dedicated to streets beginning in 2025; this would produce at least 50% of the forecasted \$250,000 after three years. Due to slow accumulation of millage revenues, it may be another three years before enough revenue is produced to resurface another mile.
2. Three priority streets for 50/50 match were submitted to the Road Commission in 2023: Ash, Center, and Pine.
3. Verbal quote was obtained prior to awareness of the annual Road Commission bidding process for countywide local/secondary road projects. Cost may be reduced as work will be a component of a larger package of street projects.
4. Work may be conducted earlier if streets can be reconstructed incidentally to an underground infrastructure grant project.

Buildings Expenditures

	2024	2025	2026	2027	2028	2029	TOTAL
Fire/office/community building design	\$40,000						\$40,000
Fire/office/community building construction				\$600,000			\$600,000
TOTAL	\$40,000	\$0	\$0	\$600,000	\$0	\$0	\$640,000

1. \$40,000 (or slightly more) is budgeted for fire hall design/plans. Fire Department is currently evaluating options for how to accomplish this.
2. \$600,000 estimated construction cost is based on Lake Gogebic Fire Department building and ratioed up for larger size; however, including additional elements such as township government offices could add significant cost.
3. After 3-mill, 4-year current fire millage expires, it could potentially be renewed/replaced with millage for building construction. Loan for full cost could be paid from a 10-15 year millage at same rate, depending on incremental increases to township’s taxable value. (However, a millage dedicated entirely for this purpose would eliminate Fire Department’s main funding stream for operations and equipment, so in reality a longer loan term may be required.)

Parks & Recreation Expenditures

	2024	2025	2026	2027	2028	2029	TOTAL
Update kitchen	\$5,000						\$5,000
Wi-fi to park	\$1,500						\$1,500
Completion of lower CG project	\$5,000						\$5,000
Fish cleaning station			\$25,000				\$25,000
Campground expansion w/new RRs			\$400,000				\$400,000
TOTAL	\$11,500	\$0	\$425,000	\$0	\$0	\$0	\$436,500

1. 2024 projects to be funded from unassigned fund balance, including revenues derived from Dollar General lot sale – not from RR&I.
2. RR&I fund to be preserved and grown in order to provide substantial local match for one or more DNR grant projects (up to \$100,000 as 25% match for a Natural Resources Trust Fund grant).
3. Recreation Plan needs to be updated by February 1, 2025 (process to begin later in 2024)
4. Campground expansion in 2026 may incorporate a new restroom and the following projects from previous draft or adopted CIPs:
 - a. ADA upgrade projects
 - b. Walkway from lower to upper park
 - c. Water to upper campsites
 - d. Additional wiring/electrical upgrades
 - e. Repurposing of ballfield; pull-through sites
 - f. ORV cleaning station

Equipment & Services Expenditures

	2024	2025	2026	2027	2028	2029	TOTAL
Website redesign	\$3,000						\$3,000
Lagoon brush mower		\$30,000					\$30,000
TOTAL	\$3,000	\$30,000	\$0	\$0	\$0	\$0	\$33,000

1. It is unclear whether website development services should be considered a capital expenditure, but it is included here since it is a major, infrequent expense with a long life.
2. DEQ has rules for maintaining vegetation around lagoons. The Township does not have this equipment and contracts this service out. This service may not be available in the future. Further deliberation is needed to determine whether the equipment is necessary and what the actual cost would be.

Fire Expenditures

	2024	2025	2026	2027	2028	2029	TOTAL
SCBA/misc. equipmt.	\$17,000						\$17,000
Pumper and/or tanker		\$340,000					\$340,000
TOTAL	\$17,000	\$340,000	\$0	\$0	\$0	\$0	\$357,000

1. Self-contained breathing apparatuses (SCBA) are a priority according to FD and should be purchased as soon as possible.
2. Per late 2023 testing, 1997 Ford tender/tanker is in poor condition and 1999 International engine (“Ol’ Blue”) is in fair condition. Both need replacement in the near future. Must assess best approach to house new vehicle(s) in limited garage space during the current four-year fire millage period.

Cemetery Expenditures

	2024	2025	2026	2027	2028	2029	TOTAL
Repaving		\$6,000					\$6,000
Kiosk	\$1,500						\$1,500
TOTAL	\$1,500	\$6,000	\$0	\$0	\$0	\$0	\$7,500

1. There is a proposed project to cut roots at the Forest Lawn Cemetery that is estimated to cost \$10,000. This project does not meet the capital project criteria per se but is a significant cost.
2. There are several other low cost projects that better fit within routine operating/maintenance expense: brush removal, paint and repair signs, new flag pole (donation by American Legion) and clear trees/limbs.