Memorandum

Date:	November 3, 2026
To:	Buchanan City Commission
From:	Tony McGhee
Subject:	**10-Year Capital Improvement Plan Adoption for Redevelopment Ready Community Essentials Designation**

Background

As has been previously discussed with the Commission, staff has been working through the requirements of the MEDC's Redevelopment Ready Communities program. The program is designed to recognize communities that have established effective planning, zoning, economic development, and administrative practices that create a more predictable and welcoming environment for private investment and redevelopment. Over the course of this process, the City has worked through the various requirements necessary to achieve certification. Adoption of a Capital Improvement Plan is the remaining item needed to complete our work toward receiving this designation, subject to MEDC's final review.

Achieving RRC Essentials Designation is an important milestone for Buchanan as we work towards the Certified Designation and provides benefits beyond simply receiving recognition from the State. The designation demonstrates to businesses, developers, and potential investors that Buchanan has established the planning and administrative practices necessary to support investment in the community. The Essentials designation will open access to additional technical and financial assistance as the City works to Certified designation in 2027.

Capital Improvement Plan

The attached plan identifies approximately $47.4 million in anticipated capital projects, infrastructure improvements, and equipment replacement needs throughout the City over the next ten years.

Staff wants to emphasize that adoption of this plan does not represent a commitment by the City Commission to spend these funds, nor does it authorize any of the individual projects or purchases identified in the document. Instead, the plan is intended to serve as

a starting point for identifying the City's capital needs and establishing priorities based on available funding, operational requirements, infrastructure conditions, and opportunities for outside financial assistance.

As we have discussed on numerous occasions, the City is facing significant infrastructure and equipment replacement needs that have developed over many years. We cannot realistically address all of these needs at once, but we do need to identify them and begin developing a coordinated approach to addressing them over time.

Some projects will move forward as originally anticipated, while others will be delayed, accelerated, or modified as circumstances change. The important part is having a comprehensive understanding of the City's needs so that decisions can be made with consideration of the entire organization rather than evaluating each request individually.

While adoption of this plan will allow us to complete this final requirement for RRC Certification, staff considers the document to be the beginning of an ongoing capital planning process rather than a finished product.

Over the next three to four months, staff will continue refining the plan, reviewing projected costs, evaluating the condition and remaining useful life of equipment and infrastructure, and identifying potential funding sources for the projects listed.

This work will be incorporated into the Commission's upcoming strategic planning and budget discussions, providing a more comprehensive understanding of what needs to be addressed, what resources may be available, and how we can establish priorities for the coming years.

Our goal is to develop a Capital Improvement Plan that becomes a regular part of the City's financial and operational planning process, with updates made annually as needs, costs, and available resources change.

In the immediate term, adoption of the plan represents an important final step toward achieving RRC Certification and positioning Buchanan for additional redevelopment and economic development opportunities.

Recommendation

Staff recommends that the City Commission adopt the attached Ten Year Capital Improvement Plan (CIP), covering fiscal years 2027/28 through 2036/37. In addition to providing the City with a roadmap for future capital investments, adoption of this plan represents the completion of another task completed toward obtaining Redevelopment Ready Communities (RRC) Certification through the Michigan Economic Development Corporation (MEDC).

Attachment A: 10-year Capital Improvement Plan

Attachment A

CITY OF BUCHANAN

TEN YEAR CAPITAL IMPROVEMENT PLAN

FY 2027/28 THROUGH FY 2036/37

The following document outlines the City of Buchanan's Ten-Year Capital Improvement Plan (CIP), identifying anticipated capital projects, infrastructure improvements, and equipment replacement needs across the community and City organization. The plan provides a roadmap for addressing these needs over the next ten years while helping the City Commission and staff establish priorities based on available funding and the operational needs of the City. While the projects and expenditures identified in the plan represent anticipated needs, the timing and implementation of individual items will depend on available resources, changing priorities, and opportunities for outside funding. The goal is to take a more proactive and financially responsible approach to maintaining and improving the infrastructure, facilities, and equipment necessary to provide quality services to our residents and businesses.

What a capital improvement plan does

A CIP is a practical planning tool that looks beyond a single budget year. It identifies assets that will need repair, rehabilitation, or replacement and gives the City a way to anticipate the timing and cost of that work. Just as importantly, it helps us compare those needs with the resources available to address them. A CIP allows the Commission to make decisions with a broader picture of our infrastructure and operational needs rather than reviewing each request in isolation.

The schedule is not set in stone. A project shown in one year may move earlier or later depending on the condition of the asset, public safety, regulatory requirements, outside funding, construction costs, and competing needs. A project may also change substantially as engineering and more accurate estimates are completed. Listing an item in the CIP does not mean the City has the funding in hand, and it does not authorize construction, borrowing, or purchasing. Those decisions will still be brought to the Commission through the normal process.

Why a Citywide capital plan has value

One of the biggest benefits of developing this plan is that it brings needs from across the organization into one place. Without a Citywide schedule, it is easy for the most immediate problem or the most visible project to drive the discussion during the budget process. A failed piece of equipment, an unexpected repair, or a new funding opportunity can quickly

take priority without giving us an opportunity to compare it with other needs. Looking at the entire organization together allows the Commission and staff to make those comparisons before decisions become urgent.

The document also separates the discussion about what the City needs from the discussion about what we can afford in a particular year. Both are important, but they are not the same thing. Our departments need to identify the infrastructure, equipment, and facilities required to operate effectively, even when there is not enough funding available to address everything on the list. The Commission can then weigh those needs against the revenues, reserves, grants, and other resources we realistically expect to have available. This gives us a more accurate understanding of the financial decisions ahead instead of allowing needed work to fall off the radar simply because it does not fit in the current budget.

Spending overview

The plan identifies $47,417,840 in estimated capital needs over the ten fiscal years from 2027/28 through 2036/37. Approximately $39,140,000, or 83%, relates to major capital projects. The remaining $8,277,840 is spread across the City's departments and operating assets.

Department or area	Ten year amount	Share
Capital Projects	$39,140,000	82.5%
Police Department	$821,203	1.7%
Fire Department	$1,894,000	4.0%
Public Works	$1,822,500	3.8%
Water Department	$1,153,837	2.4%
Cemetery	$262,800	0.6%
Wastewater Treatment Plant / Lift Stations	$2,323,500	4.9%
TOTAL	**$47,417,840**	**100.0%**

Four major programs account for $37 million, nearly 78% of the plan: neighborhood infrastructure, lead service lines, Bertrand Township utility expansion, and annual paving.

A decade of addressing deferred investment

The next ten years need to be viewed in the context of approximately 20 years in which reinvestment in many areas of City operations and capital infrastructure did not consistently keep pace with what was needed. We are now seeing the result in the condition of streets, water and sewer systems, vehicles, equipment, buildings, and other assets. Much of what appears in this plan is not about expanding City government or

adding new amenities. It is about restoring and maintaining the basic infrastructure and equipment needed to deliver dependable services to our residents and businesses.

The amount the City will need to invest over the next decade is likely to be considerably higher than what has historically been spent in several of these areas. These needs did not suddenly appear. They accumulated over time as replacement cycles were extended, preventive maintenance was postponed, and major projects were pushed into future budgets. The CIP allows us to see the needs together and begin addressing them in a more organized way rather than waiting for failures to determine what receives attention.

This includes recurring street paving and larger neighborhood infrastructure projects that should be coordinated with underground utilities. It includes wastewater treatment and lift station equipment, water system improvements, police and fire equipment, and the vehicles and machinery our Public Works employees depend on every day. The specific items vary, but all are tied to our ability to provide services safely, efficiently, and reliably.

Planning around the life of our assets

The long term goal should be to develop more predictable replacement cycles rather than allowing the condition of equipment to determine our priorities through failures. That means knowing the age and condition of our assets, what it costs to maintain them, how much longer they can reasonably be expected to remain in service, and what happens if they fail. Not every item will need to be replaced on its originally projected date. Some assets may last longer with proper maintenance, while others may need attention sooner because of increased use, deterioration, or changing regulatory requirements. The plan gives us a starting point to make those decisions with information rather than assumptions.

It is especially important that capital planning be coordinated between departments. Reconstructing a street without considering the condition of the water and sewer infrastructure beneath it can lead to another excavation a few years later. Replacing equipment at the wastewater treatment plant may be best coordinated with related mechanical or electrical improvements. In each situation, looking at the broader picture before the work is undertaken can reduce disruptions, improve project sequencing, and stretch limited dollars further.

Why delaying work often costs more

Delaying an expenditure may help balance a budget in the short term, but it rarely eliminates the underlying need. A road that could have been preserved through routine maintenance can deteriorate to the point that complete reconstruction is necessary. A truck or piece of equipment kept in service beyond its useful life can require repeated

repairs and experience downtime when it is most needed. At the wastewater treatment plant or within the water system, a critical equipment failure can result in emergency repairs, additional operating expenses, or compliance concerns.

There is also a cost to operational capacity that does not always show up clearly in a purchase comparison. When staff spend time keeping aging equipment running, arranging temporary repairs, or addressing preventable emergencies, that is time they cannot spend on other maintenance, improvements, and day to day responsibilities. The City may ultimately spend more on repairs and staff time and still have to purchase the replacement equipment. In some cases, we create additional costs by repairing a road and later returning to replace an underground utility that should have been addressed at the same time.

This does not mean an item must automatically be replaced because it is on a schedule. It means we should evaluate its actual condition, remaining useful life, repair history, risk of failure, parts availability, and the cost of waiting. In many cases, planned maintenance and replacement are more economical than continuing to react after something fails.

Funding, timing, and priorities

The $47.4 million is an estimate of identified needs, not a fully funded construction program. The workbook does not assign confirmed funding sources to each line. As projects are developed, staff will evaluate grants, utility revenues, available reserves, annual appropriations, and responsible financing options, along with the long term costs of operating and maintaining the improvements.

Staff intends to update the CIP during each budget cycle. Near term items will be refined with engineering and vendor pricing, while later projects will remain planning estimates until more information is available. Public safety, legal compliance, risk of failure, operating impact, the chance to prevent larger future costs, opportunities to coordinate projects, and funding availability will all be part of setting priorities. The Commission should expect the timing and order of projects to change as circumstances change.

How the Commission and staff will use the plan

The most useful part of this process will be what happens after the initial plan is developed. Each year, staff should review the schedule with department leaders, update the condition and status of the items listed, refine the estimated costs, and identify projects that may need to be moved forward or delayed. The first few years should receive the greatest attention because those are the decisions closest to being funded. Projects scheduled further out are still important, but their costs, scopes, and timing should be treated as planning estimates that become more defined as we get closer to undertaking

the work.

As part of the annual budget process, staff can use the CIP to show the Commission which projects are recommended for the upcoming year, what funding is available, and what alternatives exist if resources are insufficient. That gives the Commission an opportunity to consider whether a project should be paid for through current revenues, accumulated reserves, an outside grant, a utility funding source, or financing. It also allows us to discuss the tradeoffs involved. Funding one project may mean delaying another, and that decision should be made with an understanding of the operational and financial implications rather than just the amount of money available at that moment.

Just as important, this process provides a way to communicate our decisions to the public. Residents may understandably ask why a particular road, vehicle, piece of equipment, or facility is receiving funding while another need remains outstanding. A regularly updated CIP allows the City to explain the condition of the assets, the relative priority of the work, the funding limitations, and the reasons behind a project schedule. It does not eliminate difficult decisions, but it makes those decisions more transparent and provides a consistent framework for evaluating them.

What the spending pattern tells us

Capital needs will not fall evenly across the ten years. The first year includes the proposed $8 million Bertrand Township utility expansion and $2.5 million in lead service line replacement. Larger neighborhood infrastructure projects create peaks in other years. Those projects will require detailed planning and financing before proceeding. At the same time, smaller recurring purchases and maintenance programs are important to our ability to provide everyday services and should not be lost among the larger dollar amounts.

This initial version will continue to grow. A few equipment needs are listed without scheduled costs, so they are not included in the total. Estimates will also need to be checked against current market conditions and actual project scopes. We cannot realistically address two decades of accumulated needs in one budget cycle, but establishing the roadmap gives us a more disciplined way to make steady progress as resources become available.

CITY OF BUCHANAN | DETAILED TEN YEAR CAPITAL SCHEDULE

FY 2027/28 THROUGH FY 2036/37 | CAPITAL SCHEDULE (1 OF 3)

Project or equipment	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	10 year total
Capital Projects											
Lead Service Line Replacement	$2,500,000	—	—	—	$2,500,000	—	—	$2,500,000	—	$2,500,000	$10,000,000
Sanitary Sewer Main Lining	—	$200,000	—	$200,000	—	—	—	—	—	—	$400,000
Bertrand Township Utility Expansion	$8,000,000	—	—	—	—	—	—	—	—	—	$8,000,000
Glaser Street Lift Station	—	$1,500,000	—	—	—	—	—	—	—	—	$1,500,000
Annual Sidewalk Program	$60,000	$60,000	$60,000	$60,000	—	—	—	—	—	—	$240,000
Annual Paving Program	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$400,000	$4,000,000
Neighborhood Infrastructure Program	—	—	$5,000,000	—	—	—	$5,000,000	—	—	$5,000,000	$15,000,000
Subtotal	**$10,960,000**	**$2,160,000**	**$5,460,000**	**$660,000**	**$2,900,000**	**$400,000**	**$5,400,000**	**$2,900,000**	**$400,000**	**$7,900,000**	**$39,140,000**
Police Department											
Mobile CAD	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$100,000
Patrol Car	$33,287	$23,787	$43,000	$24,000	$33,500	—	$65,000	—	$65,000	—	$287,574
Technology Maintenance Program	$28,900	—	—	—	—	$25,000	—	—	—	$25,000	$78,900
DVM/BWC/Taser Program	$32,223	$32,333	$32,333	$33,368	$33,368	$33,368	$33,368	$33,368	$35,000	$35,000	$333,729
Mobile Citation Printers	—	—	$5,000	—	—	—	$6,000	—	—	—	$11,000
Fingerprinting Station	—	$10,000	—	—	—	—	—	—	—	—	$10,000
Subtotal	**$104,410**	**$76,120**	**$90,333**	**$67,368**	**$76,868**	**$68,368**	**$114,368**	**$43,368**	**$110,000**	**$70,000**	**$821,203**
Fire Department											
Fire Truck Rehabilitation	—	$300,000	—	—	$500,000	—	—	—	—	—	$800,000
Department Vehicle	$25,000	—	$60,000	—	—	—	—	—	—	—	$85,000
SCBA Tanks	$24,000	—	—	—	—	—	—	—	—	—	$24,000
Extraction Equipment	—	$15,000	—	—	—	—	—	—	—	—	$15,000
SCBA Fill Station	$60,000	—	—	—	—	—	—	—	—	—	$60,000
Miscellaneous Equipment	—	—	—	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$70,000
Fire Station	—	—	—	$120,000	$120,000	$120,000	$120,000	$120,000	$120,000	$120,000	$840,000
Subtotal	**$109,000**	**$315,000**	**$60,000**	**$130,000**	**$630,000**	**$130,000**	**$130,000**	**$130,000**	**$130,000**	**$130,000**	**$1,894,000**
Public Works											
Loader	—	—	—	—	—	—	—	$200,000	—	—	$200,000
Skidsteer	$125,000	—	—	—	—	—	—	—	—	—	$125,000
Large Truck	—	$150,000	—	—	—	—	—	—	—	—	$150,000
Large Truck	—	—	$150,000	—	—	—	—	—	—	—	$150,000
Large Truck	—	—	—	—	—	—	—	—	$200,000	—	$200,000
Large Truck	—	—	—	—	—	—	—	—	—	$200,000	$200,000
Pick-up Truck	—	$65,000	—	—	$67,500	—	—	$70,000	—	—	$202,500
Pick-up Truck	$65,000	—	—	$67,500	—	—	$70,000	—	—	$72,500	$275,000
Mower	—	—	$10,000	—	—	—	—	—	$10,000	—	$20,000
Mower	$10,000	—	—	—	—	—	$10,000	—	—	—	$20,000
Crack Fill Machine	—	—	—	—	—	—	—	—	—	$75,000	$75,000
Total Patcher	—	—	—	—	—	—	—	—	$40,000	—	$40,000

CITY OF BUCHANAN | DETAILED TEN YEAR CAPITAL SCHEDULE

FY 2027/28 THROUGH FY 2036/37 | CAPITAL SCHEDULE (2 OF 3)

Project or equipment	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	10 year total
Public Works (continued)											
Dump Trailer	—	—	—	—	—	—	—	—	—	$20,000	$20,000
Utility Trailer	$15,000	—	—	—	—	—	—	—	—	—	$15,000
Leaf Machine	—	$50,000	—	—	—	—	—	—	—	—	$50,000
Power Washer	$5,000	—	—	—	—	—	—	—	—	—	$5,000
Man Lift	—	$40,000	—	—	—	—	—	—	—	—	$40,000
Utility Task Vehicle	—	—	—	$20,000	—	—	—	—	—	—	$20,000
Air Compressor	$15,000	—	—	—	—	—	—	—	—	—	$15,000
Subtotal	**$235,000**	**$305,000**	**$160,000**	**$87,500**	**$67,500**	**—**	**$80,000**	**$270,000**	**$250,000**	**$367,500**	**$1,822,500**
Water Department											
Fire Hydrants	$20,500	—	$21,115	—	$21,748	—	$22,401	—	$23,073	—	$108,837
Paint Water Tower (Inside)	—	—	—	$375,000	—	—	—	—	—	—	$375,000
Pick-Up Truck	—	$65,000	—	—	—	$65,000	—	—	—	—	$130,000
Well Maintenance	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$20,000	$200,000
MXU Units	$50,000	$50,000	$50,000	—	—	—	—	—	—	—	$150,000
Meters	$20,000	$20,000	$20,000	—	—	—	—	—	—	—	$60,000
Backhoe	—	—	—	$130,000	—	—	—	—	—	—	$130,000
Subtotal	**$110,500**	**$155,000**	**$111,115**	**$525,000**	**$41,748**	**$85,000**	**$42,401**	**$20,000**	**$43,073**	**$20,000**	**$1,153,837**
Cemetery											
Concrete Mixer	$7,000	—	—	—	—	—	—	—	—	—	$7,000
Bobcat Toolcat	—	—	$75,000	—	—	—	—	—	—	—	$75,000
Blo-vac	—	$13,000	—	—	—	—	—	—	—	—	$13,000
Walk Behind Snowblower	$850	—	—	—	—	$950	—	—	—	—	$1,800
Vault Cart	—	—	—	—	—	—	—	—	—	$65,000	$65,000
Articulated Loader	—	—	—	—	—	—	—	—	—	$65,000	$65,000
Mower	—	—	—	—	$12,000	—	—	—	—	—	$12,000
Mower	$12,000	—	—	—	—	—	—	$12,000	—	—	$24,000
Subtotal	**$19,850**	**$13,000**	**$75,000**	**—**	**$12,000**	**$950**	**—**	**$12,000**	**—**	**$130,000**	**$262,800**
Wastewater Treatment Plant / Lift Stations											
Fine Screen Control Panel	$37,500	—	—	—	—	—	—	—	—	—	$37,500
Influent Plum Meter	$5,000	—	—	—	—	—	—	—	—	—	$5,000
Level Sensor	$17,000	—	—	—	—	—	—	—	—	—	$17,000
120/240V Panelboard	$13,500	—	—	—	—	—	—	—	—	—	$13,500
480V Panelboard	$18,000	—	—	—	—	—	—	—	—	—	$18,000
Energy Recovery Unit (ERV UNIT)	$9,000	—	—	—	—	—	—	—	—	—	$9,000
Exhaust Fan	$5,000	—	—	—	—	—	—	—	—	—	$5,000
Influent Sampler	—	$13,500	—	—	—	—	—	—	—	—	$13,500
Makeup Air Unit	—	$25,000	—	—	—	—	—	—	—	—	$25,000
Secondary Effluent Sampler	—	$13,500	—	—	—	—	—	—	—	—	$13,500

CITY OF BUCHANAN | DETAILED TEN YEAR CAPITAL SCHEDULE

FY 2027/28 THROUGH FY 2036/37 | CAPITAL SCHEDULE (3 OF 3)

Project or equipment	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	10 year total
Wastewater Treatment Plant / Lift Stations											
Unit Heater No. 1	—	$5,000	—	—	—	—	—	—	—	—	$5,000
Unit Heater No. 2	—	$5,000	—	—	—	—	—	—	—	—	$5,000
Unit Heater No. 3	—	$5,000	—	—	—	—	—	—	—	—	$5,000
Front End Loader	—	—	—	$150,000	—	—	—	—	—	—	$150,000
Final Effluent Sampler	—	—	$14,000	—	—	—	—	—	—	—	$14,000
Gas Monitoring Sensor (quantity 3)	—	—	$12,000	—	—	—	—	—	—	—	$12,000
Mechanical Bar Screen	—	—	—	—	—	—	—	$200,000	—	—	$200,000
Cyclone Grit Classifier	—	—	—	—	—	—	—	$165,000	—	—	$165,000
Paddle Drive	—	—	$85,000	—	—	—	—	—	—	—	$85,000
Access Drives	—	—	$320,000	—	—	—	—	—	—	—	$320,000
1980s 4 inch FM	—	—	—	$115,000	—	—	—	—	—	—	$115,000
1980s 6 inch FM	—	—	—	$105,000	—	—	—	—	—	—	$105,000
Main Control Panel	—	—	—	$40,000	—	—	—	—	—	—	$40,000
Pump No. 1	—	—	—	$7,000	—	—	—	—	—	—	$7,000
Main Control Panel	—	—	—	$40,000	—	—	—	—	—	—	$40,000
Automatic Transfer Switch	—	—	—	$12,000	—	—	—	—	—	—	$12,000
Generator	—	—	—	$5,000	—	—	—	—	—	—	$5,000
Pumps	—	—	—	—	$20,000	—	—	—	—	—	$20,000
RAS/WAS Pumps	—	—	—	—	$100,000	—	—	—	—	—	$100,000
Lab Equipment	—	—	—	—	$65,000	—	—	—	—	—	$65,000
Valve Chamber	—	—	—	—	—	$14,500	—	—	—	—	$14,500
Wet Well	—	—	—	—	—	$95,000	—	—	—	—	$95,000
Valve Chamber	—	—	—	—	—	$15,000	—	—	—	—	$15,000
Wet Well	—	—	—	—	—	$76,000	—	—	—	—	$76,000
Valve Chamber	—	—	—	—	—	$24,000	—	—	—	—	$24,000
Wet Well	—	—	—	—	—	—	—	—	$110,000	—	$110,000
Instrumentation	—	—	—	—	—	—	—	—	—	$300,000	$300,000
Main Control Panel	—	—	—	—	—	—	—	—	—	$42,000	$42,000
Pump Enclosure	—	—	—	—	—	—	—	—	—	$20,000	$20,000
Subtotal	**$105,000**	**$67,000**	**$431,000**	**$474,000**	**$185,000**	**$224,500**	**—**	**$365,000**	**$110,000**	**$362,000**	**$2,323,500**
TOTAL SCHEDULED CAPITAL	**$11,643,760**	**$3,091,120**	**$6,387,448**	**$1,943,868**	**$3,913,116**	**$908,818**	**$5,766,769**	**$3,740,368**	**$1,043,073**	**$8,979,500**	**$47,417,840**