



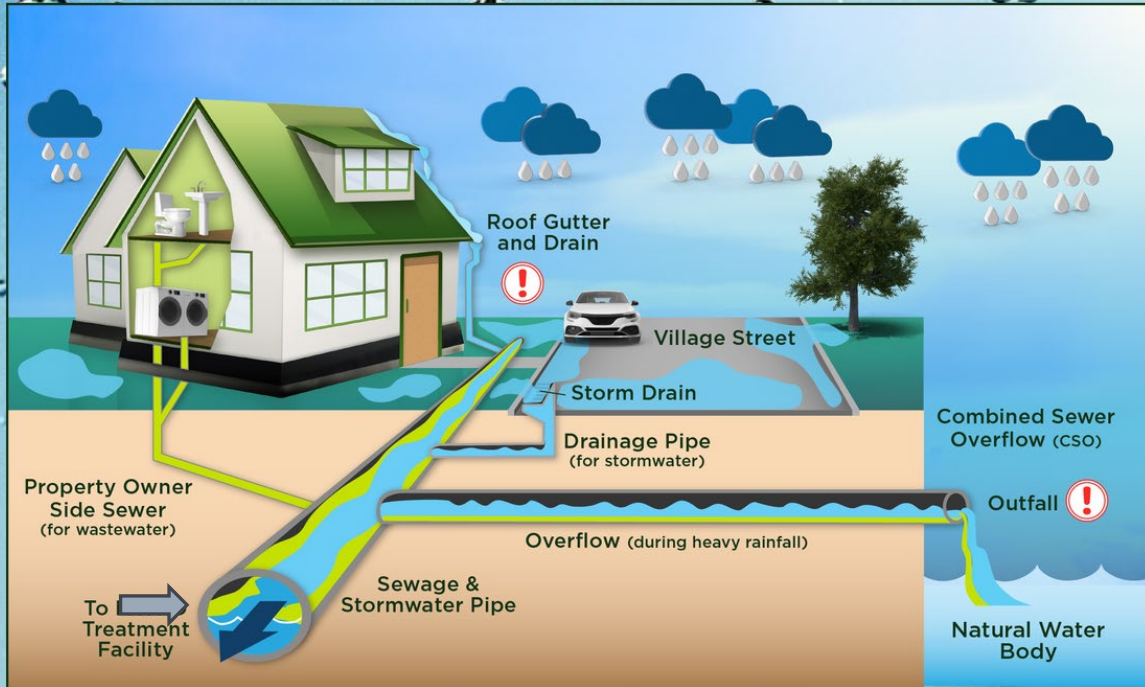
Stormwater Separation Project



What is Stormwater?

Surface water from rain or melting snow that does not soak into the ground.

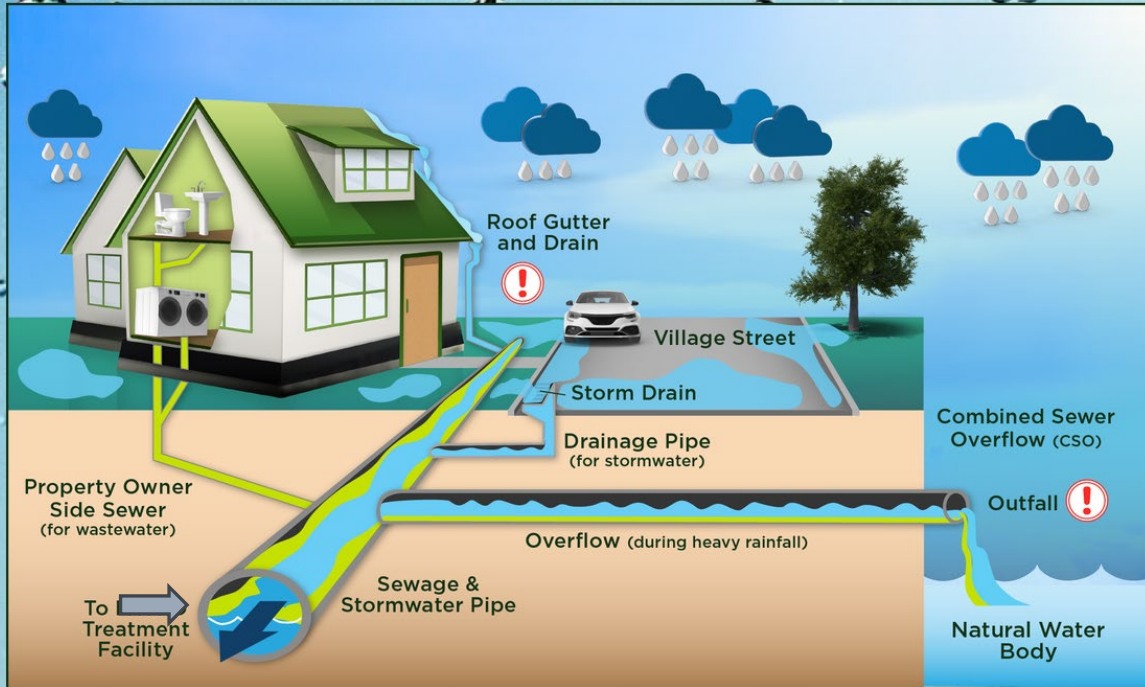
COMBINED SYSTEM



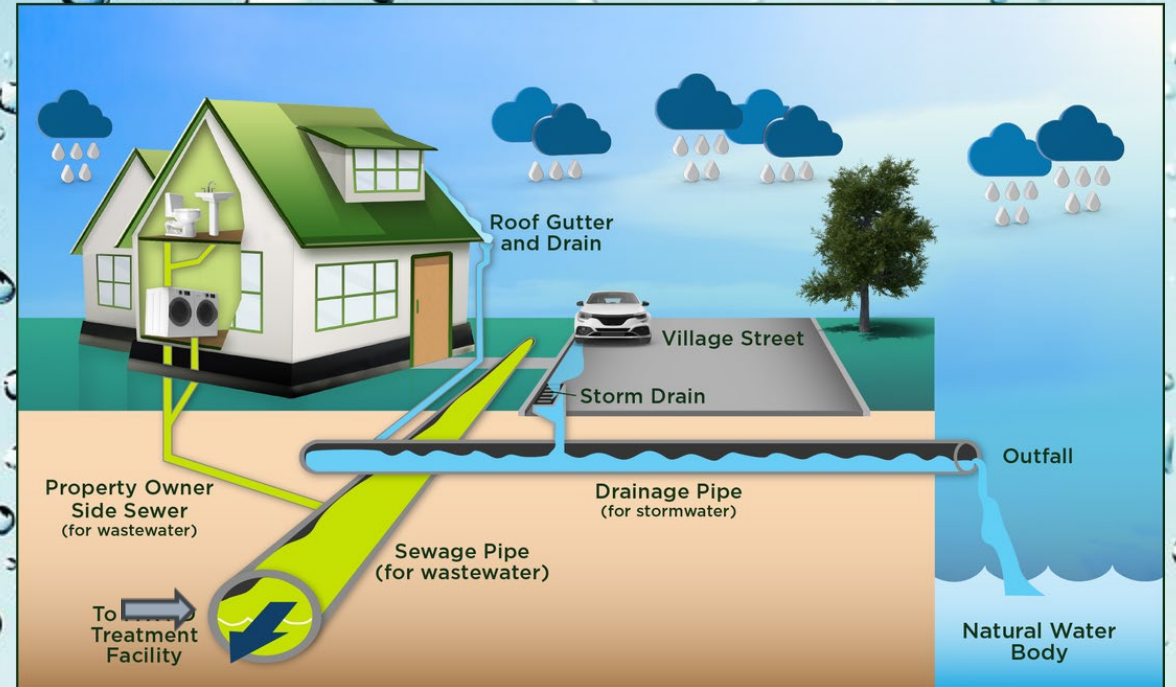
Grosse Pointe currently has a portion of both combined and separated stormwater sewer systems.

Combined Sewer Systems collect both stormwater and sewage in the same pipe for treatment. During heavy rain, stormwater enters combined sewers faster than they can drain, causing basement backups and roadway flooding.

COMBINED SYSTEM



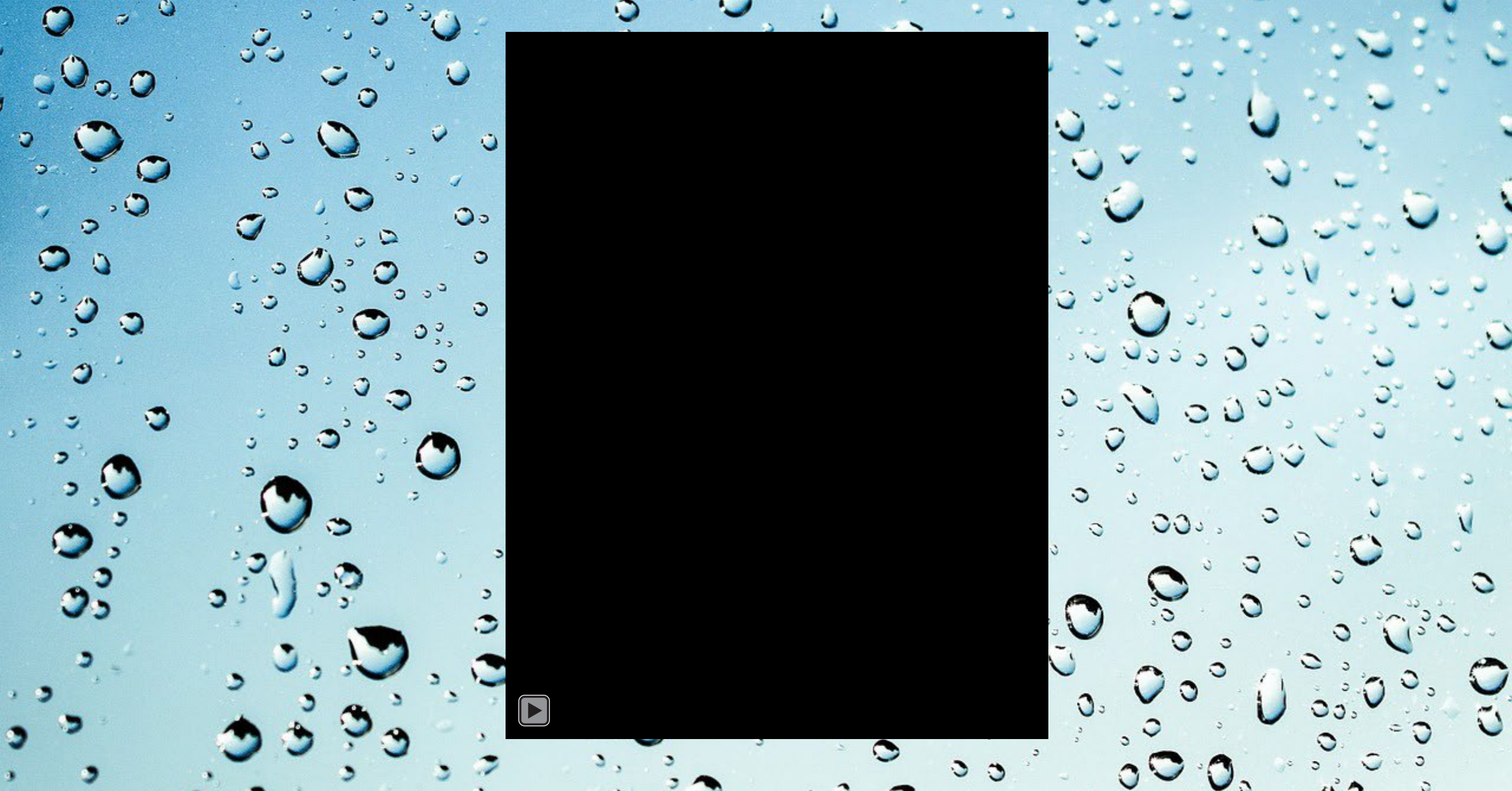
SEPARATED SYSTEM



Grosse Pointe currently has a portion of both combined and separated stormwater sewer systems.

Combined Sewer Systems collect both stormwater and sewage in the same pipe for treatment. During heavy rain, stormwater enters combined sewers faster than they can drain, causing basement backups and roadway flooding.

Separated Storm Sewer Systems have one drainage pipe for stormwater and a second pipe for sewage. This reduces the risk of heavy rain or snow causing basement backups or street flooding.





Street Flooding



Impacts of Basement Backups

Why does it flood if we already have a partially separated system?

It Affects Everyone!

The Neff Road pump station services all sanitary sewer lines in the City as a centralized collection point. During heavy rain events the inflow of the combined sewers exceeds the capacity of the pumps causing sewer back ups throughout the entire City.



Additional Flows Treated = Additional Treatment Costs
Lower Flows = Lower Costs

What is the plan to continue stormwater sewer separation efforts in the City?

Applied for Federal funding in 2022 to continue separation efforts. Notified of funding availability in October of 2023.

There is a local match commitment required for federal funding.



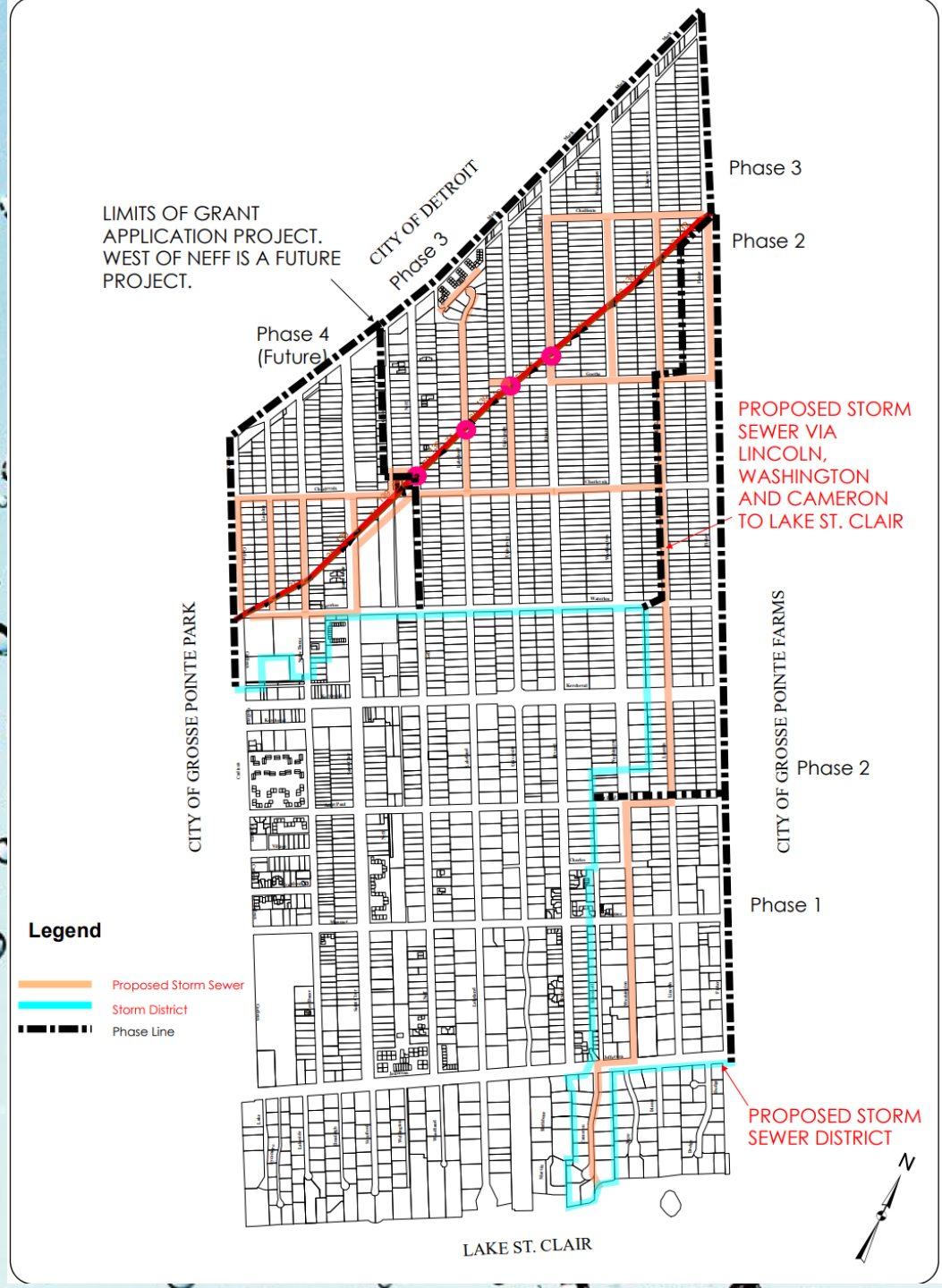
FEMA

Increment Number	Anticipated Date	Activity Description	Project Increment Amount (Federal + Local Share)	Project Federal Share (~76%)
1	At Award	Phase 1 Increment	\$ 8,368,397.00	\$ 6,334,605.85
2	May-2024	Phase 2 Increment	\$ 9,558,323.00	\$ 7,235,341.35
3	May-2025	Phase 3 Increment	\$ 10,644,624.00	\$ 8,057,636.06
Total			\$ 28,571,344.00	\$ 21,627,583.26

Project Scope

Includes design engineering and construction.

Installation of new storm sewers in the general areas north of Waterloo and east of Washington.



Grant Project Timeline

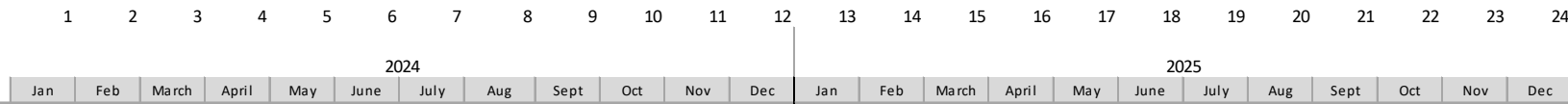
Grosse Pointe Sewer Separation Phase 1 and 2 Only

BRIC Grant
 Prepared by: Stephen V. Pangori, PE

12/13/2023

Project Start:

Display Week:



TASK	ASSIGNED TO	PROGRESS	START	END
Phase 1 - Design				
Anticipated Grant Award			1/2/24	1/31/24
Preparation of Plans and Specifications			2/1/24	8/1/24
FEMA Review of Plans and Specs			8/1/24	9/1/24
Permits (EGLE, USACE, SESC)			9/1/24	11/1/24
Bidding, Award and Contracts			10/1/24	12/1/24
Phase 2 - Construction				
			12/1/24	1/11/26

Local Match Component

Estimate of \$28,571,344 in total project costs.

76% funded by FEMA

Approximately \$21 Million

24% local match

Approx. \$7 Million, but will be the balance of the actual project cost over the federal match.

\$28,571,344 Estimated Project Cost



FEMA

76%

\$21,627,583



24%

Project Cost Balance

Revised Project Budget

To meet project deadlines, engineering design work would occur this year with construction starting next year.

The City would have a 10% match commitment on Phase 1 engineering design costs even if bond funding isn't approved. Approximately \$142,000.

Overall estimated project costs have increased since the grant submittal.

**City of Grosse Pointe
HMGP Grant Budget
October 31, 2023
Revised 12/14/23**

REVISED BUDGET

Phase 1 - Design		
	\$ 1,122,445.68	Plans and Specs (4.8% ASCE Curve)
	\$ 233,842.85	Permitting (1.0%)
	\$ 1,356,288.53	Subtotal
	\$ 67,814.43	Contingencies (5.0%)
	\$ 1,424,102.96	Total
	\$ 1,281,692.66	Grant amount 90%
	\$ 142,410.30	City Match 10%
Phase 2 - Construction	\$ 23,384,285	Construction Total *
	\$ 467,686	Permits - 2%
	\$ 748,297	Admin - 3.2%
	\$ 1,870,743	Construction Engineering (8.0%)
	\$ 26,471,011	Subtotal
	\$ 1,323,551	Contingencies (5.0%)
	\$ 27,794,561	Total
	\$ 21,627,583	Total Grant amount
	\$ 1,281,693	Less Grant for phase 1
	\$ 20,345,890	Remaining Grant Available for phase 2
	\$ 7,448,671	City Match for phase 2
	\$ 29,218,664	Total Project Cost
	\$ 21,627,583	Total Grant amount
	\$ 7,591,081	City Match Total

* Construction Costs increased 5% from last estimate due to inflation

Revised Project Budget

To meet project deadlines, engineering design work would occur this year with construction starting next year.

The City would have a 10% match commitment on Phase 1 engineering design costs even if bond funding isn't approved. Approximately \$142,000.

Overall estimated project costs have increased since the grant submittal.

City of Grosse Pointe
 HMGP Grant Budget
 October 31, 2023
 Revised 12/14/23

REVISED BUDGET

Phase 1 - Design		
	\$ 1,122,445.68	Plans and Specs (4.8% ASCE Curve)
	\$ 233,842.85	Permitting (1.0%)
	\$ 1,356,288.53	Subtotal
	\$ 67,814.43	Contingencies (5.0%)
	\$ 1,424,102.96	Total
	\$ 1,281,692.66	Grant amount 90%
	\$ 142,410.30	City Match 10%
Phase 2 - Construction	\$ 23,384,285	Construction Total *
	\$ 467,686	Permits - 2%
	\$ 748,297	Admin - 3.2%
	\$ 1,870,743	Construction Engineering (8.0%)
	\$ 26,471,011	Subtotal
	\$ 1,323,551	Contingencies (5.0%)
	\$ 27,794,561	Total
	\$ 21,627,583	Total Grant amount
	\$ 1,281,693	Less Grant for phase 1
	\$ 20,345,890	Remaining Grant Available for phase 2
	\$ 7,448,671	City Match for phase 2
	\$ 29,218,664	Total Project Cost
	\$ 21,627,583	Total Grant amount
	\$ 7,591,081	City Match Total

* Construction Costs increased 5% from last estimate due to inflation

Local Match Component Funding Sources

Sewer Water Fund

General Fund

Voter Approved Ballot Initiative

Sewer Water Fund

****Fund Balance Is Insufficient!****

2019 – 2016 Basement Flooding
Lawsuit Payout \$1M

2020 – DPW Facility Sewer/Water
Infrastructure Needs \$1.5M

2021 – Loraine Street Project \$2M

2021 – Sewer Water Jetting \$250K



General Fund

****Fund Balance Is Insufficient!****

Estimated Fund Balance of \$2.3M

Would impact Fund Balance Policy

Would impact City operations

Would impact City's bond rating



Voter Approved Bond

Allows capacity outside maximum
levy of Headlee millage rollback.

Specific to dedicated purposes.

A commitment to the community.

Voted Bond Timeline

Tuesday, April 30, 2024

Deadline for petitions to place local ballot question on the August ballot.

Tuesday, May 14, 2024

Deadline for ballot wording of proposals qualified to appear on August ballot certified to local clerk.

Tuesday, August 6, 2024

Primary Election

Millage Request

Term	<u>\$7 Million</u>	<u>\$9 Million</u>	<u>\$10 Million</u>	<u>\$12 Million</u>	<u>\$13 Million</u>	<u>\$14 Million</u>	<u>\$15 Million</u>
20 Year Bond	1.01 mills	1.30 mills	1.45 mills	1.74 mills	1.88 mills	2.02 mills	2.17 mills
25 Year Bond	.88 mills	1.13 mills	1.26 mills	1.51 mills	1.63 mills	1.76 mills	1.88 mills

Estimated Cost to Taxpayers

\$15 Million Authorization

Allocation Determined Upon Receipt of Bid Proposals. Estimated highest annual cost per average residential property.

20 year Bond = \$382.07/yr

25 Year Bond = \$331.01/yr

Based on an Average Residential Taxable Value of \$176,069 for 2023.



What if construction costs come in under the \$15 Million match authorization?

OPTION 1 – Issue bonds for costs needed to complete the stormwater separation project.

OPTION 2 – Issue bonds for costs needed to complete the stormwater separation project and if there is a balance, allocate up to \$1.4 million of the \$15 million for capital needs in the city’s capital projects and improvement plan. Total authorization would not exceed \$15 million.

Examples:

2024-25	Garbage Truck	\$245,000
	10 yard Dump Truck	\$242,000
	St. Clair Resurfacing Project	
	Match Commitment	\$300,000
2025-26	Front End Loader	\$286,000
2027-28	Garbage Truck	\$274,000
Total		\$1,355,000

MDOT Surface Transportation Program Funding for St. Clair Avenue

St. Clair Ave. Resurfacing Project* from St. Paul to Waterloo

Total Estimated Construction Cost	\$695,890
<u>Federal Match for Construction (81.85%)</u>	<u>\$569,585</u>
City Match (balance of federal match for construction (\$126,305) and engineering & testing)	\$268,395

*Project in 2025 calendar year

OPTIONS

Considerations for Action

- **OPTION 1** - To authorize the City Manager to work with Bond Counsel and our Financial Advisors to prepare ballot language for a voter approved bond for August 2024 in an amount not to exceed \$15 million to meet our grant match obligations for the stormwater separation project.
- **OPTION 2** - To authorize the City Manager to work with Bond Counsel and our Financial Advisors to prepare ballot language for a voter approved bond for August 2024 in an amount not to exceed \$15 million to meet our grant match obligations for the stormwater separation project inclusive of other capital needs in an amount not to exceed \$1.4 million.

Council Questions from January 22nd Study Session

Q1. Is there existing bond capacity from the prior bond authorization the City approved?

A1. The previously authorized sewer/water bond was authorized in October of 2022 in the amount of \$15 million. To date, \$3,570,000 was issued for planned projects and the balance of \$11,430,000 is slated for the balance of the projects in the bond schedule. Based on current project costs, we do not anticipate there will be unused bond capacity from this authorization.

Q2. Is there work planned for the Conner Creek Pump Station downstream of the City and with the City of Grosse Pointe Farms upstream to also help alleviate backups?

A2. The major work on the Conner Pump Station will begin in FY2026 (7/1/2025) per GLWA's FY2025-2029 Capital Improvement Plan. Grosse Pointe Farms stormwater separation project is currently focused on securing funds for design engineering work and construction funding will be pursued once design engineering is completed and updated costs estimates are obtained.

Q3. What is the estimated cost to construct Phase 4 of the stormwater separation project?

A3. The estimated cost to fund Phase 4 of the stormwater separation project is \$6.93 million. This includes the area from Waterloo to Charlevoix and Cadieux to St. Clair. Given streets were recently reconstructed in this area, separations in this area can be done in conjunction with future road projects.

Q4. How does the City of Grosse Pointe millage levy compare to the other Grosse Pointe communities?

A4. The following chart outlines the comparison of tax levies among the other Grosse Pointe communities.

Community	City Charter Operating Levy	Other Extra Voted Operating Levy	Deby Levy	Total Municipal Levy
Grosse Pointe Farms	11.5270	4.5618	0.3767	16.4655
Grosse Pointe Park	10.5917	7.6656	0.7910	19.0483
Grosse Pointe Shores	13.6444	3.6191	0.7566	18.0201
Grosse Pointe Woods	13.9269	2.5291	5.8477	22.3037
Grosse Pointe City	11.0425	3.9875	1.8090	16.8390
Grosse Pointe City w/ additional 2.17 mills	11.0425	6.1575	1.8090	19.0090

Questions?

