



ENGINEERING, REIMAGINED

# **PUBLIC WORKS DEPARTMENT FIVE-YEAR CAPITAL IMPROVEMENTS PLAN**

**City of Sidney**

*May 2024*

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## Table of Contents

Public Works General .....	2
Sidewalks.....	3
Stormwater .....	4
Streets .....	5
Water .....	6
Wastewater.....	8
Solid Waste .....	9
Parks.....	10
Summary.....	12

PRELIMINARY

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# INTRODUCTION

The City of Sidney selected KLJ Engineering to prepare a Capital Improvements Plan (CIP) for the Department of Public Works. As part of this process, a series of meetings were scheduled with the Department in which projects were established, and prioritized, and estimates of costs were created to assist the Public Works Director in the preparation of his annual operations and acquisitions budget.

A Capital Improvements Plan (CIP) is first and foremost a tool used to assist a community in the budgeting process. The intent of the Capital Planning process is to identify issues early and build a strategy to maximize the use of limited revenues while achieving the maximum public good from limited available revenues. An added benefit to the Planning process is projects can be staged or timed such that investments are working together rather than haphazardly.

For this document, a Capital Project was defined as any acquisition, improvement, or expenditure that exceeded \$50,000.00 or has a useful life of five (5) years. The estimated costs were prepared by the City's engineering consultant and are inclusive of design, engineering, financing, procurement, and construction costs associated with the completion of the project. It is also inclusive of rehabilitation and maintenance projects that are necessary to preserve the functional nature of existing equipment and infrastructure.

As is typical with most communities, the Public Works Department, as the custodian of the majority of the Capital Infrastructure, is the main beneficiary of the Capital Improvements Planning process. It is hoped that with the success of this plan, other Departments will see the value and rewards associated with Capital Improvements Planning.

This Planning document is intended to be updated to reflect changing priorities, unforeseen events, and the passage of time. As such, the Community should, at a minimum, undertake a comprehensive update every other Fiscal Year. It is also important to point out that most projects discussed herein, are very complex and will require elevated levels of analysis and design before an Engineer's Opinion of Probable Costs can be established. It is important to remember that actual infrastructure project costs are a function of the Scope, Schedule, and On-site conditions, all of which are beyond the Scope and Intent of this Planning Document and are the City's contract engineer's best guess given the information available.

# COMMUNITY BACKGROUND

Sidney is the county seat of Richland County, Montana, and has been incorporated since 1911. The city is located in the northeast corner of Montana and lies along the Yellowstone River just west of the North Dakota border. Sidney has seen significant growth since 2000. The population was 4,774 from the 2000 Census and has grown to 6,346 as of the 2020 Census.

This growth and aging infrastructure, along with funding limitations, have highlighted the need for a CIP. The over-arching goal of this CIP is to bring community infrastructure needs and costs into focus and to establish reasonable priorities to upgrade infrastructure over the next 5 years.

# PUBLIC WORKS

Public Works projects include all categories of infrastructure improvement projects undertaken by the City of Sidney. These categories include General, Sidewalks, Storm Water, Streets, Water, Wastewater, Solid Waste, and Parks.

Projects were prioritized by the Public Works Director on a scale of 1 to 5, with one being the highest priority and 5 receiving the lowest priority. This recognizes the potential for city priorities to change, or for new projects with higher priority to cause some projects to be rescheduled for a later date. It is also understood that the listed priorities are somewhat subjective and are subject to being reprioritized at the will of the City Council.

## Public Works General

Public Works General projects include those projects that do not fit in other identified categories.

*Table 1: General Public Works Projects*

Public Works Projects	Project Year	Funding Sources	Priority (1-5)	Project Costs
LYIP Holly Street Pedestrian Bridge	2025	MDT TA Grant	3	\$744,500.00
City Hall Parking Lot Reconstruct (Old Fire Hall)	2027	All	2	\$150,000.00

### LYIP Canal Holly Street Pedestrian Bridge – \$744,500.00

The Lower Yellowstone Irrigation Project (LYIP) will install a new pedestrian bridge crossing the canal on West Holly Street. Costs from MDT are based on 2025 costs.

### City Hall Parking Lot Reconstruct (Old Fire Hall) – \$150,000.00

The City Hall parking lot has deteriorated to the point where it needs to be resurfaced. This project will pulverize the existing pavements and overlay the parking lot on the south side of City Hall. The project will include a new curb and gutter, sidewalks, and asphalt surfacing.





## Sidewalks

Public Works Sidewalks projects include those projects where existing sidewalks that are a key component of pedestrian traffic are either nonexistent or have deteriorated to a point where they've become a hazard.



*Table 2: Sidewalk Projects*

Sidewalk Projects	Project Year	Funding Sources	Priority (1-5)	Project Costs
Veterans Park Sidewalks (6 <sup>th</sup> Street SW)	2026	City Parks	1	\$60,500.00
East Park Sidewalks & ADA (3 <sup>rd</sup> Street S.E.)	2026	City Parks	3	\$250,000.00
22 <sup>nd</sup> Avenue NW Bike/Pedestrian Path	2028	MDT TA Grant/City Paths	2	\$203,800.00

### Veterans Park Sidewalks (6<sup>th</sup> Street SW) – \$60,500.00

Install sidewalks on the south side perimeter of Veteran’s Park.

### East Park Sidewalks & ADA (3<sup>rd</sup> Street S.E.) – \$250,000.00

Project will install ADA accesses and sidewalk along the north side of East Park between existing sections of sidewalk.

### 22<sup>nd</sup> Ave. NW Bike/pedestrian Path – \$203,800.00

Project will install new sidewalks beginning at West Holly and proceed north to South Meadow Park.

## Stormwater

Stormwater projects included provision of stormwater mains where drainage or flooding issues have been observed, or where growth or future projects indicated a need.

*Table 3: Storm Water Projects with Priority Ranking Score*

Storm Water Project	Project Year	Funding Sources	Priority (1-5)	Project Costs
Meadows Subdivision Phase 1	2025		1	\$375,165.00
5 <sup>th</sup> St SW	2025		3	\$894,391.00
Meadows Subdivision Phase 2	2026		2	\$535,444.00
Wagon Wheel Phase 1	2027		1	\$950,806.00
Wagon Wheel Phase 2	2028		2	\$1,507,911.00
Railroad ROW Phase 1	Future		1	\$932,973.00
Railroad ROW Phase 2	Future		2	\$69,289.00
11 <sup>th</sup> St SW to 9 <sup>th</sup> Ave SW	Future		1	\$806,350.00

### Meadows Subdivision Phase 1 – \$375,1265.00

Improvement to the North Meadow Village retention pond. New head gate, clean out, and possibly deepen the pond.

### 5<sup>th</sup> St SW – \$894,391.00

Installation of a storm pipe along Lincoln Ave. from 5th ST SW to 7th St W.

### Meadows Subdivision Phase 2 – \$535,444.00

Project will install a new 60" stormwater collector starting on Sunflower Lane and head south with inlets and connecting into the ditch.

### Wagon Wheel Phase 1 – \$950,806.00

Construction of a retention pond on C/S 27-732 to serve Phase 1 of Wagon Wheel Subdivision.

### Wagon Wheel Phase 2 – \$1,507,911.00

Construction of curb and gutter along the streets in Wagon Wheel Subdivision Phase 2.

### Railroad ROW Phase 1 – \$932,973.00

Relocation of a storm drainpipe in Nielson Halverson Subdivision on 9th Ave. that currently runs underneath an existing structure.

### Railroad ROW Phase 2 – \$69,289.00

Improvements to approximately 1,500 lf of drainage ditch in the Railroad Right of Way that extends from 10th St. SE to 2nd St. SE.

### 11<sup>th</sup> St SW to 9<sup>th</sup> Ave SW – \$806,350.00

Installation of drainage piping within Petersons Second Addition along 11th St. SW and up to 9th Ave. SW

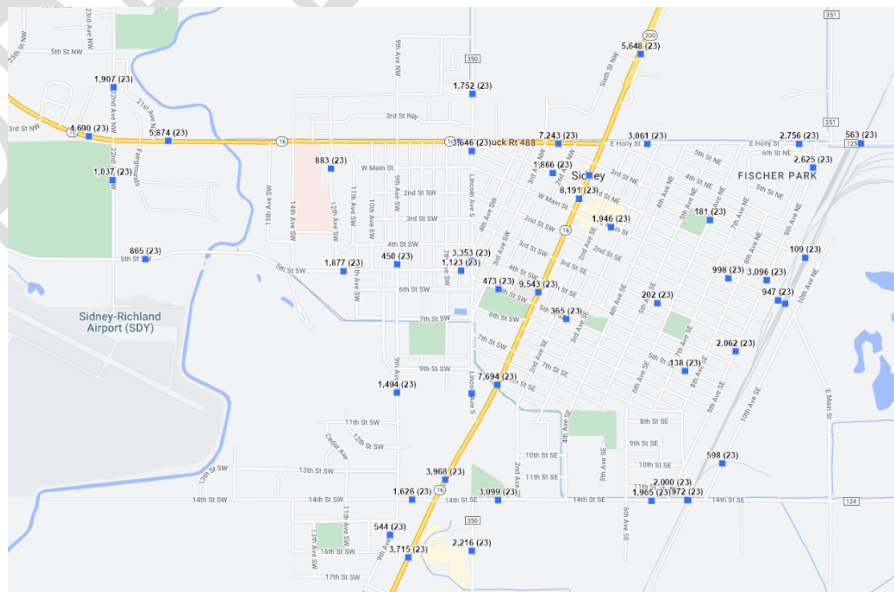




## Streets

Traffic data can provide guidance to understand which roads will wear out quickest or where other capacity needs could arise. The following Figure 1 shows recent 2023 Average Daily Traffic on select routes in Sidney, based on the MDT website:

*Figure 1: Sidney 2023 Average Daily Traffic*



A primary element of street maintenance is performance of crack routing and sealing projects, followed by seal coats and overlays as needed to maintain pavement conditions. The following projects are recommended to keep Sidney paved roads in optimal condition.

*Table 4: Street Projects*

Streets Projects	Project Year	Funding Sources	Priority (1-5)	Project Costs
Annual Mill & Overlay Projects	Annually	City Fuel Tax	1	\$100,000.00 - \$200,000.00
Cold Mix Patching Material (Annual Exp)	Annually	City Fuel Tax	2	\$50,000.00 - \$60,000.00
¾" Crushed Base Coarse Aggregate (Annual Exp)	Annually	City Fuel Tax	2	\$40,000.00
Hot Oil Emulsion (Annual Exp)	Annually	City Fuel Tax	2	\$30,000.00
Winter Street Sand (Annual Exp)	Annually	City Fuel Tax	2	\$10,000.00
Crack Routing, Sealing, or Mastic (Annual Exp)	Annually	City Fuel Tax	3	\$11,000.00

## Water

Water projects include the water tower replacement and water lines that have either had a history of breaks, have exceeded their design life, or reflect the addition of a new water line.



Table 5: Water Projects

Water Project	Project Year	Funding Sources	Priority (1-5)	Project Costs
Water Tower Replacement	2025		1	\$7,100,000.00
12 <sup>th</sup> Ave. SW Water	2027		2	\$2,950,000.00
West Holly/Fairgrounds	2028		3	\$3,900,000.00
7 <sup>th</sup> Ave SW Replacement	2029		3	\$850,000.00
2 <sup>nd</sup> & 3 <sup>rd</sup> Street NE	Future		4	\$1,060,000.00
7 <sup>th</sup> Street SE	Future		5	\$1,650,000.00
6 <sup>th</sup> Avenue SE	Future		5	N/A
5 <sup>th</sup> Avenue SE	Future		5	N/A

**Water Tower Replacement - \$7,100,000.00**

Replacing the existing 1946, 300k gallon elevated tank with a 750k gallon tank

**12<sup>th</sup> Ave. SW Water - \$2,950,000.00**

10" Cast Iron water main replacement 100 block to 500 block on 12<sup>th</sup> Ave. SW & relocation of Water.

**West Holly/Fairgrounds - \$3,900,000.00**

Relocate 12" water main from 15th Ave. NW to 22nd Ave NW including USBR crossing.

**7<sup>th</sup> Ave SW Replacement - \$850,00.00**

Replacement of 4" and 6" AC mains and 10" CIP From 6th St. SW to 9.5th St. SW

**2<sup>nd</sup> & 3<sup>rd</sup> Street NE - \$,060,000.00**

Cast Iron Pipe (CIP) Replacement of water main on 2nd Street NE from 700 to 800 blocks and 3rd Street NE from 200 to 300 blocks.

**7<sup>th</sup> Street SE**

Replace and upsize water mains from Central Avenue to 6<sup>th</sup> Street SE

**6<sup>th</sup> Ave. SE**

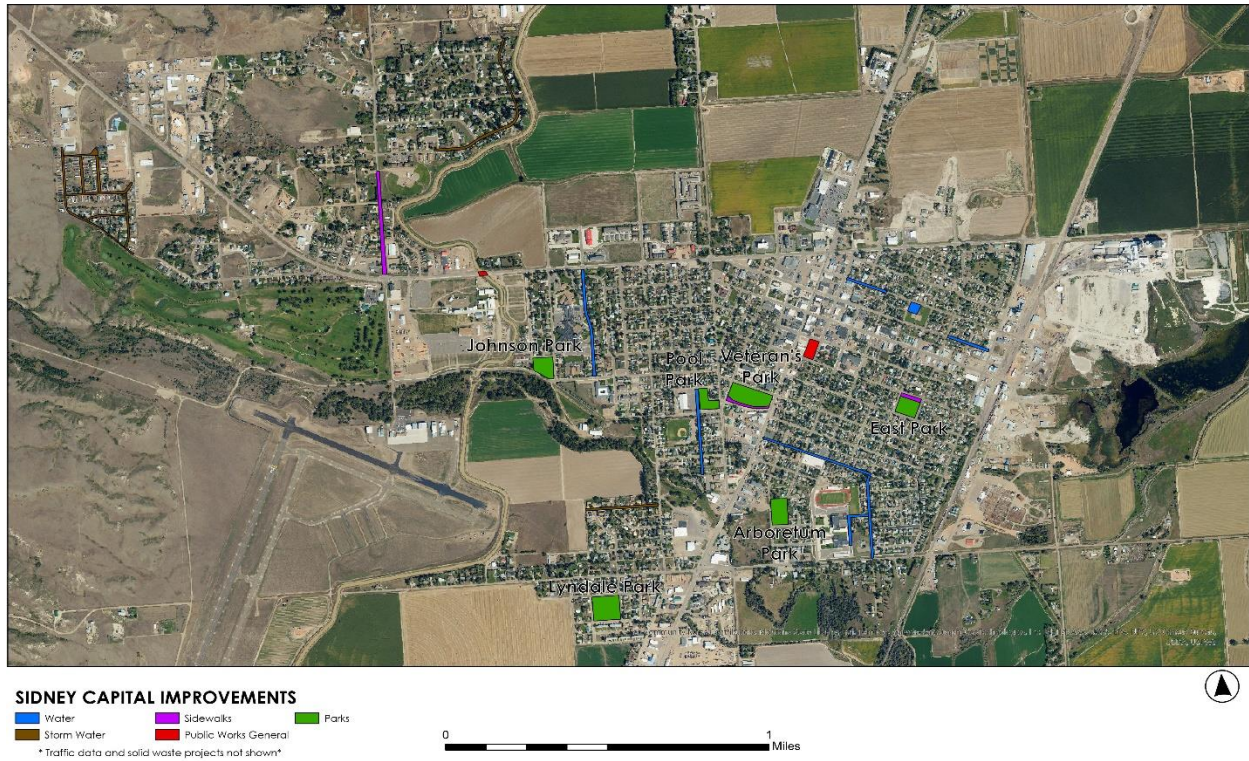
Replace and Upsize water main from 7<sup>th</sup> Street to 14<sup>th</sup> Street SE

**5<sup>th</sup> Ave. SE**

Behind Sidney High School – Replace 3 blocks of 4" AC water main from 8<sup>th</sup> to 9<sup>th</sup> Street SE



Figure 2 - Map of Water Projects



## Wastewater

Wastewater projects address wastewater lines that have either had a history of breaks, have exceeded their design life, or reflect the addition of a new wastewater line. They also include wastewater treatment facility projects as required.



*Table 6: Wastewater Projects*

Wastewater Project	Project Year	Funding Sources	Priority (1-5)	Project Costs
Phase 4	2025		3	\$5,423,000.00
9 <sup>th</sup> Avenue SW Sewer Ext.	2025		1	\$100,000.00
Sewer Lining	Annually		1	\$380,000.00

**Phase 4 - \$5,423,00,00.00**

Sludge Removal from lagoon and land application as described in Project Engineering Report (PER).

**9<sup>th</sup> Ave. SW Sewer Extension - \$100,000.00**

Extending 10" SAS Dane Homesites to 28<sup>th</sup> Avenue

Sewer Lining - City has +- 50,000 of old sewer pipe that they've been lining (Approximately 1,000 LF per Year)

**Sewer Lining - \$380,000.00**

Lining of sewer lines as needed throughout the City.

**Solid Waste**

Solid Waste projects include those projects dealing with solid waste facilities or equipment. Note that smaller projects do not meet the minimum cost threshold for inclusion in the CIP, but they are included here for informational purposes.

*Table 7: Solid Waste Projects*

Solid Waste Projects	Project Year	Funding Sources	Priority (1-5)	Project Costs
Refuse Truck Replacement (835)	2026		1	\$220,000.00
Refuse Truck Replacement (421)	2028		2	\$250,000.00
New 1.5 CY, 300 Gallon Refuse Dumpsters	Annually		2	\$18,000.00
New 4 CY, Metal Refuse Dumpsters	Annually		2	\$14,000.00
New 96 Gallon Refuse Cart Dumpsters	Annually		2	\$8,000.00

**Refuse Truck Replacement - \$220,000.00**

New 28 CY Side Load Refuse BODY & GRAPPEL ONLY (Rpl. 835)

**Refuse Truck Replacement - \$250,000.00**

New 28 CY Side Load Refuse BODY & GRAPPEL ONLY Unit 421

**New 1.5 CY, 300 Gallon Refuse Dumpsters - \$18,000.00**

Approx 40 New Dumpsters Per Year

**New 4 CY, Metal refused Dumpsters - \$14,000.00**

Approx. 4 New Dumpsters Per Year

**New 96 Gallon Refuse Cart Dumpsters - \$8,000.00**

Approx.40 New Dumpster Per Year



# Parks

Parks projects include a variety of projects for improvements on or adjacent to the City Parks.





Table 8: Parks Projects

Parks Dept. Projects	Project Year	Funding Sources	Priority (1-5)	Project Costs
East Park (Quilling Park) – Restrooms/Warming House	2025		1	\$280,500.00
Veterans Park – Sprinkler System	2025		1	\$120,000.00
Johnson Park – Fitness Course	2027		2	\$250,000.00
Lyndale Park – Ball Fields	2028		3	\$360,500.00
Arboretum Park – restore 2 tennis courts convert other 2 to 6 pickle ball courts	2028		3	\$1,000,000.00
Pool Park – Fitness Course/Pickle Ball	2029		4	\$225,000.00

**East Park - \$280,500.00**

Demolition of existing facility, rebuild new restrooms and skate pond warming house

**Veteran’s Park - \$120,000.00**

Installation of new UG sprinkler system

**Johnson Park - \$250,000.00**

Fitness Course Final Expansion

**Lyndale Park - \$350,000.00**

Replacement of existing Baseball backstops/fencing/dugouts, rebuild new restrooms, concession, and storage for Baseball/Football

**Arboretum Park - \$1,000,000.00**

Tennis/Pickleball Restoration court reconstruction

**Pool Park - \$225,000.00**

Remove volleyball courts and install fitness course and pickleball courts



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## Summary

This document is intended to be a living document that can evolve and be updated. It is recommended that the City plan to update the document at a minimum every other year. By doing so the city can update the project tables, narratives, and cost estimates and incorporate future Capital improvement projects.

Future updates to this document should be scheduled to align with the City's budgeting schedule. By having an updated CIP available before budgeting, the City will be in the best position to consider the movement of projects from year to year in response to available funding and other priorities.

Most of the projects discussed in this Plan qualify as infrastructure and would qualify for funding under a variety of grant programs listed in the next section. We encourage the City to apply for and use these funds to complete as many projects as possible while freeing local revenues for other projects.

PRELIMINARY

## SUMMARY TABLE

### Fiscal Year 2025 Projects

City 2025 Projects	Department	Funding Sources	Priority (1-5)	Project Costs
LYIP Canal Holly Street Pedestrian Bridge	Public Works	MDT TA Grant	3	\$744,500.00
Meadows Subdivision Phase 1	Storm		1	\$375,165.00
5 <sup>th</sup> St. SW	Storm		3	\$894,391.00
Annual Mill & Overlay Project	Streets	City Fuel Tax	1	\$100,000.00 - \$200,000.00
Cold Mix Patching Material	Streets	City Fuel Tax	2	\$50,000.00 - \$60,000.00
¾" Crushed Base Coarse Aggregate	Streets	City Fuel Tax	2	\$40,000.00
Hot Oil Emulsion	Streets	City Fuel Tax	2	\$30,000.00
Winter Street Sand	Streets	City Fuel Tax	2	\$10,000.00
Crack Routing, Sealing or Mastic	Streets	City Fuel Tax	3	\$11,000.00
Water Tower Replacement	Water		1	\$7,100,000.00
Phase 4	Waste Water		3	\$5,423,000.00
9 <sup>th</sup> Ave. SW Sewer Extension	Waste Water		1	\$100,000.00
Sewer Lining	Waste Water		1	\$380,000.00
New 1.5 CY, 300 Gallon Refuse Dumpsters	Solid Waste		2	\$18,000.00
New 4 CY, Metal Refuse Dumpsters	Solid Waste		2	\$14,000.00
New 96 Gallon refuse Cart Dumpsters	Solid Waste		2	\$8,000.00
East Park (Quillings's Park)	Parks			\$280,500.00
Veterans Park - Sprinkler	Parks			\$120,000.00
<b>Total FY 2025</b>				<b>\$15,753,556.00</b>

## SUMMARY TABLE

### Fiscal Year 2026 Projects

City 2026 Projects	Department	Funding Sources	Priority (1-5)	Project Costs
Veterans Park Sidewalks (6 <sup>th</sup> St. SW)	Public Works Sidewalks	City Parks	1	\$60,500.00
East Park Sidewalks & ADA (3 <sup>rd</sup> ST. SE)	Public Works Sidewalks	City Parks	3	\$250,000.00
Meadows Subdivision Phase 2	Storm		2	\$535,444.00
Annual Mill & Overlay Project	Streets	City Fuel Tax	1	\$100,000.00 - \$200,000.00
Cold Mix Patching Material	Streets	City Fuel Tax	2	\$50,000.00 - \$60,000.00
¾" Crushed Base Coarse Aggregate	Streets	City Fuel Tax	2	\$40,000.00
Hot Oil Emulsion	Streets	City Fuel Tax	2	\$30,000.00
Winter Street Sand	Streets	City Fuel Tax	2	\$10,000.00
Crack Routing, Sealing or Mastic	Streets	City Fuel Tax	3	\$11,000.00
Sewer Lining	Waste Water		1	\$380,000.00
Refuse Truck Replacement	Solid Waste		3	\$220,000.00
New 1.5 CY, 300 Gallon Refuse Dumpsters	Solid Waste		2	\$18,000.00
New 4 CY, Metal Refuse Dumpsters	Solid Waste		2	\$14,000.00
New 96 Gallon refuse Cart Dumpsters	Solid Waste		2	\$8,000.00
<b>Total FY 2026</b>				<b>\$1,781,944.00</b>

## SUMMARY TABLE

### Fiscal Year 2027 Projects

City 2027 Projects	Department	Funding Sources	Priority (1-5)	Project Costs
City Hall Parking Lot Reconstruct (Old Fire Hall)	Public Works	All	2	\$150,000.00
Wagon Wheel Phase 1	Storm		1	\$950,806.00
Annual Mill & Overlay Project	Streets	City Fuel Tax	1	\$100,000.00 - \$200,000.00
Cold Mix Patching Material	Streets	City Fuel Tax	2	\$50,000.00 - \$60,000.00
¾" Crushed Base Coarse Aggregate	Streets	City Fuel Tax	2	\$40,000.00
Hot Oil Emulsion	Streets	City Fuel Tax	2	\$30,000.00
Winter Street Sand	Streets	City Fuel Tax	2	\$10,000.00
Crack Routing, Sealing or Mastic	Streets	City Fuel Tax	3	\$11,000.00
12 <sup>th</sup> Ave. SW Water	Water		2	\$2,950,000.00
Sewer Lining	Waste Water		1	\$380,000.00
New 1.5 CY, 300 Gallon Refuse Dumpsters	Solid Waste		2	\$18,000.00
New 4 CY, Metal Refuse Dumpsters	Solid Waste		2	\$14,000.00
New 96 Gallon refuse Cart Dumpsters	Solid Waste		2	\$8,000.00
Johnson Park	Parks			\$250,000.00
<b>Total FY 2027</b>				<b>\$5,016,806.00</b>

## SUMMARY TABLE

### Fiscal Year 2028 Projects

City 2028 Projects	Department	Funding Sources	Priority (1-5)	Project Costs
22 <sup>nd</sup> Ave. NW Bike/Pedestrian Path	Public Works Sidewalks	MDT TA Grant/City Paths	2	\$203,800.00
Wagon Wheel Phase 2	Storm		2	\$1,507,911.00
Annual Mill & Overlay Project	Streets	City Fuel Tax	1	\$100,000.00 - \$200,000.00
Cold Mix Patching Material	Streets	City Fuel Tax	2	\$50,000.00 - \$60,000.00
¾" Crushed Base Coarse Aggregate	Streets	City Fuel Tax	2	\$40,000.00
Hot Oil Emulsion	Streets	City Fuel Tax	2	\$30,000.00
Winter Street Sand	Streets	City Fuel Tax	2	\$10,000.00
Crack Routing, Sealing or Mastic	Streets	City Fuel Tax	3	\$11,000.00
West Holly/Fairgrounds	Water		3	\$3,900,000.00
Sewer Lining	Waste Water		1	\$380,000.00
Refuse Truck Replacement	Solid Waste		2	\$250,000.00
New 1.5 CY, 300 Gallon Refuse Dumpsters	Solid Waste		2	\$18,000.00
New 4 CY, Metal Refuse Dumpsters	Solid Waste		2	\$14,000.00
New 96 Gallon refuse Cart Dumpsters	Solid Waste		2	\$8,000.00
Lyndale Park	Parks			\$360,500.00
Aboretum Park	Parks			\$1,000,000.00
<b>Total FY 2028</b>				<b>\$7,938,211.00</b>

## SUMMARY TABLE

### Fiscal Year 2029 Projects

City 2029 Projects	Department	Funding Sources	Priority (1-5)	Project Costs
Annual Mill & Overlay Project	Streets	City Fuel Tax	1	\$100,000.00 - \$200,000.00
Cold Mix Patching Material	Streets	City Fuel Tax	2	\$50,000.00 - \$60,000.00
¾" Crushed Base Coarse Aggregate	Streets	City Fuel Tax	2	\$40,000.00
Hot Oil Emulsion	Streets	City Fuel Tax	2	\$30,000.00
Winter Street Sand	Streets	City Fuel Tax	2	\$10,000.00
Crack Routing, Sealing or Mastic	Streets	City Fuel Tax	3	\$11,000.00
7 <sup>th</sup> Ave SW Replacement	Water		3	\$850,000.00
Sewer Lining	Waste Water		1	\$380,000.00
New 1.5 CY, 300 Gallon Refuse Dumpsters	Solid Waste		2	\$18,000.00
New 4 CY, Metal Refuse Dumpsters	Solid Waste		2	\$14,000.00
New 96 Gallon refuse Cart Dumpsters	Solid Waste		2	\$8,000.00
Pool Park	Parks			\$225,000.00
<b>Total FY 2029</b>				<b>\$1,791,000.00</b>

### INTERNAL FUNDING SOURCES

To be completed following receipt of City funding tables.

### AVAILABLE COMMUNITY FUNDING SOURCES

**General Fund and Cash Reserves:** The City of Sidney raises approximately \$4.1 million each fiscal year for the general fund. The City Council has appropriated (approved for spending) approximately \$4.8 million in expenditures for Fiscal Year 2022. In discussion with the Clerk-Treasurer, the City has a pattern over the past 5-years of appropriating more general fund dollars than is collected. Assuming all approved expenditures occur, the balance is paid from the City reserves. The City can hold cash reserves equal to 50 percent of annual appropriations or approximately \$2.4 million. Cash reserves currently stand at about \$1 million or 21 percent of the annual general fund balance. Cash reserves at this percentage are not problematic for any given fiscal year and considered to be a sound cash position.

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Reserves are how the City continues to ensure City services and general fund operations from July 1st until tax proceeds are distributed, generally in late November of each year.

**Tax Increment Finance (TIF) Districts:** TIF Districts are often seen as a two-edged sword. While they generally encourage investment/reinvestment in communities, this tool also increases taxable value (increment), used to pay debt for the District while not providing additional revenues to the general fund.

**Public Safety or Other Levies:**

In addition to general fund, cash reserves, and TIF Districts, the City also may request voter approval for levies. Most prominently, communities will request a public safety mill levy, however, levy dollars may also be requested for schools, recreation, and other specific City needs as identified. These efforts generally take significant outreach to the public to provide information regarding the need and to answer taxpayer questions, however, can be a useful and significant funding stream for high priority community projects. Several communities have been successful in recent years in passing public safety mill levies to assist in paying for these critical fire, police, and ambulance services.

**Enterprise Funds:**

Solid Waste: The solid waste fund is in the 'black' for the first time in several years. Because of this, and because there have not been substantial revenues to meet identified needs, the solid waste program has a backlog of capital needs which are outlined in the CIP.

Water: The water enterprise fund is in a healthy financial position, however, there are also several significant capital needs as outlined in the CIP. The City is considering utilizing American Rescue Plan Act (ARPA) allocations to assist with some of these outstanding needs. In addition to capital needs, the City is having discussion about the need to separate the drinking and storm water enterprise fund.

Currently both drinking water and stormwater needs are being funded through the water enterprise fund. This is not ideal and, eventually, these should be divided into separate enterprise funds.

Sewer: The sewer enterprise fund is in a healthy financial position, however, is like the water enterprise fund in that the capital needs are more significant than the current financial resources available. This is another potential opportunity to utilize ARPA funds to assist with one-time priority expenditures.

## EXTERNAL FUNDING SOURCES

Maintaining, rebuilding, and constructing infrastructure is an expensive and time-consuming process. Costs often exceed revenues collected and communities find it necessary to access outside grant and loan resources to fund these projects fully. Although the following is not an exhaustive list of those resources, it does provide a short description of common and often utilized state and federal resources available to assist communities in their infrastructure goals. Some of these programs are only available every-other year (as they are approved by the Montana State legislature). Because of this, it is important that the City plan well in advance, ensuring that projects are ready for consideration when grants are open for application.



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### ***Federal Stimulus/Recovery Funds:***

In addition to the typical state and federal resources as outlined, beginning in 2020, there has been a substantial influx of federal stimulus/recovery money available. The purpose of these dollars is to assist communities in recovering from negative economic impacts related to COVID-19, but this takes many forms and provides for considerable local latitude in how federal allocations and grants are spent to meet this need.

The CARES Act in 2020 included substantial funding for communities for payroll protection, businesses, renter assistance, unemployment insurance, healthcare, as well as childcare, schools, and food assistance. In March 2021, the American Rescue Plan Act (ARPA) was passed, providing over \$350 billion in government support. Extension of several CARES Act programs and dollars were included along with direct appropriations to States, Counties, and Cities for use in providing aid to households, small businesses, non-profits, and assistance to industries particularly hard hit such as tourism, hospitality, and travel; funding government services that were curtailed because of decreased tax revenue caused directly by the pandemic; and making necessary investments in water, sewer, or broadband infrastructure.

In early 2022, the ARPA final rule was released which provided additional flexibility in the spending of ARPA dollars to include up to a presumed \$10 million revenue deficit for communities. This resulted in communities no longer having to complete lengthy revenue loss calculation forms to utilize their ARPA allocations as “lost revenue,” effectively giving communities permission to utilize their direct ARPA allocation (with very few exceptions) for ANYTHING that governments typically spend their revenues. This includes roads, bridges, community facilities, and other forms of infrastructure previously not included.

In late 2021 Congress passed the third federal relief bill, the Infrastructure Investment and Jobs Act (IIJA); Building a Better America. This provides an additional \$973 billion over five years (FY2022-FY2026) including \$550 billion in new infrastructure investments in transportation, water, power and energy, environmental remediation, public lands, broadband, and resilience. This includes reauthorization and additional funding for several existing grant/loan programs as well as several NEW grant/loan programs that will be made available in the next 5 years (through FY2026). There is considerable money for planning and for “shovel ready” projects, making it important that communities identify priority projects and ensure planning and related planning documents/processes are in place to take full advantage of these limited-time opportunities. These programs/funding resources change frequently and are only guaranteed available through 2026. A comprehensive list of these can be found here: <https://www.whitehouse.gov/wp-content/uploads/2023/02/Open-and-Upcoming-Infrastructure-Funding-Opportunities-Feb-6-2023-VF.pdf>

### ***Montana Coal Endowment Program (MCEP)***

MCEP (formerly known as the Treasure State Endowment Program or TSEP) offers both planning and construction dollars for water, wastewater, sanitary or storm sewer systems, solid waste disposal, and separation systems and bridges. Planning grants are available for up to \$15,000 and require a 1:1 match. Construction grants are available for the same types of projects and can be awarded for up to \$750,000 depending on user rates being charged in the project area. Construction grants also require a 1:1 match. MCEP planning grant applications are generally accepted in the spring of “odd-numbered” years (legislative years) and construction grants on the alternating “even-numbered” years (when the legislature is not in session). Planning grants are awarded relatively quickly, however, construction grants are ranked and then approved by the legislature, resulting in at least a year between application and award/contract. <https://comdev.mt.gov/Programs-and-Boards/Montana-Coal-Endowment-Program/>

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### ***Community Development Block Grant (CDBG)***

CDBG also offers planning and construction dollars for communities to preserve affordable housing, provide services to the most vulnerable citizens, and plan, construct or rehabilitate infrastructure and public facilities that primarily benefit low-to-moderate income (LMI) citizens. Planning grants are available for up to \$50,000 and require a 1:3 match. They can be used for various community planning activities including studies, research projects, growth policies, CIP links, updating of subdivision and zoning regulations, master plans, and economic development studies. Applications for planning are generally requested in the late summer/early fall of each year. CDBG Construction grant applications are accepted once per year (usually in the fall/winter of each year) and may request up to \$450,000.

These also require a 1:3 match and projects must be in communities where the percentage of LMI citizens is at least 51 percent. <https://comdev.mt.gov/Programs/CDBG>

### ***Montana Coal Board***

The Montana Coal Board facilitates funding from the Montana Coal Severance Tax. Funding is appropriated by the Montana legislature every two years and utilized to assist local governments that have been impacted because of the development of coal or coal energy in public services (including infrastructure, emergency equipment, and other community facility needs). Only communities designated as being in the Coal Impact Area can apply (Laurel is included in the Coal Impact Area). Communities are expected to contribute to project costs to the degree they are able, but there is no specified maximum grant amount nor a specified match requirement.

The Coal Board meets quarterly and reviews applications at that time. Funding is always contingent on coal severance tax revenues. <https://comdev.mt.gov/Boards/Coal>

### ***Department of Natural Resources- Renewable Resource Grant and Loan Program (DNRC-RRGL)***

DNRC-RRGL offers both grants and loans for planning and construction. Funds are utilized for projects that conserve, manage, develop, or preserve Montana's renewable resources. This includes numerous public facility projects, including drinking water, wastewater, and solid waste development and improvement projects. Planning grants are available for up to \$15,000 and do not require a match. Applications are typically due in early spring and depending on funding availability, sometimes a second round in the fall of each year. Construction grants are available for up to \$125,000, and, again, there is no match requirement. These applications are due on May 15<sup>th</sup> of even-numbered years and, like MCEP, are ranked and then approved for funding through the Montana legislature in the following legislative cycle.

DNRC-RRGL also offers low-interest loans, which are determined by the community's debt capacity. Additional smaller grants for irrigation development, watershed management, and emergencies (both grants and loans) are also available. <http://dnrc.mt.gov/divisions/cardd/resource-development/renewable-resource-grant-program>

### ***Montana State Revolving Loan Fund (SRF)***

Located within the Department of Natural Resources and Conservation (DNRC), these low-interest loans are available to local government borrowers for wastewater (water pollution control projects) and drinking water projects. Loans can be applied for at any time (there is no official deadline) and funds are made available depending on the community's debt capacity/ratio. <http://dnrc.mt.gov/divisions/cardd/financial-bureau>

### ***Montana Board of Investments- INTERCAP Loan Program***

INTERCAP loans are available for a variety of community infrastructure and public equipment/vehicle needs. Loans are low interest and, like the SRF loans, based on the community's debt capacity/ratio. Like

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SRF, there is no hard deadline for these applications. For smaller loans (less than \$1 million), staff can review loans at any time and make determinations. If a loan is more than \$1 million, the loan committee must approve the loan. That committee generally meets monthly. If a loan is more than \$5 million, the Board of Investments must approve the loan. That Board meets quarterly. The interest rates on INTERCAP loans are generally less than that of other loans, but the loan term is also less, with a maximum term of 15 years or useful life of the project, whichever is less. <https://investmentmt.com/INTERCAP>

***US Department of Agriculture-Rural Development (USDA-RD)***

USDA-RD offers grants and loans for planning and construction of various community and individual projects. The division provides business and industry loan guarantees, rural business development grants, rural energy and renewable energy programs, efficiency improvement loans & grants, value-added producer grants, community facility direct loans and grants, water and waste disposal loans and grants, single-family housing direct home loans, single-family housing repair loans and grants and technical assistance grants. USDA RD prefers loan/grant combinations for infrastructure projects and serves rural communities with populations of no more than 20,000 residents. There is a strong preference for communities with a population of less than 5,500 and low-income communities having a median household income below 80 percent of the state nonmetropolitan median household income.

USDA generally has substantial resources, but the application process is lengthy and sometimes prohibitive, especially for communities without a grant writer or dedicated staff. <https://www.rd.usda.gov/mt>

***Economic Development Administration (EDA)***

EDA offers funding through their Public Works and Economic Assistance Program to assist economically distressed communities and regions with comprehensive and flexible resources to address a wide variety of economic development needs. Project funds can be utilized to support work in Opportunity Zones and support for creating and retaining jobs, increasing private investment, advancing innovation, enhancing manufacturing capacity of regions, providing workforce development opportunities, and growing ecosystems that attract foreign direct investment. EDA funds are facilitated by the US Department of Commerce (federal dollars).

There are generally no “hard” deadlines for application to EDA funds and no specified maximum grant amounts, although the influx in federal funds to EDA has resulted in several new programs that do have deadlines and specified maximum grant awards. EDA does typically require a 1:1 match, and it is recommended applicants work with their regional EDA representative to discuss projects and formulate applications in advance of submission.