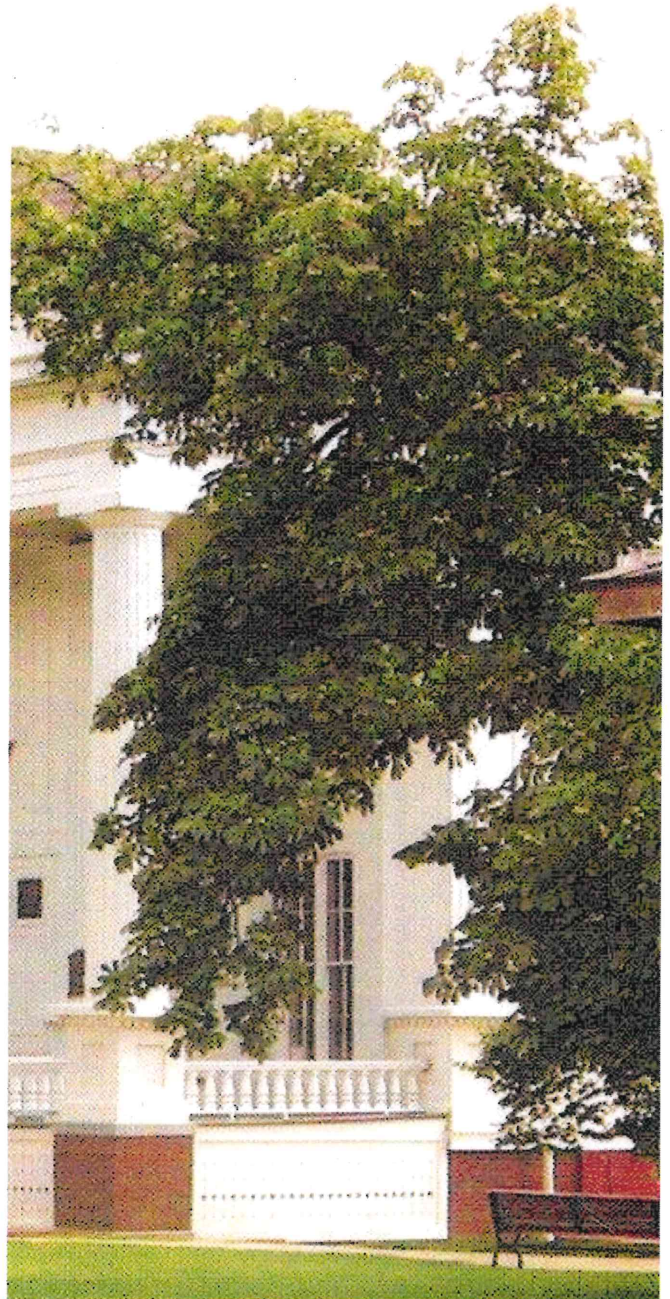


# Lapeer County Capital Improvement Plan 2025 - 2029



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# Overview

A responsibility of local government officials is the preservation, maintenance, and improvement of capital assets.

The Capital Improvement Plan (CIP) is the County's long-range strategic planning tool to evaluate the needs and available resources to fulfill the needs.

## What is a Capital Improvement Plan?

A Capital Improvement Plan (CIP) is a multi-year planning instrument used by governments to identify needed capital projects in an effort to coordinate the financing and timing of improvements in a way that maximizes the value to the public. The CIP does not address all capital expenditures for Lapeer County, but it provides an overview of all large, physical improvements which are permanent.

The goal of the 5-year CIP program is to establish a plan that outlines the projected infrastructure improvement needs of each department to assist in the planning and budgeting process. The plan includes a summary of all projects, an estimated cost, a timeline for the improvements, and the source of funding for each project. The CIP plan is designed to be re-evaluated each year to either reaffirm or reprioritize the projects due to expected changes in the County's goals and financial resources.

It is important to note that a "capital project" differs from a "capitalized item", which is a treatment of an asset for accounting purposes. Furthermore, this document is not a representation of the Capital Budget in its entirety that includes routine purchases and maintenance. Nor does this plan regulate or commit the funding of expenditures. The County's Budget sets the appropriation authority levels for the subsequent year.

## What qualifies a project to be included?

Capital Improvements are generally additions to the County's assets, including the construction or purchase of land, buildings or facilities or major renovations of the same, and are long lasting and involve a substantial investment. To qualify for inclusion

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in the CIP Ranking Process, a project must be non-routine, cost over \$50,000, or the acquisition of new or expanded facilities. The CIP Committee utilizes the Budget Scoring Matrix to determine project priority levels. Projects are ranked varying from critical to low priority. The current financial state of the County and funding sources are taken into consideration during this process. Projects identified in the CIP may be funded by varying sources such as Existing Fund Balances, Bonds, Grants, or the County Capital Fund.

Requests for new projects can be submitted during the Budget Process. Departments have an opportunity to request Capital Expenditures when submitting their budget. They must include the funding source and a description of the project. If the request meets the criteria for a CIP project the department will be required to provide the project details and projected cost analysis to be considered for approval.

## Project Prioritizing

Projects will be prioritized using the following categories:

A. Urgent (imperative, must do)

- Satisfies a legal obligation (legal mandate)
- Corrects a condition dangerous to public health or safety
- Alleviates an emergency service disruption or deficiency
- Prevents irreparable damage to a valuable public facility

B. Important (essential, should do)

- Rehabilitates or replaces an obsolete public facility
- Stimulates economic growth and private capital investment
- Reduces future operating and maintenance costs
- Leverages available state or federal funds

C. Desirable (important, could do)

- Provides a new or expanded level of service
- Promotes intergovernmental cooperation
- Enhances cultural or natural resources

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## The Benefits of a Capital Improvement Plan

Capital improvements investitures involves a real balancing act for public officials – the need to fund capital improvements must be weighed against other community needs and analyzed in light of community goals. It is imperative that County Officials make efficient use of capital resources. Thus, the process of capital improvements funding is often difficult and challenging. There are more needs than can be satisfied at once, and the selection of one investment over another may have major impacts for years to come. There are many benefits of capital improvements planning, they include the following:

- Focuses attention on community goals, needs, and capabilities.

Through capital improvements planning, capital projects can be brought into line with the County's long-range plans by matching identified needs with financial capabilities. Each project may appear quite different to County fiscal decision makers when, as they are addressed by means of the CIP process, they are forced to compete directly with other projects for limited capital funds.

- Allows for the optimization of taxpayer's dollars.

The capital improvement program helps the County Board of Commissioners make sound annual budget decisions. Careful planning of capital improvements helps to avert costly mistakes. In addition, capital planning allows the County to save money in several other ways. For example, typically municipal bond investors tend to look more favorably towards a community which has a CIP process in place; additionally, if bond financing is selected for a capital improvement project, the County has more of an opportunity to realize significant savings on interest. Lastly, the CIP can coordinate projects in a way to minimize having to go back in a couple years for another project. When the County officials are planning years in advance for projects they can coordinate projects to reduce costs.

- Enhances opportunities for participation in federal or state grant programs.

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By preparing a CIP, the County improves its chance of obtaining aid through federal and state programs that provide funds for planning, construction and financing of capital improvements.

- Contributes to the maintenance of a sound and stable financial program.

Having to make large or frequent unplanned expenditures can place the County in a precarious financial position. Because the CIP includes construction projects which are planned in advance and scheduled at intervals over a number of years, sharp changes in the tax structure or bonded indebtedness can be largely averted. Because the CIP allows ample time for planning, the most economical means of financing each project can be selected in advance.

### Budget & Capital Improvement Plan Timeline



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## County Fleet Replacement Plan

In an effort to maintain the fleet of County vehicles, a plan has been put in place to replace vehicles every 10 years with the exception of Sheriff patrol vehicles that are replaced every five years. To make sure that the capital budget can keep on pace with this replacement schedule in 2025 the County will replace 7 police vehicles, and 6 in 2026 and forward. This will keep the Sheriff's fleet on schedule with the five-year replacement.

The remainder of the County fleet will stay on the 10-year replacement schedule. Though some vehicles can be determined to stay in the fleet longer due to lack of wear. This is determined by the Building & Grounds Director on a car by car evaluation.

## County Building Repairs

Building repair and maintenance is budgeted in the Capital improvement fund. These projects are scheduled using the recommendation from the Building & Grounds Director, need for renovations due to a change, and department head requests through the budget process. The American Rescue Plan funds created a huge influx of money to replace and improve all County buildings. These funds were allocated by the County Board of Commissioners to include repairs to County Parks, new roof and parking lots, upgraded heating and cooling in county buildings, replaced the cabling in the Health Department and County Complex and much more.

A large part of building improvements continues to come from the American Rescue Plan Act Funds in 2025 and 2026 with the complete remodel of Torzewski Park, and addition to the Animal Control building, and restorations at the Historic Courthouse.

Additional repairs are scheduled to repaint offices, replace tile, cement works and Remodel bathrooms in the County Complex and Annex. In addition, the completion of upgrading all the lighting to led lights to help reduce operating costs.

The only significant project in buildings that are not included in the above funds is the addition to the CMH building. This is expected to be up to \$6 million and is expected to be bonded out. This major project is still in the planning stages, and a committee has been formed to assist with the funding. This project will eliminate the use of renting a building that is currently holding the children's and Stepping Stone programs and move

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them into the main CMH building. This will streamline services and bring the programs to the same area for services. This project is expected to reduce the overall operating costs, improve client service, and streamline operations for Community Mental Health.

## **Equipment Replacement**

There are not a lot of large expenditure items in the equipment capital budget. These items include replacement of mowers, a woodchipper, and a fingerprinting machine. With the implementation of the Capital Improvement plan we anticipate this category to grow to include more items that have not previously been included in the plan.

## **Information Technology Improvements**

With the quickly advancing technology changes and needs the County strives to maintain an adequate plan to upgrade and equipment and software with these changes. On an ongoing basis the County maintains a plan to replace 50 desk top computers annually to ensure they are kept up to date. In addition, two servers are replaced annually to secure that operations are kept running smoothly. Other items such as security features and upgrades are added as needed based on the recommendations from both the IT committee and Technology Systems Director.

Technology is changing so rapidly it is difficult to project projects out too far in this area. Most projects beyond the routine maintenance and replacement do not go out more than two years.